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 September 30, 2013

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 No.: 0-51952

ALLIANCE HOLDINGS GP, L.P.

(Exact name of registrant as specified in its charter)

Delaware	**03-0573898**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

1717 South Boulder Avenue, Suite 400, Tulsa, Oklahoma 74119
(Address of principal executive offices and zip code)

(918) 295-1415
(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. [X] 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). [X] 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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one)

Large Accelerated Filer [X]	Accelerated Filer [ ]	Non-Accelerated Filer [ ] (Do not check if 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 [X] No

As of November 7, 2013, 59,863,000 common units are outstanding.

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ALLIANCE HOLDINGS GP, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except unit data)
(Unaudited)

ASSETS	September 30, 2013	December 31, 2012
CURRENT ASSETS:		
Cash and cash equivalents	$ 23,121	$ 31,111
Trade receivables	169,916	172,724
Other receivables	1,121	1,019
Due from affiliates	620	562
Inventories	69,331	46,660
Advance royalties	11,280	11,492
Prepaid expenses and other assets	3,817	20,554
Total current assets	279,206	284,122
PROPERTY, PLANT AND EQUIPMENT:		
Property, plant and equipment, at cost	2,576,521	2,361,863
Less accumulated depreciation, depletion and amortization	(990,133)	(832,293)
Total property, plant and equipment, net	1,586,388	1,529,570
OTHER ASSETS:		
Advance royalties	20,881	23,267
Equity investments in affiliates	124,345	88,513
Due from affiliate	11,150	3,084
Other long-term assets	29,003	30,284
Total other assets	185,379	145,148
TOTAL ASSETS	$ 2,050,973	$ 1,958,840
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES:		
Accounts payable	$ 107,450	$ 100,678
Due to affiliates	393	327
Accrued taxes other than income taxes	22,636	20,033
Accrued payroll and related expenses	51,603	38,501
Accrued interest	6,185	1,435
Workers' compensation and pneumoconiosis benefits	9,478	9,320
Current capital lease obligations	1,214	1,000
Other current liabilities	21,763	19,572
Current maturities, long-term debt (Note 7)	80,500	18,000
Total current liabilities	301,222	208,866
LONG-TERM LIABILITIES:		
Long-term debt, excluding current maturities	687,500	773,000
Pneumoconiosis benefits	63,921	59,931
Accrued pension benefit	31,202	31,078
Workers' compensation	70,733	68,786
Asset retirement obligations	76,517	81,644
Long-term capital lease obligations	17,513	18,613
Other liabilities	6,831	9,147
Total long-term liabilities	954,217	1,042,199
Total liabilities	1,255,439	1,251,065
COMMITMENTS AND CONTINGENCIES		
PARTNERS' CAPITAL:		
Alliance Holdings GP, L.P. ("AHGP") Partners' Capital:		
Limited Partners – Common Unitholders 59,863,000 units outstanding	487,453	448,976
Accumulated other comprehensive loss	(17,314)	(18,296)
Total AHGP Partners' Capital	470,139	430,680
Noncontrolling interests	325,395	277,095
Total Partners' Capital	795,534	707,775
TOTAL LIABILITIES AND PARTNERS' CAPITAL	$ 2,050,973	$ 1,958,840

See notes to condensed consolidated financial statements.

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ALLIANCE HOLDINGS GP, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except unit and per unit data)
(Unaudited)

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
SALES AND OPERATING REVENUES:				
Coal sales	$ 518,447	$ 499,003	$ 1,594,530	$ 1,441,107
Transportation revenues	11,554	5,625	23,459	17,651
Other sales and operating revenues	7,135	6,720	20,595	25,854
Total revenues	537,136	511,348	1,638,584	1,484,612
EXPENSES:				
Operating expenses (excluding depreciation, depletion and amortization)	346,045	338,644	1,042,057	946,806
Transportation expenses	11,554	5,625	23,459	17,651
Outside coal purchases	636	4,424	2,028	34,759
General and administrative	15,237	15,282	47,956	47,494
Depreciation, depletion and amortization	66,099	59,781	198,688	154,923
Asset impairment charge	-	19,031	-	19,031
Total operating expenses	439,571	442,787	1,314,188	1,220,664
INCOME FROM OPERATIONS	97,565	68,561	324,396	263,948
Interest expense (net of interest capitalized for the three and nine months ended September 30, 2013 and 2012 of $2,816, $1,701, $8,220 and $6,433, respectively)	(6,168)	(7,446)	(19,004)	(21,626)
Interest income	253	94	565	239
Equity in loss of affiliates, net	(5,990)	(2,832)	(15,556)	(11,040)
Other income	372	254	999	2,853
INCOME BEFORE INCOME TAXES	86,032	58,631	291,400	234,374
INCOME TAX BENEFIT	(718)	(102)	(1,307)	(726)
NET INCOME	86,750	58,733	292,707	235,100
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(32,539)	(19,238)	(117,517)	(91,927)
NET INCOME ATTRIBUTABLE TO ALLIANCE HOLDINGS GP, L.P. ("NET INCOME OF AHGP")	$ 54,211	$ 39,495	$ 175,190	$ 143,173
BASIC AND DILUTED NET INCOME OF AHGP PER LIMITED PARTNER UNIT	$ 0.91	$ 0.66	$ 2.93	$ 2.39
DISTRIBUTIONS PAID PER LIMITED PARTNER UNIT	$ 0.785	$ 0.6975	$ 2.2875	$ 2.0025
WEIGHTED AVERAGE NUMBER OF UNITS OUTSTANDING - BASIC AND DILUTED	59,863,000	59,863,000	59,863,000	59,863,000

See notes to condensed consolidated financial statements.

ALLIANCE HOLDINGS GP, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
NET INCOME	$ 86,750	$ 58,733	$ 292,707	$ 235,100
OTHER COMPREHENSIVE INCOME:				
Defined benefit pension plan				
Amortization of actuarial loss (1)	557	458	1,675	1,373
Total defined benefit pension plan adjustments	557	458	1,675	1,373
Pneumoconiosis benefits				
Amortization of actuarial loss (1)	168	194	503	582
Total pneumoconiosis benefits adjustments	168	194	503	582
OTHER COMPREHENSIVE INCOME	725	652	2,178	1,955
COMPREHENSIVE INCOME	87,475	59,385	294,885	237,055
Less: Comprehensive income attributable to noncontrolling interest	(32,951)	(19,608)	(118,713)	(92,991)
COMPREHENSIVE INCOME ATTRIBUTABLE TO AHGP	$ 54,524	$ 39,777	$ 176,172	$ 144,064

(1) Amortization of actuarial loss is included in the computation of net periodic benefit cost (see Notes 10 and 12 for additional details).

See notes to condensed consolidated financial statements.

ALLIANCE HOLDINGS GP, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	$ 548,884	$ 422,369
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant and equipment:		
Capital expenditures	(242,653)	(332,353)
Changes in accounts payable and accrued liabilities	(354)	(4,024)
Proceeds from sale of property, plant and equipment	124	114
Purchases of equity investments in affiliate	(47,500)	(43,100)
Payment for acquisition of business	-	(100,000)
Payments to affiliate for acquisition and development of coal reserves	(21,318)	(34,601)
Advances/loans to affiliate	(7,500)	(2,229)
Payments from affiliate	-	4,229
Other	-	546
Net cash used in investing activities	(319,201)	(511,418)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under term loan	-	250,000
Borrowings under revolving credit facilities	211,000	150,000
Payments under revolving credit facilities	(216,000)	(75,000)
Payment on term loan	-	(300,000)
Payment on long-term debt	(18,000)	(18,000)
Payments on capital lease obligations	(886)	(673)
Payment of debt issuance costs	-	(4,272)
Net settlement of employee withholding taxes on vesting of ARLP Long-Term Incentive Plan	(3,015)	(3,734)
Distributions paid by consolidated partnership to noncontrolling interests	(73,835)	(66,755)
Distributions paid to Partners	(136,937)	(119,876)
Net cash used in financing activities	(237,673)	(188,310)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,990)	(277,359)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	31,111	281,469
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 23,121	$ 4,110
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 21,638	$ 22,166
NON-CASH INVESTING AND FINANCING ACTIVITY:		
Accounts payable for purchase of property, plant and equipment	$ 20,618	$ 20,955
Market value of ARLP common units issued under ARLP's Long-Term Incentive and Directors Deferred Compensation Plans before minimum statutory tax withholding requirements	$ 8,583	$ 11,070
Acquisition of business:		
Fair value of assets assumed	$ -	$ 126,639
Cash paid	-	(100,000)
Fair value of liabilities assumed	$ -	$ 26,639

See notes to condensed consolidated financial statements.

ALLIANCE HOLDINGS GP, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. ORGANIZATION AND PRESENTATION

Significant Relationships Referenced in Notes to Condensed Consolidated Financial Statements

- References to "we," "us," "our" or "AHGP" mean Alliance Holdings GP, L.P., individually as the parent company, and not on a consolidated basis.
- References to "AHGP Partnership" mean the business and operations of Alliance Holdings GP, L.P., the parent company, as well as its consolidated subsidiaries, which include Alliance Resource Management GP, LLC and Alliance Resource Partners, L.P. and its consolidated subsidiaries.
- References to "AGP" mean Alliance GP, LLC, the general partner of Alliance Holdings GP, L.P., also referred to as our general partner.
- References to "ARLP Partnership" mean the business and operations of Alliance Resource Partners, L.P., the parent company, as well as its consolidated subsidiaries.
- References to "ARLP" mean Alliance Resource Partners, L.P., individually as the parent company, and not on a consolidated basis.
- References to "MGP" mean Alliance Resource Management GP, LLC, the managing general partner of Alliance Resource Partners, L.P.
- References to "SGP" mean Alliance Resource GP, LLC, the special general partner of Alliance Resource Partners, L.P.
- References to "Intermediate Partnership" mean Alliance Resource Operating Partners, L.P., the intermediate partnership of Alliance Resource Partners, L.P.
- References to "Alliance Coal" mean Alliance Coal, LLC, the holding company for the operations of Alliance Resource Operating Partners, L.P.

Organization and Formation

We are a Delaware limited partnership listed on the NASDAQ Global Select Market under the ticker symbol "AHGP". We own directly and indirectly 100% of the members' interest in MGP, ARLP's managing general partner. The ARLP Partnership is a diversified producer and marketer of coal to major United States ("U.S.") utilities and industrial users. ARLP conducts substantially all of its business through its wholly-owned subsidiary, the Intermediate Partnership. ARLP and the Intermediate Partnership were formed in May 1999, to acquire upon completion of ARLP's initial public offering on August 19, 1999, certain coal production and marketing assets of Alliance Resource Holdings, Inc. ("ARH"), a Delaware corporation. We and ARH, through its wholly-owned subsidiary, SGP, maintain general partner interests in ARLP and the Intermediate Partnership. ARH is owned by Joseph W. Craft III, the Chairman, President and Chief Executive Officer of AGP as well as the President and Chief Executive Officer and a Director of MGP, and Kathleen S. Craft. SGP, a Delaware limited liability company, is owned by ARH and holds a 0.01% general partner interest in each of ARLP and the Intermediate Partnership.

We are owned 100% by limited partners. Our general partner, AGP, has a non-economic interest in us and is owned by Mr. Craft.

Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts and operations of the AHGP Partnership and present our financial position as of September 30, 2013 and December 31, 2012, the results of our operations and comprehensive income for the three and nine months ended September 30, 2013 and 2012 and the cash flows for the nine months ended September 30, 2013 and 2012. All of our intercompany transactions and accounts have been eliminated. Net income attributable to Alliance Holdings GP, L.P. from within our accompanying condensed consolidated financial statements will be described as "Net Income of AHGP."

Since we own MGP, our condensed consolidated financial statements reflect the consolidated results of the ARLP Partnership. The earnings of the ARLP Partnership allocated to its limited partners' interests not owned by us and allocated to SGP's general partner interest in ARLP are reflected as net income attributable to noncontrolling interest on our condensed consolidated statement of income and as noncontrolling interest on our condensed consolidated balance sheets. Our consolidated financial statements do not differ materially from those of the ARLP Partnership. The differences between our financial statements and those of the ARLP Partnership are primarily attributable to (a) amounts reported as noncontrolling interests and (b) additional general and administrative costs and taxes attributable to us. The additional general and administrative costs principally consist of costs incurred by us as a result of being a publicly traded partnership, amounts billed by, and reimbursed to, Alliance Coal under an administrative services agreement and amounts billed by, and reimbursed to, AGP under our partnership agreement.

These condensed consolidated financial statements and notes are unaudited. However, in the opinion of management, these financial statements reflect all adjustments (which include only normal recurring adjustments) necessary for a fair presentation of the results for the periods presented. Results for interim periods are not necessarily indicative of results for a full year.

These condensed consolidated financial statements and notes are prepared pursuant to the rules and regulations of the Securities and Exchange Commission for interim reporting and should be read in conjunction with the consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2012.

Use of Estimates

The preparation of AHGP Partnership's condensed consolidated financial statements in conformity with generally accepted accounting principles ("GAAP") of the United States ("U.S.") requires management to make estimates and assumptions that affect the reported amounts and disclosures in our condensed consolidated financial statements. Actual results could differ from those estimates.

2. NEW ACCOUNTING STANDARDS

New Accounting Standards Issued and Adopted

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* ("ASU 2013-02"). ASU 2013-02 requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income ("AOCI") by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, certain significant amounts reclassified out of AOCI by the respective line items of net income. ASU 2013-02 does not change the items that must be reported in AOCI. ASU 2013-02 was effective for fiscal years, and interim periods within those years, beginning after December 15, 2012. The adoption of ASU 2013-02 did not have a material impact on our condensed consolidated financial statements.

3. CONTINGENCIES

We are not engaged in any material litigation. The ARLP Partnership is involved in various lawsuits, claims and regulatory proceedings incidental to its business. The ARLP Partnership records an accrual for a potential loss related to these matters when, in management's opinion, such loss is probable and reasonably estimable. Based on known facts and circumstances, the ARLP Partnership believes the ultimate outcome of these outstanding lawsuits, claims and regulatory proceedings will not have a material adverse effect on its financial condition, results of operations or liquidity. However, if the results of these matters were different from management's current opinion and in amounts greater than the ARLP Partnership's accruals, then they could have a material adverse effect.

4. ACQUISITIONS

Asset Acquisition

In June 2013, the ARLP Partnership's subsidiary, Alliance Resource Properties, LLC ("Alliance Resource Properties"), acquired the rights to approximately 11.6 million tons of proven and probable medium-sulfur coal reserves, and an additional 5.9 million resource tons, in Grant and Tucker County, West Virginia from Laurel Run Mining Company, a subsidiary of Consol Energy, Inc. The purchase price of $25.2 million was allocated to owned and leased coal rights and was financed using existing cash on hand. As a result of the coal reserve purchase, the ARLP Partnership reclassified certain tons of medium-sulfur, non-reserve coal deposits as reserves, which together with the reserves purchased above, extended the expected life of Mettiki Coal (WV), LLC's Mountain View mine.

Green River Collieries, LLC

On April 2, 2012, the ARLP Partnership acquired substantially all of Green River Collieries, LLC's ("Green River") assets related to its coal mining business and operations located in Webster and Hopkins Counties, Kentucky for consideration of $100.0 million. The transaction included the Onton No. 9 mining complex ("Onton mine"), which included the mine, a dock, tugboat, and a lease for the preparation plant, and an estimated 40.0 million tons of coal reserves in the West Kentucky No. 9 coal seam. The Green River acquisition was consistent with the ARLP Partnership's general business strategy and complemented its current coal mining operations.

The following unaudited pro forma information for the nine months ended September 30, 2012 for the AHGP Partnership has been prepared for illustrative purposes as if the business combination occurred on January 1, 2011, the year prior to the acquisition date. The unaudited pro forma results have been prepared based upon Green River's historical results with respect to the business acquired and estimates of the effects of the transactions that the ARLP Partnership believes are reasonable and supportable. The results are not necessarily reflective of the consolidated results of operations had the acquisition actually occurred on January 1, 2011, nor are they indicative of future operating results.

	Nine Months Ended September 30, 2012
	(in thousands)
Total revenues	
As reported	$ 1,484,612
Pro forma	$ 1,511,955
Net income	
As reported	$ 235,100
Pro forma	$ 236,381

The pro forma net income includes adjustments to depreciation, depletion and amortization to reflect the new basis in property, plant and equipment and intangible assets acquired, elimination of income tax expense, and the elimination of interest expense of Green River as its debt was paid off in conjunction with the acquisition.

Synergies from the acquisition are not reflected in the pro forma results.

5. ASSET IMPAIRMENT CHARGE

Pontiki Coal, LLC's ("Pontiki") mining complex in Martin County, Kentucky was idled from August 29, 2012 to November 25, 2012. The Mine Safety and Health Administration ("MSHA") ordered the closure of the coal preparation plant and associated surface facilities at the Pontiki mining complex following the failure on August 23, 2012 of a belt line between two clean coal stacking tubes. MSHA required a comprehensive structural inspection of all the surface facilities by an independent bridge engineering firm before the surface facilities could be reopened. Although the Pontiki mining complex resumed operations to fulfill contractual obligations for the delivery of coal in 2013 under existing coal sales agreements, significant uncertainty remained regarding market demand and pricing for coal from Pontiki beyond 2013. This uncertainty along with the likelihood of future cost increases arising from stringent regulatory oversight placed the long-term viability of Pontiki at significant risk.

As a result of the above events, uncertainty regarding the future operations of the mine and the required additional repair costs, and the assessment of related risks, the ARLP Partnership concluded that indicators of impairment were present and the carrying value of the asset group representing the Pontiki mining complex ("Pontiki Assets") was not fully recoverable. The ARLP Partnership estimated the fair value of the Pontiki Assets and determined it was exceeded by the carrying value and accordingly, the ARLP Partnership recorded an asset impairment charge of $19.0 million in the Central Appalachian segment during the quarter ended September 30, 2012 to reduce the carrying value of the Pontiki Assets to their estimated fair value of $16.1 million. The fair value of the Pontiki Assets was determined using the market and cost valuation techniques and represents a Level 3 fair value measurement. The fair value analysis was based on the marketability of coal properties in the current market environment, discounted projected future cash flows, and estimated fair value of assets that could be sold or used at other operations. As these estimates incorporate certain assumptions, including replacement cost of equipment and marketability of coal reserves in the Central Appalachian region, and it is possible that the estimates may change in the future resulting in the need to adjust the ARLP Partnership's determination of fair value. The asset impairment established a new cost basis on which depreciation, depletion and amortization is calculated for the Pontiki Assets.

As noted above, although the Pontiki mining complex resumed operations, significant uncertainty remained regarding market demand and pricing for coal from Pontiki beyond 2013. On September 27, 2013, the ARLP Partnership issued Worker Adjustment and Retraining Notification (WARN) Act notices to all employees at Pontiki's mining complex. The ARLP Partnership plans to continue operations at the Pontiki mining complex until late November 2013 to fulfill commitments under existing sales contracts at which time the mine is expected to cease production. No additional impairment was required related to the expected closure of the mine as the depreciable lives of the Pontiki Assets were adjusted in 2012 and throughout 2013 as management evaluated the future operations at Pontiki.

6. FAIR VALUE MEASUREMENTS

We apply the provisions of FASB ASC 820, *Fair Value Measurement*, which, among other things, defines fair value, requires disclosures about assets and liabilities carried at fair value and establishes a hierarchal disclosure framework based upon the quality of inputs used to measure fair value.

Valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our own market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1 – Quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3 – Instruments whose significant value drivers are unobservable.

The carrying amounts for cash equivalents, accounts receivable, accounts payable, due from affiliates and due to affiliates approximate fair value because of the short maturity of those instruments. At September 30, 2013 and December 31, 2012, the estimated fair value of the ARLP Partnership's long-term debt, including current maturities, was approximately $787.3 million and $834.3 million, respectively, based on interest rates that it believes are currently available to it for issuance of debt with similar terms and remaining maturities (Note 7). The fair value of debt, which is based upon interest rates for similar instruments in active markets, is classified as a Level 2 measurement under the fair value hierarchy.

7. LONG-TERM DEBT

Long-term debt consists of the following (in thousands):

	September 30, 2013	December 31, 2012
ARLP Revolving credit facility	$ 100,000	$ 155,000
ARLP $50 million facility	50,000	-
ARLP Senior notes	18,000	36,000
ARLP Series A senior notes	205,000	205,000
ARLP Series B senior notes	145,000	145,000
ARLP Term loan	250,000	250,000
	768,000	791,000
Less current maturities	(80,500)	(18,000)
Total long-term debt	$ 687,500	$ 773,000

On September 11, 2013, the Intermediate Partnership entered into a credit agreement for a $50.0 million revolving credit facility ("ARLP Facility") to be used, as appropriate, for short-term working capital requirements. The counterparty to the ARLP Facility is KC-LendCo, LLC, which is controlled by an officer of ARH via his role as independent trustee of irrevocable trusts established by the ARLP Partnership's President and Chief Executive Officer. Borrowings under the ARLP Facility bear interest at the London Interbank Offered Rate ("LIBOR") plus 0.80%, with interest payable quarterly. At September 30, 2013, the LIBOR with applicable margin was 0.98% on borrowings outstanding. The ARLP Facility is included in the current maturities, long-term debt line item on our condensed consolidated balance sheet. The lender and the Intermediate Partnership have the option to terminate the ARLP Facility at any time and the ARLP Facility was terminated on October 29, 2013, with all amounts outstanding, plus interest, paid in full.

The Intermediate Partnership also has $18.0 million in senior notes ("ARLP Senior Notes"), $205.0 million in ARLP Series A and $145.0 million in ARLP Series B senior notes (collectively, the "2008 Senior Notes"), a $700.0 million revolving credit facility ("ARLP Revolving Credit Facility") and a $250.0 million term loan (collectively, with the ARLP Senior Notes, the 2008 Senior Notes and the ARLP Revolving Credit Facility, the "ARLP Debt Arrangements"), which are guaranteed by all of the material direct and indirect subsidiaries of the Intermediate Partnership. The ARLP Debt Arrangements contain various covenants affecting the Intermediate Partnership and its subsidiaries restricting, among other things, the amount of distributions by the Intermediate Partnership, the incurrence of additional indebtedness and liens, the sale of assets, the making of investments, the entry into mergers and consolidations and the entry into transactions with affiliates, in each case subject to various exceptions. The ARLP Debt Arrangements also require the Intermediate Partnership to remain in control of a certain amount of mineable coal reserves relative to its annual production. In addition, the ARLP Debt Arrangements require the Intermediate Partnership to maintain (a) debt to cash flow ratio of not more than 3.0 to 1.0 and (b) cash flow to interest expense ratio of not less than 3.0 to 1.0, in each case, during the four most recently ended fiscal quarters. The debt to cash flow ratio and cash flow to interest expense ratio were 1.12 to 1.0 and 19.4 to 1.0, respectively, for the trailing twelve months ended September 30, 2013. The ARLP Partnership was in compliance with the covenants of the ARLP Debt Arrangements as of September 30, 2013.

At September 30, 2013, the ARLP Partnership had borrowings of $150.0 million and $23.5 million of letters of credit outstanding with $576.5 million available for borrowing under the ARLP Revolving Credit Facility and the ARLP Facility. The ARLP Partnership utilizes the ARLP Revolving

Credit Facility, as appropriate, for working capital requirements, anticipated capital expenditures and investments in affiliates, scheduled debt payments and distribution payments. The ARLP Partnership incurs an annual commitment fee of 0.25% on the undrawn portion of the ARLP Revolving Credit Facility.

8. WHITE OAK TRANSACTIONS

On September 22, 2011 (the "Transaction Date"), the ARLP Partnership entered into a series of transactions with White Oak Resources LLC ("White Oak") and related entities to support development of a longwall mining operation currently under construction. The transactions feature several components, including an equity investment in White Oak (represented by "Series A Units" containing certain distribution and liquidation preferences), the acquisition and lease-back of certain coal reserves and surface rights and a backstop equipment financing facility. The ARLP Partnership's initial investment funding to White Oak at the Transaction Date, consummated utilizing existing cash on hand, was $69.5 million and it funded an additional $197.7 million to White Oak between the Transaction Date and September 30, 2013. The ARLP Partnership expects to fund a total of approximately $300.5 million from the Transaction Date through approximately the next 1.5 years, which includes the funding made to White Oak through September 30, 2013 discussed above. The ARLP Partnership is also committed to invest up to an additional $125.0 million in Series A Units to the extent required for development or operation of the White Oak Mine No. 1 mine, which is subject to certain rights and obligations of other White Oak owners to participate in such investment. On the Transaction Date, the ARLP Partnership also entered into a coal handling and services agreement, pursuant to which the ARLP Partnership constructed and is operating a preparation plant and other surface facilities. It expects to fund these additional commitments utilizing existing cash balances, future cash flows from operations, borrowings under credit facilities and cash provided from the issuance of debt or equity. The following information discusses each component of these transactions in further detail.

Hamilton County, Illinois Reserve Acquisition

On the Transaction Date, the ARLP Partnership's subsidiary, Alliance WOR Properties, LLC ("WOR Properties"), acquired from White Oak the rights to approximately 204.9 million tons of proven and probable high-sulfur coal reserves, of which 105.2 million tons are currently being developed for future mining by White Oak, and certain surface properties and rights in Hamilton County, Illinois (the "Reserve Acquisition"). Hamilton County is adjacent to White County, Illinois, where the White County Coal, LLC Pattiki mine is located. The asset purchase price of $33.8 million cash paid at closing was allocated to owned and leased coal rights. Between the Transaction Date and December 31, 2012, WOR Properties provided $51.6 million to White Oak for development of the acquired coal reserves. During the nine months ended September 30, 2013, WOR Properties acquired from White Oak for $21.3 million cash paid at closing, an additional 75.4 million tons of reserves, of which 38.8 million tons are currently being developed for future mining by White Oak. WOR Properties has a remaining commitment of $33.2 million for additional coal reserve purchases and development funding.

Equity Investment – Series A Units

Concurrent with the Reserve Acquisition, the ARLP Partnership's subsidiary, Alliance WOR Processing, LLC ("WOR Processing"), made an equity investment of $35.7 million in White Oak to purchase Series A Units representing ownership in White Oak. WOR Processing purchased $66.8 million of additional Series A Units between the Transaction Date and December 31, 2012 and $47.5 million of additional Series A Units during the nine months ended September 30, 2013, fulfilling WOR Processing's minimum equity investment commitment. Based on currently anticipated equity contributions by other White Oak owners, the ARLP Partnership does not expect to make further equity investments in White Oak in 2013.

WOR Processing's ownership and member's voting interest in White Oak at September 30, 2013 were 20.0% based upon currently outstanding voting units. The remainder of the equity ownership in White Oak, represented by Series B Units, is held by other investors and members of White Oak management.

The ARLP Partnership continually reviews all rights provided to WOR Processing as well as the ARLP Partnership by various agreements with White Oak and the ARLP Partnership continues to conclude all such rights are protective or participating in nature and do not provide WOR Processing or the ARLP Partnership the ability to unilaterally direct any of the primary activities of White Oak that most significantly impact its economic performance. As such, WOR Processing's interest in White Oak is recognized as an equity investment in affiliate in our consolidated balance sheets. As of September 30, 2013, WOR Processing had invested $150.0 million in Series A Units of White Oak equity, which represents the ARLP Partnership's current maximum exposure to loss as a result of its equity investment in White Oak exclusive of capitalized interest. White Oak has made no distributions to the ARLP Partnership.

WOR Processing's equity in earnings or losses of affiliates are recorded under the hypothetical liquidation at book value method of accounting due to the preferences to which WOR Processing is entitled on distributions. For the three and nine months ended September 30, 2013 and 2012, the ARLP Partnership was allocated losses of $6.2 million, $3.0 million, $16.3 million and $11.6 million, respectively.

Services Agreement

Simultaneous with the closing of the Reserve Acquisition, WOR Processing entered into a Coal Handling and Preparation Agreement ("Services Agreement") with White Oak pursuant to which WOR Processing committed to construct and operate a coal preparation plant and related facilities and a rail loop and loadout facility to service the White Oak longwall Mine No. 1. During the quarter ended September 30, 2013, WOR Processing began processing and loading coal through the facilities and earned throughput fees of $0.6 million from White Oak.

In addition, the Intermediate Partnership agreed to loan $10.5 million to White Oak for the construction of various assets on the surface property, including but not limited to, a bathhouse, office and warehouse ("Construction Loan"). The Construction Loan has a term of 20 years, with repayment scheduled to begin in 2015. White Oak has borrowed the entire amount available under the Construction Loan as of September 30, 2013.

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9. NONCONTROLLING INTERESTS

As required by FASB ASC 810, our noncontrolling ownership interest in consolidated subsidiaries is presented in the condensed consolidated balance sheet within partners' capital as a separate component from the limited partners' equity. In addition, consolidated net income includes earnings attributable to both the limited partners' and the noncontrolling interests.

The noncontrolling interests balance is comprised of non-affiliate and affiliate ownership interests in the net assets of the ARLP Partnership that we consolidate (Note 1). The following table summarizes the components of noncontrolling interests recorded in Partners' Capital for the periods indicated (in thousands):

	September 30, 2013	December 31, 2012
Noncontrolling interests reflected in Partners' Capital:		
Affiliate (SGP)	$ (303,798)	$ (303,798)
Non-Affiliates (ARLP's non-affiliate limited partners)	651,965	604,861
Accumulated other comprehensive loss attributable to noncontrolling interests	(22,772)	(23,968)
Total noncontrolling interests	$ 325,395	$ 277,095

The noncontrolling interest designated as Affiliate represents SGP's 0.01% general partner interest in ARLP and 0.01% general partner interest in the Intermediate Partnership.

The noncontrolling interest designated as Non-Affiliates represents the limited partners' interest in ARLP controlled through the common unit ownership, excluding the 15,544,169 common units of ARLP held by us. The total obligation associated with ARLP's Long-Term Incentive Plan ("ARLP LTIP"), MGP Amended and Restated Deferred Compensation Plan for Directors ("MGP Deferred Compensation Plan") and the Supplemental Executive Retirement Plan ("SERP") are also included in the Non-Affiliates component of noncontrolling interest (Note 11).

The following table summarizes net income attributable to each component of the noncontrolling interests for the periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Net income attributable to noncontrolling interest:				
Affiliate (SGP)	$ 11	$ 6	$ 41	$ 32
Non-Affiliates (ARLP's non-affiliate limited partners)	32,528	19,232	117,476	91,895
	$ 32,539	$ 19,238	$ 117,517	$ 91,927

The following table summarizes cash distributions paid by ARLP to each component of the noncontrolling interests for the periods indicated (in thousands):

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Distributions paid to noncontrolling interests:		
Affiliate (SGP) [(1)]	$ 41	$ 36
Non-Affiliates (ARLP's non-affiliate limited partners) [(1)]	73,794	66,719
	$ 73,835	$ 66,755

(1) Distributions paid to noncontrolling interests, in the table above, represent ARLP's quarterly distributions in accordance with the ARLP partnership agreement.

The Affiliate component of noncontrolling interest represents SGP's cumulative investment basis in the net assets of the ARLP Partnership. After the consummation of the various transactions associated with the ARLP Partnership's formation and initial public offering in 1999 (which included the contribution of net assets by SGP to the ARLP Partnership, the retention by SGP of debt borrowings assumed by ARLP and a distribution by ARLP to SGP), SGP's investment basis in ARLP totaled $(303.9) million. SGP's investment basis as of September 30, 2013 and December 31, 2012 also reflects the cumulative amount of nominal ARLP income allocations and distributions to SGP and nominal contributions by SGP to ARLP and the Intermediate Partnership to maintain its general partner interests.

The following tables present the change in Partners' Capital for the nine months ended September 30, 2013 and 2012 (in thousands):

	Alliance Holdings GP, L.P.			
	Limited Partners' Capital	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Partners' Capital
Balance at January 1, 2013	$ 448,976	$ (18,296)	$ 277,095	$ 707,775
Net income	175,190	-	117,517	292,707
Other comprehensive income	-	982	1,196	2,178
Vesting of ARLP Long-Term Incentive Plan	-	-	(3,015)	(3,015)
Common unit-based compensation	224	-	6,437	6,661
Distributions on ARLP common unit-based compensation	-	-	(1,282)	(1,282)
Distributions to AHGP Partners	(136,937)	-	-	(136,937)
Distributions paid by consolidated partnership to noncontrolling interest	-	-	(72,553)	(72,553)
Balance at September 30, 2013	$ 487,453	$ (17,314)	$ 325,395	$ 795,534

	Alliance Holdings GP, L.P.			
	Limited Partners' Capital	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Partners' Capital
Balance at January 1, 2012	$ 414,165	$ (17,560)	$ 229,588	$ 626,193
Net income	143,173	-	91,927	235,100
Other comprehensive income	-	891	1,064	1,955
Settlement of Directors Deferred Compensation	(459)	-	-	(459)
Vesting of ARLP Long-Term Incentive Plan	-	-	(3,734)	(3,734)
Common unit-based compensation	137	-	5,340	5,477
Distributions on ARLP common unit-based compensation	-	-	(1,172)	(1,172)
Distributions to AHGP Partners	(119,876)	-	-	(119,876)
Distributions paid by consolidated partnership to noncontrolling interest	-	-	(65,583)	(65,583)
Balance at September 30, 2012	$ 437,140	$ (16,669)	$ 257,430	$ 677,901

10. WORKERS' COMPENSATION AND PNEUMOCONIOSIS

The changes in the workers' compensation liability (including current and long-term liability balances) for each of the periods presented were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Beginning balance	$ 80,630	$ 81,195	$ 77,046	$ 73,201
Accruals increase	452	4,035	8,399	16,249
Payments	(2,553)	(2,395)	(8,156)	(7,984)
Interest accretion	621	685	1,861	2,054
Ending balance	$ 79,150	$ 83,520	$ 79,150	$ 83,520

Lower accrual increases in 2013 compared to 2012 was primarily attributable to favorable reserve adjustments for claims incurred in prior years.

Certain of the ARLP Partnership's mine operating entities are liable under state statutes and the Federal Coal Mine Health and Safety Act of 1969, as amended, to pay pneumoconiosis, or black lung, benefits to eligible employees and former employees and their dependents. Components of the net periodic benefit cost for each of the periods presented are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Service cost	$ 953	$ 960	$ 2,858	$ 2,795
Interest cost	563	598	1,690	1,773
Amortization of net loss (1)	168	194	503	582
Net periodic benefit cost	$ 1,684	$ 1,752	$ 5,051	$ 5,150

(1) Amortization of net loss is included in the operating expenses line item within our condensed consolidated statements of income.

11. COMPENSATION PLANS

ARLP Partnership

The ARLP Partnership has established the ARLP LTIP for certain employees and officers of MGP and its affiliates who perform services for the ARLP Partnership. The ARLP LTIP awards are grants of non-vested "phantom" or notional units, which upon satisfaction of vesting requirements, entitle the ARLP LTIP participant to receive ARLP common units. Annual grant levels and vesting provisions for designated participants are recommended by the President and Chief Executive Officer of the MGP, subject to review and approval of the compensation committee of the MGP board of directors (the "MGP Compensation Committee"). On January 23, 2013, the MGP Compensation Committee determined that the vesting requirements for the 2010 grants of 130,102 restricted units (which is net of 8,028 forfeitures) had been satisfied as of January 1, 2013. As a result of this vesting, on February 15, 2013, the ARLP Partnership issued 82,400 unrestricted common units to the ARLP LTIP participants. The remaining units were settled in cash to satisfy the individual statutory minimum tax obligations of the ARLP LTIP participants. On January 23, 2013, the MGP Compensation Committee authorized additional grants of up to 156,575 restricted units, of which 146,725 were granted during the nine months ended September 30, 2013 and will vest on January 1, 2016, subject to satisfaction of certain financial tests. The fair value of these 2013 grants is equal to the intrinsic value at the date of grant, which was $63.02 per unit. ARLP LTIP expense was $1.8 million and $1.6 million for the three months ended September 30, 2013 and 2012, respectively, and $5.4 million and $4.7 million for the nine months ended September 30, 2013 and 2012, respectively. After consideration of the January 1, 2013 vesting and subsequent issuance of 82,400 common units, 2.1 million units remain available under the ARLP LTIP for issuance in the future, assuming all grants issued in 2011, 2012 and 2013 currently outstanding are settled with ARLP common units, without reduction for tax withholding, and no future forfeitures occur.

As of September 30, 2013, there was $10.7 million in total unrecognized compensation expense related to the non-vested ARLP LTIP grants that are expected to vest. That expense is expected to be recognized over a weighted-average period of 1.4 years. As of September 30, 2013, the intrinsic value of the non-vested ARLP LTIP grants was $25.8 million. As of September 30, 2013, the total obligation associated with the ARLP LTIP was $12.7 million and is included in the noncontrolling interests line item in our condensed consolidated balance sheets.

As provided under the distribution equivalent rights provisions of the ARLP LTIP, all non-vested grants include contingent rights to receive quarterly cash distributions in an amount equal to the cash distributions ARLP makes to its unitholders during the vesting period.

AHGP Partnership

We have also adopted a Long-Term Incentive Plan (the "AHGP LTIP") for employees, directors and consultants of our general partner and its affiliates, including the ARLP Partnership. Grants under the AHGP LTIP are to be made in AHGP restricted units, which are "phantom" units that entitle the grantee to receive either a common unit or equivalent amount of cash upon the vesting of the phantom units. The aggregate number of common units reserved for issuance under the AHGP LTIP is 5,215,000. There have been no grants under the AHGP LTIP as of September 30, 2013.

SERP and Directors Deferred Compensation Plans

The ARLP Partnership has the SERP to provide deferred compensation benefits for certain officers and key employees. All allocations made to participants under the SERP are made in the form of "phantom" ARLP units. The SERP is administered by the MGP Compensation Committee.

Our directors participate in the AGP Amended and Restated Deferred Compensation Plan for Directors ("AGP Deferred Compensation Plan"), and the directors of MGP participate in the MGP Deferred Compensation Plan (collectively, the "Deferred Compensation Plans"). Pursuant to the Deferred Compensation Plans, for amounts deferred either automatically or at the election of the director, a notional account is established and credited with notional common units of ARLP or AHGP, as appropriate, which are described in the Deferred Compensation Plans as "phantom" units.

For both the SERP and Deferred Compensation Plans, when quarterly cash distributions are made with respect to ARLP or AHGP common units, an amount equal to such quarterly distribution is credited to each participant's notional account as additional phantom units. All grants of phantom units under the SERP and Deferred Compensation Plans vest immediately.

For the nine months ended September 30, 2013 and 2012, SERP and MGP Deferred Compensation Plan participant notional account balances were credited with a total of 10,835 and 7,168 phantom units, respectively, and the fair value of these phantom units was $68.32 per unit and $64.77 per unit, respectively, on a weighted-average basis. For the nine months ended September 30, 2013 and 2012, AGP Deferred Compensation Plan participant notional account balances were credited with a total of 4,086 and 2,950 phantom units, respectively, and the fair value of these phantom units was $54.61 per unit and $46.28 per unit, respectively, on a weighted-average basis. Total SERP and Deferred Compensation Plans expense was approximately $0.4 million and $0.3 million for the three months ended September 30, 2013 and 2012, respectively, and $1.1 million and $0.8 million for the nine months ended September 30, 2013 and 2012, respectively.

As of September 30, 2013, there were 184,457 total phantom units outstanding under the SERP and Deferred Compensation Plans and the total intrinsic value of the SERP and Deferred Compensation Plans phantom units was $13.4 million. As of September 30, 2013, the total obligation associated with the SERP and MGP Deferred Compensation Plan was $11.1 million, which was included in the noncontrolling interests line item in our condensed consolidated balance sheets. The total obligation associated with the AGP Deferred Compensation Plan was $0.8 million, which was included in the partners' capital-limited partners line item in our condensed consolidated balance sheets.

12. COMPONENTS OF PENSION PLAN NET PERIODIC BENEFIT COSTS

Eligible employees at certain of the ARLP Partnership's mining operations participate in a defined benefit plan (the "Pension Plan") sponsored by the ARLP Partnership. The benefit formula for the Pension Plan is a fixed dollar unit based on years of service.

Components of the net periodic benefit cost for each of the periods presented are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Service cost	$ 674	$ 726	$ 2,108	$ 2,179
Interest cost	929	818	2,710	2,454
Expected return on plan assets	(930)	(956)	(3,094)	(2,868)
Amortization of net loss (1)	557	458	1,675	1,373
Net periodic benefit cost	$ 1,230	$ 1,046	$ 3,399	$ 3,138

(1) Amortization of net loss is included in the operating expenses line item within our condensed consolidated statements of income.

We previously disclosed in our financial statements for the year ended December 31, 2012 that the ARLP Partnership expected to contribute $2.4 million to the Pension Plan in 2013. During the nine months ended September 30, 2013, the ARLP Partnership made contribution payments of $1.6 million for the 2013 plan year. On October 15, 2013, the ARLP Partnership made a contribution payment of $0.8 million for the 2013 plan year, bringing the total contributions to the Pension Plan in 2013 for the 2013 plan year to $2.4 million as expected.

13. SEGMENT INFORMATION

The ARLP Partnership operates in the eastern U.S. as a producer and marketer of coal to major utilities and industrial users. We aggregate multiple operating segments into five reportable segments: the Illinois Basin, Central Appalachia, Northern Appalachia, White Oak and Other and Corporate. The first three reportable segments correspond to the three major coal producing regions in the eastern U.S. Similar economic characteristics for the operating segments within each of these three reportable segments include coal quality, coal seam height, mining and transportation methods and regulatory issues. The White Oak reportable segment includes the ARLP Partnership's activities associated with the White Oak longwall Mine No. 1 development project more fully described below.

The Illinois Basin reportable segment is comprised of multiple operating segments, including Webster County Coal, LLC's Dotiki mining complex, Gibson County Coal, LLC's mining complex, which includes the Gibson North mine and Gibson South project, Hopkins County Coal, LLC's Elk Creek mining complex, White County Coal, LLC's Pattiki mining complex, Warrior Coal, LLC's mining complex, Sebree Mining, LLC's mining complex, which includes the Onton mine, and River View Coal, LLC's mining complex. The development of the Gibson South mine is currently underway. For information regarding the acquisition of the Onton mine, which was added to the Illinois Basin segment in April 2012, please see Note 4.

The Central Appalachian reportable segment is comprised of two operating segments, the MC Mining, LLC and Pontiki mining complexes.

The Northern Appalachian reportable segment is comprised of multiple operating segments, including the Mettiki mining complex, the Tunnel Ridge, LLC ("Tunnel Ridge") mining complex and the Penn Ridge Coal, LLC ("Penn Ridge") property. The Mettiki mining complex includes Mettiki Coal (WV), LLC's Mountain View mine, Mettiki Coal, LLC's preparation plant and a small third-party mining operation which has been idled since July 2013. In May 2012, longwall production began at the Tunnel

Ridge mine. The ARLP Partnership is in the process of permitting the Penn Ridge property for future mine development.

The White Oak reportable segment is comprised of two operating segments, WOR Processing and WOR Properties. WOR Processing includes both the surface operations at White Oak and the equity investment in White Oak. WOR Properties owns coal reserves acquired from White Oak under lease-back arrangements (Note 8).

Other and Corporate includes the ARLP Partnership and AHGP's marketing and administrative expenses, Alliance Service, Inc. ("ASI") and its subsidiary, Matrix Design Group, LLC ("Matrix Design"), Alliance Design Group, LLC ("Alliance Design") (collectively, Matrix Design and Alliance Design are referred to as the "Matrix Group"), ASI's ownership of aircraft, the Mt. Vernon Transfer Terminal, LLC ("Mt. Vernon") dock activities, coal brokerage activity, the ARLP Partnership's equity investment in Mid-America Carbonates, LLC and certain activities of Alliance Resource Properties.

Reportable segment results as of and for the three and nine months ended September 30, 2013 and 2012 are presented below.

	Illinois Basin	Central Appalachia	Northern Appalachia	White Oak	Other and Corporate	Elimination (1)	Consolidated
				(in thousands)			
Reportable segment results for the three months ended September 30, 2013 were as follows:							
Total revenues (2)	$ 405,597	$ 40,135	$ 84,975	$ 566	$ 8,609	$ (2,746)	$ 537,136
Segment Adjusted EBITDA Expense (3)	239,962	30,348	69,415	546	8,784	(2,746)	346,309
Segment Adjusted EBITDA (4)(5)	156,790	9,775	12,864	(6,190)	44	-	173,283
Capital expenditures (7)	58,569	2,459	12,284	6,632	2,137	-	82,081
Reportable segment results for the three months ended September 30, 2012 were as follows:							
Total revenues (2)	$ 365,119	$ 41,790	$ 100,142	$ -	$ 8,425	$ (4,128)	$ 511,348
Segment Adjusted EBITDA Expense (3)	221,731	35,563	81,761	174	7,713	(4,128)	342,814
Segment Adjusted EBITDA (4)(5)	140,329	6,228	15,813	(3,188)	895	-	160,077
Capital expenditures (7)	51,541	9,395	21,422	10,468	1,197	-	94,023
Reportable segment results as of and for the nine months ended September 30, 2013 were as follows:							
Total revenues (2)	$ 1,210,806	$ 126,701	$ 284,303	$ 566	$ 26,425	$ (10,217)	$ 1,638,584
Segment Adjusted EBITDA Expense (3)	707,810	96,786	219,356	1,074	28,277	(10,217)	1,043,086
Segment Adjusted EBITDA (4)(5)	488,634	29,691	56,074	(16,777)	(1,139)	-	556,483
Total assets (6)	1,064,268	84,162	539,194	306,002	58,212	(865)	2,050,973
Capital expenditures (7)	163,595	8,758	51,154	35,502	4,962	-	263,971
Reportable segment results as of and for the nine months ended September 30, 2012 were as follows:							
Total revenues (2)	$ 1,082,057	$ 122,989	$ 247,104	$ -	$ 46,395	$ (13,933)	$ 1,484,612
Segment Adjusted EBITDA Expense (3)	652,231	96,920	202,449	(1,517)	42,562	(13,933)	978,712
Segment Adjusted EBITDA (4)(5)	419,955	25,618	37,326	(10,072)	4,382	-	477,209
Total assets (6)	1,030,860	81,867	521,156	198,631	36,711	(825)	1,868,400
Capital expenditures (7)	173,656	25,143	82,320	74,712	11,123	-	366,954

(1) The elimination column represents the elimination of intercompany transactions and is primarily comprised of sales from the Matrix Group to the ARLP Partnership's mining operations.

(2) Revenues included in the Other and Corporate column are primarily attributable to the Matrix Group revenues, Mt. Vernon transloading revenues and brokerage sales.

(3) Segment Adjusted EBITDA Expense includes operating expenses, outside coal purchases and other income. Transportation expenses are excluded as these expenses are passed through to the ARLP Partnership's customers and consequently it does not realize any gain or loss on transportation revenues. We review Segment Adjusted EBITDA Expense per ton for cost trends.

The following is a reconciliation of consolidated Segment Adjusted EBITDA Expense to operating expenses (excluding depreciation, depletion and amortization) (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Segment Adjusted EBITDA Expense	$346,309	$342,814	$1,043,086	$978,712
Outside coal purchases	(636)	(4,424)	(2,028)	(34,759)
Other income	372	254	999	2,853
Operating expenses (excluding depreciation, depletion and amortization)	$346,045	$338,644	$1,042,057	$946,806

(4) Segment Adjusted EBITDA is defined as net income (prior to the allocation of noncontrolling interest) before income taxes, net interest expense, depreciation, depletion and amortization, general and administrative expenses and asset impairment charge. Management therefore is able to focus solely on the evaluation of segment operating profitability as it relates to the ARLP Partnership's revenues and operating expenses, which are primarily controlled by our segments. Consolidated Segment Adjusted EBITDA is reconciled to net income as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Consolidated Segment Adjusted EBITDA	$ 173,283	$ 160,077	$ 556,483	$ 477,209
General and administrative	(15,237)	(15,282)	(47,956)	(47,494)
Depreciation, depletion and amortization	(66,099)	(59,781)	(198,688)	(154,923)
Asset impairment charge	-	(19,031)	-	(19,031)
Interest expense, net	(5,915)	(7,352)	(18,439)	(21,387)
Income tax benefit	718	102	1,307	726
Net income	$ 86,750	$ 58,733	$ 292,707	$ 235,100

(5) Includes equity in income (loss) of affiliates for the three and nine months ended September 30, 2013 of $(6.2) million and $(16.3) million, respectively, included in the White Oak segment and $0.2 million and $0.7 million, respectively, included in the Other and Corporate segment. Includes equity in income (loss) of affiliates for the three and nine months ended September 30, 2012 of $(3.0) million and $(11.6) million, respectively, included in the White Oak segment and $0.1 million and $0.5 million, respectively, included in the Other and Corporate segment.

(6) Total assets for the White Oak and Other and Corporate Segments include investments in affiliate of $122.7 million and $1.6 million, respectively, at September 30, 2013 and $72.7 million and $1.6 million, respectively, at September 30, 2012.

(7) Capital expenditures shown above include funding to White Oak of $2.5 million and $21.3 million, respectively, for the three and nine months ended September 30, 2013, and $34.6 million for the three

and nine months ended September 30, 2012, for the acquisition and development of coal reserves in our condensed consolidated statements of cash flow.

14. SUBSEQUENT EVENTS

On October 28, 2013, we declared a quarterly distribution for the quarter ended September 30, 2013, of $0.8075 per unit on all common units outstanding, totaling approximately $48.3 million, payable on November 19, 2013 to all unitholders of record as of November 12, 2013.

On October 28, 2013, the ARLP Partnership declared a quarterly distribution for the quarter ended September 30, 2013, of $1.175 per unit, on all common units outstanding, totaling approximately $74.2 million (which includes its managing general partner's incentive distributions), payable on November 14, 2013 to all unitholders of record as of November 7, 2013.

Other than those events described above and in Note 7, there were no other subsequent events.

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

Significant relationships referenced in this management's discussion and analysis of financial condition and results of operations include the following:

- References to "we," "us," "our" or "AHGP" mean Alliance Holdings GP, L.P., individually as the parent company, and not on a consolidated basis.
- References to "AHGP Partnership" mean the business and operations of Alliance Holdings GP, L.P., the parent company, as well as its consolidated subsidiaries, which include Alliance Resource Management GP, LLC and Alliance Resource Partners, L.P. and its consolidated subsidiaries.
- References to "AGP" mean Alliance GP, LLC, the general partner of Alliance Holdings GP, L.P., also referred to as our general partner.
- References to "ARLP Partnership" mean the business and operations of Alliance Resource Partners, L.P., the parent company, as well as its consolidated subsidiaries.
- References to "ARLP" mean Alliance Resource Partners, L.P., individually as the parent company, and not on a consolidated basis.
- References to "MGP" mean Alliance Resource Management GP, LLC, the managing general partner of Alliance Resource Partners, L.P.
- References to "SGP" mean Alliance Resource GP, LLC, the special general partner of Alliance Resource Partners, L.P.
- References to "Intermediate Partnership" mean Alliance Resource Operating Partners, L.P., the intermediate partnership of Alliance Resource Partners, L.P.
- References to "Alliance Coal" mean Alliance Coal, LLC, the holding company for the operations of Alliance Resource Operating Partners, L.P.

Summary

We have no operating activities apart from those conducted by the ARLP Partnership, and our cash flows currently consist primarily of distributions from ARLP for our ARLP partnership interests, including the incentive distribution rights that we own. We reflect our ownership interest in the ARLP Partnership on a consolidated basis, which means that our financial results are combined with the ARLP Partnership's financial results and the results of our other subsidiaries. The earnings of the ARLP Partnership allocated to its limited partners' interest not owned by us and allocated to SGP's general partner interest in ARLP are reflected as a noncontrolling interest in our condensed consolidated statement of income and balance sheet. In addition to the ARLP Partnership, our results of operations include the results of operations of MGP, our wholly-owned subsidiary.

The AHGP Partnership's results of operations principally reflect the results of operations of the ARLP Partnership adjusted for noncontrolling partners' interest in the ARLP Partnership's net income. Accordingly, the discussion of our financial position and results of operations in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" reflects the operating activities and results of operations of the ARLP Partnership.

The ARLP Partnership is a diversified producer and marketer of coal primarily to major United States ("U.S.") utilities and industrial users. The ARLP Partnership began mining operations in 1971 and, since then, has grown through acquisitions and internal development to become the third largest coal producer in the eastern U.S. The ARLP Partnership operates eleven underground mining complexes in Illinois, Indiana, Kentucky, Maryland and West Virginia, including the new Tunnel Ridge, LLC ("Tunnel Ridge") longwall mine in West Virginia and the Onton No. 9 mining complex ("Onton mine") in west

Kentucky acquired on April 2, 2012. The ARLP Partnership is constructing a new mine in southern Indiana and operates a coal loading terminal on the Ohio River at Mt. Vernon, Indiana. Also, the ARLP Partnership owns a preferred equity interest in White Oak Resources LLC ("White Oak") and is purchasing and funding development of reserves and has constructed and is operating surface facilities at White Oak's new longwall mining complex in southern Illinois. As is customary in the coal industry, the ARLP Partnership has entered into long-term coal supply agreements with many of its customers.

We have five reportable segments: Illinois Basin, Central Appalachia, Northern Appalachia, White Oak and Other and Corporate. The first three reportable segments correspond to the three major coal producing regions in the eastern U.S. Factors similarly affecting financial performance of the operating segments within each of these three reportable segments include coal quality, coal seam height, mining and transportation methods and regulatory issues. The White Oak segment includes activities associated with the White Oak longwall Mine No. 1 development project in southern Illinois more fully described below.

- *Illinois Basin* reportable segment is comprised of multiple operating segments, including Webster County Coal, LLC's Dotiki mining complex ("Dotiki"), Gibson County Coal, LLC's mining complex, which includes the Gibson North mine and Gibson South project, Hopkins County Coal, LLC's Elk Creek mining complex, White County Coal, LLC's Pattiki mining complex ("Pattiki"), Warrior Coal, LLC's mining complex ("Warrior"), Sebree Mining, LLC's mining complex ("Sebree"), which includes the Onton mine, Steamport, LLC and certain undeveloped coal reserves, River View Coal, LLC's mining complex ("River View"), CR Services, LLC, and certain properties of Alliance Resource Properties, LLC ("Alliance Resource Properties"), ARP Sebree, LLC and ARP Sebree South, LLC. The development of the Gibson South mine is currently underway and the ARLP Partnership is in the process of permitting the Sebree property for future mine development. For information regarding the acquisition of the Onton mine, which was added to the Illinois Basin segment in April 2012, please read "Item 1. Financial Statements (Unaudited) – Note 4. Acquisitions" of this Quarterly Report on Form 10-Q.

- *Central Appalachian* reportable segment is comprised of two operating segments, the Pontiki Coal, LLC ("Pontiki") and MC Mining, LLC ("MC Mining") mining complexes. Please read "Item 1. Financial Statements (Unaudited) – Note 5. Asset Impairment Charge" of this Quarterly Report on Form 10-Q for additional information regarding this asset impairment.

- *Northern Appalachian* reportable segment is comprised of multiple operating segments, including the Mettiki mining complex, the Tunnel Ridge mining complex and the Penn Ridge Coal, LLC ("Penn Ridge") property. The Mettiki mining complex includes Mettiki Coal (WV), LLC's Mountain View mine, Mettiki Coal, LLC's preparation plant and a small third-party mining operation which has been idled since July 2013. In May 2012, longwall production began at the Tunnel Ridge mine. The ARLP Partnership is in the process of permitting the Penn Ridge property for future mine development.

- *White Oak* reportable segment is comprised of two operating segments, Alliance WOR Properties, LLC ("WOR Properties") and Alliance WOR Processing, LLC ("WOR Processing"). WOR Processing includes both the surface operations at White Oak and the equity investment in White Oak. WOR Properties owns reserves acquired from White Oak and is committed to acquiring additional reserves from White Oak under lease-back arrangements. WOR Properties has also provided certain funding to White Oak for development of these reserves. The White Oak reportable segment also includes two loans to White Oak from the Intermediate Partnership, one for the acquisition of mining equipment (which was paid off and terminated in June 2012) and another to construct certain surface facilities. For more information on White Oak, please read “Item 1. Financial Statements (Unaudited) – Note 8. White Oak Transactions” of this Quarterly Report on Form 10-Q.

- *Other and Corporate* reportable segment includes marketing and administrative expenses, Alliance Service, Inc. (“ASI”) and its subsidiary, Matrix Design Group, LLC (“Matrix Design”), Alliance Design Group, LLC (collectively, Matrix Design and Alliance Design Group, LLC are referred to as the “Matrix Group”), ASI’s ownership of aircraft, the Mt. Vernon Transfer Terminal, LLC (“Mt. Vernon”) dock activities, coal brokerage activity, the ARLP Partnership’s equity investment in Mid-America Carbonates, LLC (“MAC”) and certain activities of Alliance Resource Properties.

Pontiki Mine

Pontiki’s mining complex in Martin County, Kentucky was idled from August 29, 2012 to November 25, 2012. The Mine Safety and Health Administration (“MSHA”) ordered the closure of the coal preparation plant and associated surface facilities at the Pontiki mining complex following the failure on August 23, 2012 of a belt line between two clean coal stacking tubes. MSHA required a comprehensive structural inspection of all the surface facilities by an independent bridge engineering firm before the surface facilities could be reopened.

As a result of the above events, uncertainty regarding future operations of the mine and the required additional repair costs, and assessment of related risks, the ARLP Partnership concluded that indicators of impairment were present and the carrying value of the asset group representing the Pontiki mining complex (“Pontiki Assets”) was not fully recoverable as of September 30, 2012. The ARLP Partnership estimated the fair value of the Pontiki Assets and determined it exceeded the carrying amount and accordingly, recorded an asset impairment charge of $19.0 million for the three months ended September 30, 2012 (“2012 Quarter”).

Although the Pontiki mining complex resumed operations, significant uncertainty remained regarding market demand and pricing for coal from Pontiki beyond 2013. On September 27, 2013, the ARLP Partnership issued Worker Adjustment and Retraining Notification (WARN) Act notices to all employees at Pontiki’s mining complex. The ARLP Partnership plans to continue operations at the Pontiki mining complex until late November 2013 to fulfill commitments under existing sales contracts at which time the mine is expected to cease production. Please also read “Item 1. Financial Statements (Unaudited) – Note 5. Asset Impairment Charge” of this Quarterly Report on Form 10-Q for additional information regarding this asset impairment.

Three Months Ended September 30, 2013 Compared to Three Months Ended September 30, 2012

We reported net income of $86.8 million for the three months ended September 30, 2013 ("2013 Quarter") compared to $58.7 million for the 2012 Quarter. The increase of $28.1 million was principally due to increased coal sales and production volumes, which rose to 9.5 million tons sold and 9.7 million tons produced in the 2013 Quarter compared to 8.9 million tons sold and 9.0 million tons produced in the 2012 Quarter. The 2012 Quarter was also negatively impacted by the temporary idling of the Pontiki mining complex and the related non-cash impairment charge of $19.0 million. The increases in tons sold and tons produced resulted from increased volumes at the Tunnel Ridge, River View, Gibson North and Dotiki mines. Increased coal sales and production volumes led to increased operating expenses, which particularly impacted labor and related benefits expense, materials and supplies expense, maintenance cost and sales related expense. The increases in operating expenses were offset partially by lower outside coal purchases in the 2013 Quarter.

	Three Months Ended September 30,			
	2013	**2012**	**2013**	**2012**
	(in thousands)		(per ton sold)	
Tons sold	9,504	8,910	N/A	N/A
Tons produced	9,682	9,000	N/A	N/A
Coal sales	$518,447	$499,003	$54.55	$56.00
Operating expenses and outside coal purchases	$346,681	$343,068	$36.48	$38.50

Coal sales. Coal sales for the 2013 Quarter increased 3.9% to $518.4 million from $499.0 million for the 2012 Quarter. The increase of $19.4 million in coal sales reflected the benefit of increased tons sold (contributing $33.2 million in additional coal sales) offset partially by lower average coal sales prices (reducing coal sales by $13.8 million). Average coal sales prices in the 2013 Quarter decreased to $54.55 compared to $56.00 per ton in the 2012 Quarter, primarily as a result of the lack of coal sales into the metallurgical export markets.

Operating expenses and outside coal purchases. Operating expenses and outside coal purchases combined increased slightly to $346.7 million for the 2013 Quarter from $343.1 million for the 2012 Quarter, primarily due to increased coal sales and production volumes partially offset by lower outside coal purchases. On a per ton basis, operating expenses and outside coal purchases decreased 5.2% to $36.48 per ton sold. In addition to the impact of increased production and sales volumes, operating expenses were impacted by various other factors, the most significant of which are discussed below:

- Labor and benefit expenses per ton produced, excluding workers' compensation, decreased 1.9% to $11.92 per ton in the 2013 Quarter from $12.15 per ton in the 2012 Quarter. This decrease of $0.23 per ton was primarily attributable to lower labor costs per ton resulting from increased production at the Tunnel Ridge and Dotiki mines and improved coal recoveries from the River View and Gibson North mines, partially offset by reduced production at the Onton mine and higher employee benefits expense at the Mettiki mine. The Onton mine temporarily ceased production in July 2013 due to unfavorable geological conditions and resumed full production in mid-August 2013;

- Workers' compensation expenses per ton produced decreased to $0.41 per ton in the 2013 Quarter from $0.80 per ton in the 2012 Quarter. The decrease of $0.39 per ton produced resulted primarily from increased production discussed above and favorable claim trends;

- Contract mining expense decreased $2.4 million for the 2013 Quarter compared to the 2012 Quarter. The decrease primarily reflects lower production from a third-party mining operation in the Northern Appalachian region due to reduced metallurgical coal export market opportunities;

- Production taxes and royalties expenses (which were incurred as a percentage of coal sales prices and volumes) decreased $0.20 per produced ton sold in the 2013 Quarter compared to the 2012 Quarter primarily as a result of lower average coal sales prices for Northern Appalachian due to reduced sales of metallurgical coal;

- Outside coal purchases decreased to $0.6 million for the 2013 Quarter from $4.4 million in the 2012 Quarter. The decrease of $3.8 million was primarily attributable to reduced volumes of coal purchased for sale into the metallurgical export markets. Coal purchase costs per ton are typically higher than production costs per ton, thus significantly lower volumes of coal purchases in the 2013 Quarter reduced overall total expenses per ton compared to the 2012 Quarter; and

- Operating expenses per ton also decreased in the 2013 Quarter due to lower cost per ton beginning coal inventories in the 2013 Quarter.

Operating expenses and outside coal purchases per ton decreases discussed above were offset by the following per ton increases:

- Material and supplies expenses per ton produced increased slightly to $11.96 per ton in the 2013 Quarter from $11.92 per ton in the 2012 Quarter. The increase of $0.04 per ton produced resulted primarily from increases in cost for certain products and services, primarily roof support (increase of $0.31 per ton) and certain safety-related materials and supplies (increase of $0.30 per ton) partially offset by a decrease in outside expenses (decrease of $0.18 per ton), power and fuel used in the mining process (decrease of $0.10 per ton) and contract labor used in the mining process (decrease of $0.07 per ton). Higher safety-related materials and supplies primarily resulted from activity at the Onton mine during the temporary halt of production operations discussed above; and

- Operating expenses for the 2013 Quarter included $3.8 million related to the retirement of certain assets also resulting from the Onton mine's previously mentioned adverse geological conditions.

Depreciation, depletion and amortization. Depreciation, depletion and amortization expense increased to $66.1 million for the 2013 Quarter from $59.8 million for the 2012 Quarter. The increase of $6.3 million was primarily attributable to increased production volumes mentioned above, as well as capital expenditures related to production expansion and infrastructure investments at various operations.

Asset impairment charge. In the 2012 Quarter, the ARLP Partnership recorded an asset impairment charge of $19.0 million associated with the long-lived assets at the Pontiki mining complex as discussed in more detail above and in "Item 1. Financial Statements (Unaudited) – Note 5. Asset Impairment Charge."

Interest expense. Interest expense, net of capitalized interest, decreased to $6.2 million for the 2013 Quarter from $7.4 million for the 2012 Quarter. The decrease of $1.2 million was principally attributable to increased capitalized interest on the ARLP Partnership's equity investment in White Oak, as well as reduced interest expense resulting from the August 2013 principal repayment of $18.0 million on the original senior notes issued in 1999. This decrease was partially offset by increased borrowings under the revolving credit facilities during the 2013 Quarter. The revolving credit facilities are discussed in more detail below under "–Debt Obligations."

Equity in loss of affiliates, net. Equity in loss of affiliates, net includes the ARLP Partnership's equity investments in MAC and White Oak. For the 2013 Quarter, equity in loss of affiliates was $6.0 million compared to $2.8 million for the 2012 Quarter, which was primarily attributable to losses allocated to the ARLP Partnership from its equity investment in White Oak.

Transportation revenues and expenses. Transportation revenues and expenses were $11.6 million and $5.6 million for the 2013 and 2012 Quarters, respectively. The increase of $6.0 million was primarily attributable to an increase in average transportation rates in the 2013 Quarter related to new export sales from the Warrior mine. The cost of transportation services are passed through to customers. Consequently, the ARLP Partnership does not realize any gain or loss on transportation revenues.

Net income attributable to noncontrolling interests. The noncontrolling interests balance is comprised of non-affiliate and affiliate ownership interests in the net assets of the ARLP Partnership that we consolidate. The noncontrolling interest designated as Affiliate represents SGP's 0.01% general partner interest in ARLP and 0.01% general partner interest in the Intermediate Partnership. The noncontrolling interest designated as Non-Affiliates represents the limited partners' interest in ARLP controlled through the common unit ownership, excluding the 15,544,169 common units of ARLP held by us. The net income attributable to noncontrolling interest was $32.5 million and $19.2 million for the 2013 and 2012 Quarters, respectively. The increase in net income attributable to noncontrolling interest is due to the increase in the consolidated net income of the ARLP Partnership resulting from the changes in revenues and expenses described above, partially offset by an increase in ARLP's priority distribution to the MGP, which is deducted from ARLP's net income in the allocation of net income attributable to noncontrolling interest.

Segment Adjusted EBITDA. Our 2013 Quarter Segment Adjusted EBITDA increased $13.2 million, or 8.2%, to $173.3 million from the 2012 Quarter Segment Adjusted EBITDA of $160.1 million. Segment Adjusted EBITDA, tons sold, coal sales, other sales and operating revenues and Segment Adjusted EBITDA Expense by segment are (in thousands):

	Three Months Ended September 30,			
	2013	**2012**	**Increase/(Decrease)**	
Segment Adjusted EBITDA				
Illinois Basin	$ 156,790	$ 140,329	$ 16,461	11.7%
Central Appalachia	9,775	6,228	3,547	57.0%
Northern Appalachia	12,864	15,813	(2,949)	(18.6)%
White Oak	(6,190)	(3,188)	(3,002)	(94.2)%
Other and Corporate	44	895	(851)	(95.1)%
Elimination	-	-	-	-
Total Segment Adjusted EBITDA (2)	$ 173,283	$ 160,077	$ 13,206	8.2%
Tons sold				
Illinois Basin	7,598	6,919	679	9.8%
Central Appalachia	490	523	(33)	(6.3)%
Northern Appalachia	1,405	1,468	(63)	(4.3)%
White Oak	-	-	-	-
Other and Corporate	11	-	11	(1)
Elimination	-	-	-	-
Total tons sold	9,504	8,910	594	6.7%
Coal sales				
Illinois Basin	$ 396,056	$ 361,206	$ 34,850	9.6%
Central Appalachia	39,959	41,790	(1,831)	(4.4)%
Northern Appalachia	81,440	95,988	(14,548)	(15.2)%
White Oak	-	-	-	-
Other and Corporate	992	19	973	(1)
Elimination	-	-	-	-
Total coal sales	$ 518,447	$ 499,003	$ 19,444	3.9%
Other sales and operating revenues				
Illinois Basin	$ 696	$ 853	$ (157)	(18.4)%
Central Appalachia	165	-	165	(1)
Northern Appalachia	839	1,587	(748)	(47.1)%
White Oak	566	-	566	(1)
Other and Corporate	7,615	8,408	(793)	(9.4)%
Elimination	(2,746)	(4,128)	1,382	33.5%
Total other sales and operating revenues	$ 7,135	$ 6,720	$ 415	6.2%
Segment Adjusted EBITDA Expense				
Illinois Basin	$ 239,962	$ 221,731	$ 18,231	8.2%
Central Appalachia	30,348	35,563	(5,215)	(14.7)%
Northern Appalachia	69,415	81,761	(12,346)	(15.1)%
White Oak	546	174	372	(1)
Other and Corporate	8,784	7,713	1,071	13.9%
Elimination	(2,746)	(4,128)	1,382	33.5%
Total Segment Adjusted EBITDA Expense (3)	$ 346,309	$ 342,814	$ 3,495	1.0%

(1) Percentage change was greater than or equal to 100%.

(2) Segment Adjusted EBITDA (a non-GAAP financial measure) is defined as EBITDA, excluding general and administrative expense. EBITDA is defined as net income (prior to the allocation of noncontrolling interest) before net interest expense, income taxes, depreciation, depletion and amortization and asset impairment charge. Segment Adjusted EBITDA is a key component of consolidated EBITDA, which is used as a supplemental financial measure by management and by external users of our financial statements such as investors, commercial banks, research analysts and others, to assess:

- the financial performance of the ARLP Partnership's assets without regard to financing methods, capital structure or historical cost basis;
- the ability of the ARLP Partnership's assets to generate cash sufficient to pay interest costs and support its indebtedness;
- the ARLP Partnership's operating performance and return on investment compared to those of other companies in the coal energy sector, without regard to financing or capital structures; and
- the viability of acquisitions and capital expenditure projects and the overall rates of return on alternative investment opportunities.

Segment Adjusted EBITDA is also used as a supplemental financial measure by our management for reasons similar to those stated in the previous explanation of EBITDA. In addition, the exclusion of corporate general and administrative expenses from Segment Adjusted EBITDA allows management to focus solely on the evaluation of segment operating profitability as it relates to our revenues and operating expenses, which are primarily controlled by our segments.

The following is a reconciliation of consolidated Segment Adjusted EBITDA to net income, the most comparable GAAP financial measure (in thousands):

	Three Months Ended September 30,	
	2013	**2012**
Segment Adjusted EBITDA	$ 173,283	$ 160,077
General and administrative	(15,237)	(15,282)
Depreciation, depletion and amortization	(66,099)	(59,781)
Asset impairment charge	-	(19,031)
Interest expense, net	(5,915)	(7,352)
Income tax benefit	718	102
Net income	$ 86,750	$ 58,733

(3) Segment Adjusted EBITDA Expense (a non-GAAP financial measure) includes operating expenses, outside coal purchases and other income. Transportation expenses are excluded as these expenses are passed through to the ARLP Partnership's customers and, consequently, it does not realize any gain or loss on transportation revenues. Segment Adjusted EBITDA Expense is used as a supplemental financial measure by the ARLP Partnership's management to assess the operating performance of the segments. Segment Adjusted EBITDA Expense is a key component of EBITDA in addition to coal sales and other sales and operating revenues. The exclusion of corporate general and administrative expenses from Segment Adjusted EBITDA Expense allows management to focus solely on the evaluation of segment operating performance as it primarily relates to the ARLP Partnership's

operating expenses. Outside coal purchases are included in Segment Adjusted EBITDA Expense because tons sold and coal sales include sales from outside coal purchases.

The following is a reconciliation of consolidated Segment Adjusted EBITDA Expense to operating expense, the most comparable GAAP financial measure (in thousands):

	Three Months Ended September 30,	
	2013	2012
Segment Adjusted EBITDA Expense	$ 346,309	$ 342,814
Outside coal purchases	(636)	(4,424)
Other income	372	254
Operating expense (excluding depreciation, depletion and amortization)	$ 346,045	$ 338,644

Illinois Basin – Segment Adjusted EBITDA increased 11.7% to $156.8 million in the 2013 Quarter from $140.3 million in the 2012 Quarter. This increase of $16.5 million was primarily attributable to higher tons sold which increased 9.8% to 7.6 million tons in the 2013 Quarter. Coal sales increased 9.6% to $396.1 million in the 2013 Quarter compared to $361.2 million in the 2012 Quarter. The sales increase of $34.9 million primarily reflects increased tons sold and produced from the River View, Gibson North and Dotiki mines, offset partially by the temporary halt of production operations at the Onton mine due to adverse geological conditions during the 2013 Quarter. Total Segment Adjusted EBITDA Expense for the 2013 Quarter increased 8.2% to $240.0 million from $221.7 million in the 2012 Quarter primarily due to increased sales and production volumes noted above and the impact of the temporary halt of production at the Onton mine discussed above. Although Segment Adjusted EBITDA Expense increased, Segment Adjusted EBITDA Expense per ton decreased $0.46 per ton sold to $31.58 from $32.04 per ton sold, primarily as a result of increased coal production discussed above as well as certain cost per ton decreases described above under "–Operating expenses and outside coal purchases."

Central Appalachia – Segment Adjusted EBITDA increased 57.0% to $9.8 million for the 2013 Quarter compared to $6.2 million in the 2012 Quarter. The increase of $3.6 million was primarily attributable to higher coal sales prices, increased production and lower inventory cost in the 2013 Quarter compared to the 2012 Quarter. This increase was offset partially by a decrease in coal sales volumes, primarily as a result of timing differences in customer shipments during the 2013 Quarter compared to the 2012 Quarter. Segment Adjusted EBITDA Expense for the 2013 Quarter decreased 14.7% to $30.3 million from $35.6 million in the 2012 Quarter and decreased $6.15 per ton sold to $61.89 compared to $68.04 per ton in the 2012 Quarter, primarily as a result of increased production, lower inventory costs and repair costs in the 2013 Quarter. Repair costs and production in the 2012 Quarter were negatively impacted by previously mentioned regulatory actions at the Pontiki mine. For additional detail related to the Pontiki mining complex read "Item 1. Financial Statements (Unaudited) – Note 5. Asset Impairment Charge."

Northern Appalachia – Segment Adjusted EBITDA decreased to $12.9 million for the 2013 Quarter as compared to $15.8 million in the 2012 Quarter. This decrease of $2.9 million was primarily attributable to the lack of coal sales into the metallurgical export markets, resulting in a lower average sales price of $57.97 per ton sold for the 2013 Quarter compared to $65.43 per ton sold for the 2012 Quarter, as well as lower tons sold, which decreased 4.3% compared to the 2012 Quarter. The decrease in tons sold was due to the timing of shipments from Mettiki in the 2013 Quarter compared to the 2012 Quarter, offset in part by increased coal sales from the continued ramp-up of longwall production at the Tunnel Ridge mine. Segment Adjusted EBITDA Expense for the 2013 Quarter decreased 15.1% to $69.4

million from $81.8 million in the 2012 Quarter and decreased $6.32 per ton sold to $49.41 from $55.73 per ton sold, primarily as a result of improved productivity from the Tunnel Ridge mine long-wall operations which began in May 2012, reduced outside coal purchases, contract mining expenses and coal processing expenses at the Mettiki mine all resulting from the lack of coal sales into the metallurgical export markets, partially offset by higher employee benefit costs at Mettiki.

White Oak – Segment Adjusted EBITDA was $(6.2) million and $(3.2) million, respectively, in the 2013 and 2012 Quarters primarily attributable to losses allocated to the ARLP Partnership due to its equity interest in White Oak. For more information on White Oak, please read "Item 1. Financial Statements (Unaudited) – Note 8. White Oak Transactions" of this Quarterly Report on Form 10-Q.

Other and Corporate – Segment Adjusted EBITDA decreased $0.9 million in the 2013 Quarter from the 2012 Quarter. This decrease was primarily attributable to lower sales of Matrix safety equipment. Segment Adjusted EBITDA Expense increased 13.9% to $8.8 million for the 2013 Quarter compared to $7.7 million for the 2012 Quarter, primarily due to higher outside coal purchases and increases in component expenses by the Matrix group.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

We reported net income of $292.7 million for the nine months ended September 30, 2013 ("2013 Period") compared to $235.1 million for the nine months ended September 30, 2012 ("2012 Period"). This increase of $57.6 million was principally due to record coal sales and production volumes. The ARLP Partnership had tons sold of 29.0 million tons and tons produced of 29.6 million tons in the 2013 Period compared to 25.4 million tons sold and 25.7 million tons produced in the 2012 Period. The 2012 Period was also negatively impacted by the temporary idling of the Pontiki mining complex and the related non-cash impairment charge of $19.0 million. The increase in tons sold and produced resulted from increased production at the Tunnel Ridge mine, which began longwall production in May 2012, increased tons produced and sold from the River View and Gibson North mines and the addition of the Onton mine in April 2012. Higher operating expenses during the 2013 Period resulted primarily from the record coal sales and production volumes, which particularly impacted labor and related benefits expense, materials and supplies expense, maintenance costs and sales-related expenses. These increases in operating expenses were offset partially by lower outside coal purchases in the 2013 Period.

	Nine Months Ended September 30,			
	2013	**2012**	**2013**	**2012**
	(in thousands)		(per ton sold)	
Tons sold	29,019	25,383	N/A	N/A
Tons produced	29,621	25,697	N/A	N/A
Coal sales	$1,594,530	$1,441,107	$54.95	$56.77
Operating expenses and outside coal purchases	$1,044,085	$ 981,565	$35.98	$38.67

Coal sales. Coal sales for the 2013 Period increased 10.6% to $1.6 billion from $1.4 billion for the 2012 Period. The increase of $153.4 million in coal sales reflected the benefit of increased tons sold (contributing $206.2 million in additional coal sales), partially offset by lower average coal sales prices (reducing coal sales by $52.8 million). Average coal sales prices decreased $1.82 per ton sold to $54.95 per ton in the 2013 Period as compared to $56.77 per ton sold in the 2012 Period, primarily due to reduced coal sales into the metallurgical export market.

Operating expenses and outside coal purchases. Operating expenses and outside coal purchases combined increased 6.4% to $1.0 billion for the 2013 Period from $981.6 million for the 2012 Period primarily due to record coal sales and production volumes. On a per ton basis, operating expenses and outside coal purchases decreased 7.0% to $35.98 per ton sold. Operating expenses were impacted by various other factors, the most significant of which are discussed below:

- Labor and benefit expenses per ton produced, excluding workers' compensation, decreased 6.9% to $11.69 per ton in the 2013 Period from $12.56 per ton in the 2012 Period. This decrease of $0.87 per ton was primarily attributable to lower labor cost per ton resulting from increased production at the Tunnel Ridge mine, which began longwall production in May 2012, improved coal recoveries from the River View and Gibson North mines and improved geological conditions at the Pattiki and Dotiki mines, lower labor cost per ton at the Onton mine despite a temporary halt of production in the 2013 Period and Pontiki's lower cost per ton due to its temporary shutdown in the 2012 Period, both of which are discussed above, partially offset by higher employee benefits expense at the Mettiki mine, primarily medical related;

- Workers' compensation expenses per ton produced decreased to $0.61 per ton in the 2013 Period from $1.00 per ton in the 2012 Period. The decrease of $0.39 per ton produced resulted primarily from increased production discussed above and favorable claim trends;

- Material and supplies expenses per ton produced decreased 6.7% to $11.63 per ton in the 2013 Period from $12.46 per ton in the 2012 Period. The decrease of $0.83 per ton produced resulted primarily from the benefits of increased production discussed above and a decrease in cost for certain products and services, primarily outside services (decrease of $0.27 per ton), certain ventilation-related materials and supplies (decrease of $0.18 per ton), roof support (decrease of $0.16 per ton) and power and fuel used in the mining process (decrease of $0.16 per ton);

- Maintenance expenses per ton produced decreased 6.9% to $3.94 per ton in the 2013 Period from $4.23 per ton in the 2012 Period. The decrease of $0.29 per ton produced was primarily from the benefits of newer equipment and increased production at the new Tunnel Ridge mine and improved coal recoveries at certain locations as discussed above;

- Contract mining expenses decreased $4.5 million for the 2013 Period compared to the 2012 Period. The decrease reflects lower production from a third-party mining operation in the Northern Appalachian region due to reduced metallurgical coal export market opportunities; and

- Outside coal purchases decreased to $2.0 million for the 2013 Period compared to $34.8 million in the 2012 Period. The decrease of $32.8 million was primarily attributable to decreased coal brokerage activity and reduced sales into the metallurgical coal export markets. The cost per ton to purchase coal is typically higher than the cost per ton to produce coal, thus significantly lower volumes of coal purchases, like in the 2013 Period, generally reduce overall total expenses per ton.

Operating expenses and outside coal purchases per ton decreases discussed above were partially offset by the following increases:

- Operating expenses for the 2013 Period included $3.8 million related to the retirement of certain assets resulting from the Onton mine's previously mentioned temporary halt in production; and

- Capitalized development related to the construction of the new Tunnel Ridge mine ceased in May 2012 with the start-up of longwall production. Accordingly, the above discussed operating expense decreases in the 2013 Period were offset partially by the capitalization of $19.0 million of mine development costs at Tunnel Ridge in the 2012 Period.

Other sales and operating revenues. Other sales and operating revenues are principally comprised of Mt. Vernon transloading revenues, Matrix Design sales and other outside services. Other sales and operating revenues decreased to $20.6 million for the 2013 Period from $25.9 million for the 2012 Period. The decrease of $5.3 million was primarily attributable to amounts received from a customer in the 2012 Period for the partial buy-out of a certain Northern Appalachian coal contract.

Depreciation, depletion and amortization. Depreciation, depletion and amortization expense increased to $198.7 million for the 2013 Period from $154.9 million for the 2012 Period. The increase of $43.8 million was primarily attributable to additional depreciation related to the start-up of longwall production at the Tunnel Ridge mine, which began in May 2012, the addition of the Onton mine in April 2012 and capital expenditures related to production expansion and infrastructure improvements at various other operations.

Asset impairment charge. In the 2012 Period, the ARLP Partnership recorded an asset impairment charge of $19.0 million associated with the long-lived assets at the Pontiki mining complex as discussed in more detail above and in "Item 1. Financial Statements (Unaudited) – Note 5. Asset Impairment Charge."

Interest expense. Interest expense, net of capitalized interest, decreased to $19.0 million for the 2013 Period from $21.6 million for the 2012 Period. The decrease of $2.6 million was principally attributable to reduced interest expense resulting from the August 2013 and 2012 principal repayments of $18.0 million on the original senior notes issued in 1999, reduced interest expense resulting from lower rates and fees under the term loan and revolving credit facility entered into in May 2012, higher capitalized interest on the ARLP Partnership's equity investment in White Oak in the 2013 Period and $1.1 million of deferred debt issuance costs related to the early termination of the $300 million term loan in the 2012 Period. These decreases were partially offset by increased borrowings under the revolving credit facilities in the 2013 Period. The term loan and revolving credit facilities are discussed in more detail below under "–Debt Obligations."

Equity in loss of affiliates, net. Equity in loss of affiliates, net includes the ARLP Partnership's equity investments in MAC and White Oak. For the 2013 Period, equity in loss of affiliates was $15.6 million compared to $11.0 million for the 2012 Period, which was primarily attributable to losses allocated to the ARLP Partnership due to its equity investment in White Oak.

Transportation revenues and expenses. Transportation revenues and expenses were $23.5 million and $17.7 million for the 2013 and 2012 Periods, respectively. The increase of $5.8 million was attributable to an increase in average transportation rates in the 2013 Period primarily related to new export sales from the Warrior mine, as well as increased tonnage for which the ARLP Partnership arranged transportation at certain other mines. The cost of transportation services are passed through to customers. Consequently, the ARLP Partnership does not realize any gain or loss on transportation revenues.

Other income. Other income decreased to $1.0 million in the 2013 Period from $2.9 million in the 2012 Period. The decrease of $1.9 million was primarily due to the cancellation fee paid in the 2012 Period to the Intermediate Partnership by White Oak related to the termination of the equipment financing agreement. For more information on White Oak, please read "Item 1. Financial Statements (Unaudited) – Note 8. White Oak Transactions" of this Quarterly Report on Form 10-Q.

Net income attributable to noncontrolling interests. The noncontrolling interests balance is comprised of non-affiliate and affiliate ownership interests in the net assets of the ARLP Partnership that we consolidate. The noncontrolling interest designated as Affiliate represents SGP's 0.01% general partner interest in ARLP and 0.01% general partner interest in the Intermediate Partnership. The noncontrolling interest designated as Non-Affiliates represents the limited partners' interest in ARLP controlled through the common unit ownership, excluding the 15,544,169 common units of ARLP held by us. The net income attributable to noncontrolling interest was $117.5 million and $91.9 million for the 2013 and 2012 Periods, respectively. The increase in net income attributable to noncontrolling interest is due to the increase in the consolidated net income of the ARLP Partnership resulting from the changes in revenues and expenses described above, partially offset by an increase in ARLP's priority distribution to the MGP, which is deducted from ARLP's net income in the allocation of net income attributable to noncontrolling interest.

Segment Adjusted EBITDA. Our 2013 Period Segment Adjusted EBITDA increased $79.3 million, or 16.6%, to $556.5 million from the 2012 Period Segment Adjusted EBITDA of $477.2 million. Segment Adjusted EBITDA, tons sold, coal sales, other sales and operating revenues and Segment Adjusted EBITDA Expense by segment are (in thousands):

	Nine Months Ended September 30,			
	2013	**2012**	**Increase/(Decrease)**	
Segment Adjusted EBITDA				
Illinois Basin	$ 488,634	$ 419,955	$ 68,679	16.4%
Central Appalachia	29,691	25,618	4,073	15.9%
Northern Appalachia	56,074	37,326	18,748	50.2%
White Oak	(16,777)	(10,072)	(6,705)	(66.6)%
Other and Corporate	(1,139)	4,382	(5,521)	(1)
Elimination	-	-	-	-
Total Segment Adjusted EBITDA (2)	$ 556,483	$ 477,209	$ 79,274	16.6%
Tons sold				
Illinois Basin	22,851	20,409	2,442	12.0%
Central Appalachia	1,538	1,525	13	0.9%
Northern Appalachia	4,607	3,239	1,368	42.2%
White Oak	-	-	-	-
Other and Corporate	23	210	(187)	(89.0)%
Elimination	-	-	-	-
Total tons sold	29,019	25,383	3,636	14.3%
Coal sales				
Illinois Basin	$ 1,193,740	$ 1,070,481	$ 123,259	11.5%
Central Appalachia	125,941	122,522	3,419	2.8%
Northern Appalachia	272,826	230,677	42,149	18.3%
White Oak	-	-	-	-
Other and Corporate	2,023	17,427	(15,404)	(88.4)%
Elimination	-	-	-	-
Total coal sales	$ 1,594,530	$ 1,441,107	$ 153,423	10.6%
Other sales and operating revenues				
Illinois Basin	$ 2,704	$ 1,704	$ 1,000	58.7%
Central Appalachia	537	16	521	(1)
Northern Appalachia	2,604	9,098	(6,494)	(71.4)%
White Oak	566	-	566	(1)
Other and Corporate	24,401	28,969	(4,568)	(15.8)%
Elimination	(10,217)	(13,933)	3,716	26.7%
Total other sales and operating revenues	$ 20,595	$ 25,854	$ (5,259)	(20.3)%
Segment Adjusted EBITDA Expense				
Illinois Basin	$ 707,810	$ 652,231	$ 55,579	8.5%
Central Appalachia	96,786	96,920	(134)	(0.1)%
Northern Appalachia	219,356	202,449	16,907	8.4%
White Oak	1,074	(1,517)	2,591	(1)
Other and Corporate	28,277	42,562	(14,285)	(33.6)%
Elimination	(10,217)	(13,933)	3,716	26.7%
Total Segment Adjusted EBITDA Expense (3)	$ 1,043,086	$ 978,712	$ 64,374	6.6%

(1) Percentage change was greater than or equal to 100%.

(2) Segment Adjusted EBITDA (a non-GAAP financial measure) is defined as EBITDA, excluding general and administrative expense. EBITDA is defined as net income (prior to the allocation of noncontrolling interest) before net interest expense, income taxes, depreciation, depletion and amortization and asset impairment charge. Segment Adjusted EBITDA is a key component of consolidated EBITDA, which is used as a supplemental financial measure by management and by external users of our financial statements such as investors, commercial banks, research analysts and others, to assess:

- the financial performance of the ARLP Partnership's assets without regard to financing methods, capital structure or historical cost basis;
- the ability of the ARLP Partnership's assets to generate cash sufficient to pay interest costs and support its indebtedness;
- the ARLP Partnership's operating performance and return on investment compared to those of other companies in the coal energy sector, without regard to financing or capital structures; and
- the viability of acquisitions and capital expenditure projects and the overall rates of return on alternative investment opportunities.

Segment Adjusted EBITDA is also used as a supplemental financial measure by our management for reasons similar to those stated in the previous explanation of EBITDA. In addition, the exclusion of corporate general and administrative expenses from Segment Adjusted EBITDA allows management to focus solely on the evaluation of segment operating profitability as it relates to our revenues and operating expenses, which are primarily controlled by our segments.

The following is a reconciliation of consolidated Segment Adjusted EBITDA to net income, the most comparable GAAP financial measure (in thousands):

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Segment Adjusted EBITDA	$ 556,483	$ 477,209
General and administrative	(47,956)	(47,494)
Depreciation, depletion and amortization	(198,688)	(154,923)
Asset impairment charge	-	(19,031)
Interest expense, net	(18,439)	(21,387)
Income tax benefit	1,307	726
Net income	$ 292,707	$ 235,100

(3) Segment Adjusted EBITDA Expense (a non-GAAP financial measure) includes operating expenses, outside coal purchases and other income. Transportation expenses are excluded as these expenses are passed through to the ARLP Partnership's customers and, consequently, it does not realize any gain or loss on transportation revenues. Segment Adjusted EBITDA Expense is used as a supplemental financial measure by the ARLP Partnership's management to assess the operating performance of the segments. Segment Adjusted EBITDA Expense is a key component of EBITDA in addition to coal sales and other sales and operating revenues. The exclusion of corporate general and administrative expenses from Segment Adjusted EBITDA Expense allows management to focus solely on the evaluation of segment operating performance as it primarily relates to the ARLP Partnership's

operating expenses. Outside coal purchases are included in Segment Adjusted EBITDA Expense because tons sold and coal sales include sales from outside coal purchases.

The following is a reconciliation of consolidated Segment Adjusted EBITDA Expense to operating expense, the most comparable GAAP financial measure (in thousands):

	Nine Months Ended September 30, 2013	2012
Segment Adjusted EBITDA Expense	$ 1,043,086	$ 978,712
Outside coal purchases	(2,028)	(34,759)
Other income	999	2,853
Operating expense (excluding depreciation, depletion and amortization)	$ 1,042,057	$ 946,806

Illinois Basin – Segment Adjusted EBITDA increased 16.4% to $488.6 million for the 2013 Period from $420.0 million for the 2012 Period. This increase of $68.6 million was primarily attributable to increased tons sold, which increased 12.0% to 22.9 million tons in the 2013 Period, partially offset by lower contract pricing resulting in a lower average coal sales price of $52.24 per ton sold during the 2013 Period compared to $52.45 per ton sold for the 2012 Period. Coal sales increased 11.5% to $1.2 billion in the 2013 Period compared to $1.1 billion in the 2012 Period. The increase of $123.3 million primarily reflects increased tons sold and produced from the River View, Gibson North and Pattiki mines and the acquisition of the Onton mine. Total Segment Adjusted EBITDA Expense for the 2013 Period increased 8.5% to $707.8 million from $652.2 million in the 2012 Period due to increased sales and production volumes noted above. Although Segment Adjusted EBITDA Expense increased for the 2013 Period, Segment Adjusted EBITDA Expense per ton decreased $0.98 per ton sold to $30.98 from $31.96 per ton sold, primarily as a result of increased coal production discussed above as well as certain cost decreases partially offset by additional expenses and asset write-offs associated with the Onton mine's temporary halt in production in the 2013 Quarter resulting from adverse geological conditions, all of which are discussed above under "–Operating expenses and outside coal purchases."

Central Appalachia – Segment Adjusted EBITDA increased 15.9% to $29.7 million for the 2013 Period compared to $25.6 million for the 2012 Period. The increase of $4.1 million was primarily attributable to higher average coal sales price of $81.87 per ton sold during the 2013 Period compared to $80.38 per ton sold for the 2012 Period and higher tons sold, which increased slightly in the 2013 Period resulting from a favorable mix of contract shipments. Segment Adjusted EBITDA Expense per ton decreased $0.67 per ton sold to $62.92 per ton in the 2013 Period from $63.59 per ton sold in the 2012 Period, primarily as a result of the temporary idling at the Pontiki mine during the 2012 Period and reduced workers compensation expense in the 2013 Period. For additional detail related to the Pontiki mining complex read "Item 1. Financial Statements (Unaudited) – Note 5. Asset Impairment Charge."

Northern Appalachia – Segment Adjusted EBITDA increased 50.2% to $56.1 million for the 2013 Period compared to $37.3 million for the 2012 Period. The increase of $18.8 million was primarily attributable to increased tons sold and produced from the Tunnel Ridge mine, which began longwall production in May 2012, partially offset by lower average sales price of $59.22 per ton sold for the 2013 Period compared to $71.23 per ton sold for the 2012 Period due to reduced coal sales in the metallurgical export markets in the 2013 Period. The start-up of longwall production at Tunnel Ridge was also the primary reason for the 8.4% increase in Segment Adjusted EBITDA Expense for the 2013 Period to $219.4 million from $202.4 million in the 2012 Period. Although Segment Adjusted EBITDA Expense increased for the 2013 Period, Segment Adjusted EBITDA Expense per ton for the 2013 Period decreased $14.90 per ton sold to $47.61 for the 2013 Period from $62.51 per ton sold for the 2012 Period primarily due to lower cost per ton from longwall production at Tunnel Ridge and lower costs at the Mettiki mining complex due to reduced contract mining and coal processing expenses and lower outside coal purchases, all resulting primarily from reduced sales into metallurgical coal export markets, partially offset by higher employee benefit costs at Mettiki, primarily medical related.

White Oak – Segment Adjusted EBITDA was $(16.8) million and $(10.1) million in the 2013 and 2012 Periods, respectively, primarily attributable to losses allocated to the ARLP Partnership due to its equity interest in White Oak. For more information on White Oak, please read "Item 1. Financial Statements (Unaudited) – Note 8. White Oak Transactions" of this Quarterly Report on Form 10-Q.

Other and Corporate – Segment Adjusted EBITDA decreased $5.5 million in the 2013 Period from the 2012 Period. This decrease was primarily attributable to lower coal brokerage sales and lower Matrix Group safety equipment sales. Segment Adjusted EBITDA Expense decreased 33.6% to $28.3 million for the 2013 Period, primarily due to decreased outside coal purchases related to reduced coal brokerage activity.

Liquidity and Capital Resources

Liquidity

Our only cash generating assets are limited partnership and general partnership interests in the ARLP Partnership, including incentive distribution rights, from which we receive quarterly distributions. We have no independent operations separate from those of the ARLP Partnership. We rely on distributions from the ARLP Partnership to fund our cash requirements.

The ARLP Partnership has historically satisfied its working capital requirements and funded its capital expenditures and debt service obligations with cash generated from operations, cash provided by the issuance of debt or equity and borrowings under credit facilities. The ARLP Partnership believes that existing cash balances, future cash flows from operations, borrowings under credit facilities and cash provided from the issuance of debt or equity will be sufficient to meet its working capital requirements, capital expenditures and additional equity investments, debt payments, commitments and distribution payments. The ARLP Partnership's ability to satisfy its obligations and planned expenditures will depend upon its future operating performance and access to and cost of financing sources, which will be affected by prevailing economic conditions generally and in the coal industry specifically, which are beyond its control. Based on the ARLP Partnership's recent operating results, current cash position, anticipated future cash flows and sources of financing that it expects to have available, it does not anticipate any significant liquidity constraints in the foreseeable future. However, to the extent operating cash flow or access to and cost of financing sources are materially different than expected, future liquidity may be adversely affected. Please read "Item 1A. Risk Factors" in the Annual Report on Form 10-K for the year ended December 31, 2012.

Cash Flows

Cash provided by operating activities was $548.9 million for the 2013 Period compared to $422.4 million for the 2012 Period. Cash provided by operating activities primarily benefited from higher net income, reduced growth in coal inventory, an increase in the change in certain prepaid expenses and a decrease in trade receivables during the 2013 Period as compared to an increase during the 2012 Period, offset partially by a decrease in the change in accounts payable during the 2013 Period compared to the 2012 Period.

Net cash used in investing activities was $319.2 million for the 2013 Period compared to $511.4 million for the 2012 Period. The decrease in cash used in investing activities was primarily attributable to a decrease in capital expenditures due to the completion of Tunnel Ridge mine development in May 2012, lower capital expenditures for mine infrastructure and equipment at various mines, particularly the Dotiki and River View mines, and the acquisition of the Onton mine in April 2012.

Net cash used in financing activities was $237.7 million for the 2013 Period compared to $188.3 million for the 2012 Period. The increase in cash used in financing activities was primarily attributable to increased distributions paid to partners in the 2013 Period and net payments under the revolving credit facilities during the 2013 Period, which is discussed in more detail below under "–Debt Obligations."

Capital Expenditures

Capital expenditures decreased to $242.7 million in the 2013 Period from $332.4 million in the 2012 Period. See "–Cash Flows" above for additional information regarding capital expenditures.

The ARLP Partnership's anticipated total capital expenditures for the year ending December 31, 2013 are estimated in a range of $370.0 to $400.0 million, which includes expenditures for mine expansion and infrastructure projects, maintenance capital, continued development of the Gibson South mine, and reserve acquisitions and construction of surface facilities related to the White Oak mine development project. In addition, the ARLP Partnership has funded $47.5 million of preferred equity investments in White Oak during the 2013 Period bringing its total equity investment to date to $150.0 million. Based on currently anticipated equity contributions by its partners, the ARLP Partnership does not expect to make further equity investments in White Oak during 2013. Management anticipates funding remaining 2013 capital requirements with the ARLP Partnership's cash and cash equivalents ($18.9 million as of September 30, 2013), cash flows from operations, borrowings under the revolving credit facility and, if necessary, accessing the debt or equity capital markets. The ARLP Partnership will continue to have significant capital requirements over the long-term, which may require it to obtain additional debt or equity capital. The availability and cost of additional capital will depend upon prevailing market conditions, the market price of ARLP common units and several other factors over which the ARLP Partnership has limited control, as well as its financial condition and results of operations.

Debt Obligations

ARLP Partnership

ARLP Credit Facilities. On September 11, 2013, the Intermediate Partnership entered into a credit agreement for a $50.0 million revolving credit facility ("ARLP Facility") to be used, as appropriate, for short-term working capital requirements. The counterparty to the ARLP Facility is KC-LendCo, LLC, which is controlled by an officer of ARH via his role as independent trustee of irrevocable trusts established by the ARLP Partnership's President and Chief Executive Officer. Borrowings under the ARLP Facility bear interest at the London Interbank Offered Rate ("LIBOR") plus 0.80%, with interest payable quarterly. At September 30, 2013, the LIBOR with applicable margin was 0.98% on borrowings outstanding. The lender and the Intermediate Partnership have the option to terminate the ARLP Facility at any time and the ARLP Facility was terminated on October 29, 2013, with all amounts outstanding, plus interest, paid in full.

On May 23, 2012, the Intermediate Partnership entered into a credit agreement (the "Credit Agreement") with various financial institutions for a revolving credit facility (the "ARLP Revolving Credit Facility") of $700.0 million and a term loan (the "ARLP Term Loan") in the aggregate principal amount of $250.0 million (collectively, the ARLP Revolving Credit Facility and ARLP Term Loan are referred to as the "ARLP Credit Facility"). The ARLP Credit Facility replaced the $142.5 million revolving credit facility that was scheduled to mature September 25, 2012 and the $300.0 million term loan agreement dated December 29, 2010 that was prepaid and terminated early on May 23, 2012. The aggregate unpaid principal amount of $300.0 million and all unpaid interest was repaid using the proceeds of the ARLP Term Loan and borrowings under the ARLP Revolving Credit Facility. The Intermediate Partnership did not incur any early termination penalties in connection with the prepayment of the term loan. Borrowings under the Credit Agreement bear interest at a Base Rate or Eurodollar Rate, at the ARLP Partnership's election, plus an applicable margin that fluctuates depending upon the ratio of Consolidated Debt to Consolidated Cash Flow (each as defined in the Credit Agreement). The ARLP Partnership has elected a Eurodollar Rate which, with applicable margin, was 1.84% on borrowings outstanding as of September 30, 2013. The ARLP Credit Facility matures May 23, 2017, at which time all amounts outstanding are required to be repaid. Interest is payable quarterly, with principal of the ARLP Term Loan due as follows: commencing with the quarter ending June 30, 2014 and for each quarter thereafter ending on March 31, 2016, an amount per quarter equal to 2.50% of the aggregate amount of the ARLP Term Loan advances outstanding; for each quarter beginning June 30, 2016 through December 31, 2016, 20% of the aggregate amount of the ARLP Term Loan advances outstanding; and the remaining balance of the ARLP Term Loan advances at maturity. The ARLP Partnership has the option to prepay the ARLP Term Loan at any time in whole or in part subject to terms and conditions described in the Credit Agreement. Upon a "change in control" (as defined by the Credit Agreement), the unpaid principal amount of the ARLP Credit Facility, all interest thereon and all other amounts payable under the Credit Agreement would become due and payable.

At September 30, 2013, the ARLP Partnership had borrowings of $150.0 million and $23.5 million of letters of credit outstanding with $576.5 million available for borrowing under the ARLP Revolving Credit Facility and the ARLP Facility. The ARLP Partnership utilizes the ARLP Revolving Credit Facility, as appropriate, for working capital requirements, capital expenditures, debt payments and distribution payments. The ARLP Partnership incurs an annual commitment fee of 0.25% on the undrawn portion of the ARLP Credit Facility.

ARLP Senior Notes. The Intermediate Partnership has $18.0 million principal amount of 8.31% senior notes due August 20, 2014, payable in one remaining annual installment with interest payable semi-annually ("ARLP Senior Notes").

ARLP Series A Senior Notes. On June 26, 2008, the Intermediate Partnership entered into a Note Purchase Agreement (the "2008 Note Purchase Agreement") with a group of institutional investors in a private placement offering. The ARLP Partnership issued $205.0 million of Series A senior notes, which bear interest at 6.28% and mature on June 26, 2015 with interest payable semi-annually.

ARLP Series B Senior Notes. On June 26, 2008, the ARLP Partnership issued under the 2008 Note Purchase Agreement $145.0 million of Series B senior notes (together with the Series A senior notes, the "2008 Senior Notes"), which bear interest at 6.72% and mature on June 26, 2018 with interest payable semi-annually.

The ARLP Senior Notes, 2008 Senior Notes and the ARLP Credit Facility described above (collectively, "ARLP Debt Arrangements") are guaranteed by all of the material direct and indirect subsidiaries of the Intermediate Partnership. The ARLP Debt Arrangements contain various covenants affecting the Intermediate Partnership and its subsidiaries restricting, among other things, the amount of distributions by the Intermediate Partnership, the incurrence of additional indebtedness and liens, the sale of assets, the making of investments, the entry into mergers and consolidations and the entry into transactions with affiliates, in each case subject to various exceptions. The ARLP Debt Arrangements also require the Intermediate Partnership to remain in control of a certain amount of mineable coal reserves relative to its annual production. In addition, the ARLP Debt Arrangements require the

Intermediate Partnership to maintain (a) debt to cash flow ratio of not more than 3.0 to 1.0 and (b) cash flow to interest expense ratio of not less than 3.0 to 1.0, in each case, during the four most recently ended fiscal quarters. The debt to cash flow ratio and cash flow to interest expense ratio were 1.12 to 1.0 and 19.4 to 1.0, respectively, for the trailing twelve months ended September 30, 2013. The ARLP Partnership was in compliance with the covenants of the ARLP Debt Arrangements as of September 30, 2013.

Other. In addition to the letters of credit available under the ARLP Credit Facility discussed above, the ARLP Partnership also has agreements with two banks to provide additional letters of credit in an aggregate amount of \$31.1 million to maintain surety bonds to secure certain asset retirement obligations and its obligations for workers' compensation benefits. At September 30, 2013, the ARLP Partnership had \$30.7 million in letters of credit outstanding under agreements with these two banks.

Related-Party Transactions

The ARLP Partnership has continuing related-party transactions with us, SGP and our respective affiliates. These related-party transactions relate principally to the provision of administrative services to us and Alliance Resource Holdings II, Inc. and our respective affiliates, mineral and equipment leases with SGP and its affiliates and a timesharing agreement for the use of aircraft. The ARLP Partnership also has ongoing transactions with White Oak and related entities to support development of a longwall mining operation currently under construction.

Please read our Annual Report on Form 10-K for the year ended December 31, 2012, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Related-Party Transactions" for additional information concerning related-party transactions.

New Accounting Standards

New Accounting Standards Issued and Adopted

In February 2013, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* ("ASU 2013-02"). ASU 2013-02 requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income ("AOCI") by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, certain significant amounts reclassified out of AOCI by the respective line items of net income. ASU 2013-02 does not change the items that must be reported in AOCI. ASU 2013-02 was effective for fiscal years, and interim periods within those years, beginning after December 15, 2012. The adoption of ASU 2013-02 did not have a material impact on our condensed consolidated financial statements.

Other Information

IRS Notice

On April 12, 2013, we received a "Notice of Beginning of Administrative Proceeding" ("NBAP") from the Internal Revenue Service notifying us of an audit of the income tax return of Alliance Coal, the holding company for the operations of the Intermediate Partnership, for the tax year ending December 31, 2011. We believe this is a routine audit of our lower-tier subsidiary's income, gain, deductions, losses and credits. The audit is ongoing.

Insurance

Effective October 1, 2013, the ARLP Partnership renewed its annual property and casualty insurance program. The aggregate maximum limit in the commercial property program is $100.0 million per occurrence excluding a $1.5 million deductible for property damage, a 90 or 120 day waiting period for underground business interruption depending on the mining complex and a $10.0 million overall aggregate deductible. The ARLP Partnership can make no assurances that it will not experience significant insurance claims in the future that could have a material adverse effect on its business, financial condition, results of operations and ability to purchase property insurance in the future.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have no operating activities apart from those conducted by the ARLP Partnership. Our ownership interests, results of operations and cash flows principally reflect those of the ARLP Partnership. As such, our discussions of market risk reflect those risks as they apply to the ARLP Partnership.

Commodity Price Risk

The ARLP Partnership has significant long-term coal supply agreements. Virtually all of the long-term coal supply agreements are subject to price adjustment provisions, which permit an increase or decrease periodically in the contract price to principally reflect changes in specified price indices or items such as taxes, royalties or actual production costs resulting from regulatory changes.

The ARLP Partnership has exposure to price risk for items that are used directly or indirectly in the normal course of coal production such as steel, electricity and other supplies. The ARLP Partnership manages its risk for these items through strategic sourcing contracts for normal quantities required by its operations. The ARLP Partnership does not utilize any commodity price-hedges or other derivatives related to these risks.

Credit Risk

Most of the ARLP Partnership's sales tonnage is consumed by electric utilities. Therefore, the ARLP Partnership's credit risk is primarily with domestic electric power generators. The ARLP Partnership's policy is to independently evaluate the creditworthiness of each customer prior to entering into transactions and to constantly monitor outstanding accounts receivable against established credit limits. When deemed appropriate by the ARLP Partnership's credit management department, it will take steps to reduce its credit exposure to customers that do not meet its credit standards or whose credit has deteriorated. These steps may include obtaining letters of credit or cash collateral, requiring prepayment for shipments or establishing customer trust accounts held for the ARLP Partnership's benefit in the event of a failure to pay.

Exchange Rate Risk

Almost all of the ARLP Partnership's transactions are denominated in U.S. dollars, and as a result, it does not have material exposure to currency exchange-rate risks.

Interest Rate Risk

Borrowings under the ARLP Credit Facility are at variable rates and, as a result, the ARLP Partnership has interest rate exposure. Historically, the ARLP Partnership's earnings have not been materially affected by changes in interest rates. The ARLP Partnership does not utilize any interest rate derivative instruments related to its outstanding debt. The ARLP Partnership had $150.0 million in borrowings under the revolving credit facilities and $250.0 million outstanding under the ARLP Term Loan Agreement at September 30, 2013. A one percentage point increase in the interest rates related to the revolving credit facilities and ARLP Term Loan Agreement would result in an annualized increase in 2013 interest expense of $4.0 million, based on borrowing levels at September 30, 2013. With respect to the ARLP Partnership's fixed-rate borrowings, a one percentage point increase in interest rates would result in a decrease of approximately $10.2 million in the estimated fair value of these borrowings.

As of September 30, 2013, the estimated fair value of the ARLP Debt Arrangements was approximately $787.3 million. The fair values of long-term debt are estimated using discounted cash flow analyses, based upon the ARLP Partnership's current incremental borrowing rates for similar types of borrowing arrangements as of September 30, 2013. There were no other changes in our quantitative and qualitative disclosures about market risk as set forth in our Annual Report on Form 10-K for the year ended December 31, 2012.

ITEM 4. CONTROLS AND PROCEDURES

We maintain controls and procedures designed to provide reasonable assurance that information required to be disclosed in the reports we file with the Securities and Exchange Commission ("SEC") is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we have evaluated, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) of the Exchange Act) as of September 30, 2013. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these controls and procedures are effective as of September 30, 2013.

During the quarterly period ended September 30, 2013, there have not been any changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) identified in connection with this evaluation that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

Certain statements and information in this Quarterly Report on Form 10-Q may constitute “forward-looking statements.” These statements are based on our beliefs as well as assumptions made by, and information currently available to, us. When used in this document, the words “anticipate,” “believe,” “continue,” “estimate,” “expect,” “forecast,” “may,” “project,” “will,” and similar expressions identify forward-looking statements. Without limiting the foregoing, all statements relating to our future outlook, anticipated capital expenditures, future cash flows and borrowings and sources of funding are forward-looking statements. These statements reflect our current views with respect to future events and are subject to numerous assumptions that we believe are reasonable, but are open to a wide range of uncertainties and business risks, and actual results may differ materially from those discussed in these statements. Among the factors that could cause actual results to differ from those in the forward-looking statements are:

- changes in competition in coal markets and the ARLP Partnership’s ability to respond to such changes;
- changes in coal prices, which could affect the ARLP Partnership’s operating results and cash flows;
- risks associated with the ARLP Partnership’s expansion of its operations and properties;
- legislation, regulations, and court decisions and interpretations thereof, including those relating to the environment, mining, miner health and safety and health care;
- deregulation of the electric utility industry or the effects of any adverse change in the coal industry, electric utility industry, or general economic conditions;
- dependence on significant customer contracts, including renewing customer contracts upon expiration of existing contracts;
- changing global economic conditions or in industries in which the ARLP Partnership’s customers operate;
- liquidity constraints, including those resulting from any future unavailability of financing;
- customer bankruptcies, cancellations or breaches to existing contracts, or other failures to perform;
- customer delays, failure to take coal under contracts or defaults in making payments;
- adjustments made in price, volume or terms to existing coal supply agreements;
- fluctuations in coal demand, prices and availability;
- the ARLP Partnership’s productivity levels and margins earned on its coal sales;
- unexpected changes in raw material costs;
- unexpected changes in the availability of skilled labor;
- the ARLP Partnership’s ability to maintain satisfactory relations with its employees;
- any unanticipated increases in labor costs, adverse changes in work rules, or unexpected cash payments or projections associated with post-mine reclamation and workers’ compensation claims;
- any unanticipated increases in transportation costs and risk of transportation delays or interruptions;
- unexpected operational interruptions due to geologic, permitting, labor, weather-related or other factors;
- risks associated with major mine-related accidents, such as mine fires, or interruptions;
- results of litigation, including claims not yet asserted;
- difficulty maintaining the ARLP Partnership’s surety bonds for mine reclamation as well as workers’ compensation and black lung benefits;
- difficulty in making accurate assumptions and projections regarding pension, black lung benefits and other post-retirement benefit liabilities;

- coal market's share of electricity generation, including as a result of environmental concerns related to coal mining and combustion and the cost and perceived benefits of other sources of electricity, such as natural gas, nuclear energy and renewable fuels;
- uncertainties in estimating and replacing the ARLP Partnership's coal reserves;
- a loss or reduction of benefits from certain tax deductions and credits;
- difficulty obtaining commercial property insurance, and risks associated with the ARLP Partnership's participation (excluding any applicable deductible) in the commercial insurance property program;
- difficulty in making accurate assumptions and projections regarding future revenues and costs associated with equity investments in companies we do not control; and
- other factors, including those discussed in "Part II. Item 1A. Risk Factors" and "Part II. Item 1. Legal Proceedings" of this Quarterly Report on Form 10-Q.

If one or more of these or other risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may differ materially from those described in any forward-looking statement. When considering forward-looking statements, you should also keep in mind the risks described in "Risk Factors" below. These risks could also cause our actual results to differ materially from those contained in any forward-looking statement. We disclaim any obligation to update the above list or to announce publicly the result of any revisions to any of the forward-looking statements to reflect future events or developments.

You should consider the information above when reading or considering any forward-looking statements contained in:

- this Quarterly Report on Form 10-Q;
- other reports filed by us with the SEC;
- our press releases;
- our website *http://www.ahgp.com*; and
- written or oral statements made by us or any of our officers or other authorized persons acting on our behalf.

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PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information in Note 3. Contingencies to the Unaudited Condensed Consolidated Financial Statements included in "Part I. Item 1. Financial Statements (Unaudited)" of this Quarterly Report on Form 10-Q herein is hereby incorporated by reference. See also "Item 3. Legal Proceedings" of the Annual Report on Form 10-K for the year ended December 31, 2012.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012 which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K and this Quarterly Report on Form 10-Q are not our only risks. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial based on current knowledge and factual circumstances, if such knowledge or facts change, also may materially adversely affect our business, financial condition and/or operating results in the future.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95.1 to this Quarterly Report on Form 10-Q.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference: Form	SEC File No. and Film No.	Exhibit	Filing Date	Filed Herewith*
31.1	Certification of Joseph W. Craft, III, President and Chief Executive Officer of Alliance GP, LLC, the general partner of Alliance Holdings GP, L.P., dated November 7, 2013, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					☑
31.2	Certification of Brian L. Cantrell, Senior Vice President and Chief Financial Officer of Alliance GP, LLC, the general partner of Alliance Holdings GP, L.P., dated November 7, 2013, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					☑
32.1	Certification of Joseph W. Craft III, President and Chief Executive Officer of Alliance GP, LLC, the general partner of Alliance Holdings GP, L.P., dated November 7, 2013, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					☑
32.2	Certification of Brian L. Cantrell, Senior Vice President and Chief Financial Officer of Alliance GP, LLC, the general partner of Alliance Holdings GP, L.P., dated November 7, 2013, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					☑
95.1	Federal Mine Safety and Health Act Information					☑
101	Interactive Data File (Form 10-Q for the quarter ended September 30, 2013 filed in XBRL).					☑

* Or furnished, in the case of Exhibits 32.1 and 32.2.

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, in Tulsa, Oklahoma, on November 7, 2013.

ALLIANCE HOLDINGS GP, L.P.

By: Alliance GP, LLC
its general partner

/s/ Joseph W. Craft, III
Joseph W. Craft, III
President, Chief Executive Officer and Director, duly authorized to sign on behalf of the registrant

/s/ Brian L. Cantrell
Brian L. Cantrell
Senior Vice President and Chief Financial Officer

Exhibit 31.1

CERTIFICATION

I, Joseph W. Craft III certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alliance Holdings GP, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the quarterly period ended September 30, 2013 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2013

/s/ Joseph W. Craft III
Joseph W. Craft III
President, Chief Executive
Officer and Director

Exhibit 31.2

CERTIFICATION

I, Brian L. Cantrell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alliance Holdings GP, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the quarterly period ended September 30, 2013 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2013

/s/ Brian L. Cantrell
Brian L. Cantrell
Senior Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Alliance Holdings GP, L.P. (the "Partnership") on Form 10-Q for the three and nine months ended September 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph W. Craft III, President and Chief Executive Officer of Alliance GP, LLC, the general partner of the Partnership, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Partnership.

By: /s/ Joseph W. Craft III
Joseph W. Craft III
President and Chief Executive Officer
of Alliance GP, LLC
(the general partner of Alliance Holdings GP, L.P.)

Date: November 7, 2013

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate document. A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Alliance Holdings GP, L.P. (the “Partnership”) on Form 10-Q for the three and nine months ended September 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brian L. Cantrell, Senior Vice President and Chief Financial Officer of Alliance GP, LLC, the general partner of the Partnership, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Partnership.

By: /s/ Brian L. Cantrell
Brian L. Cantrell
Senior Vice President and
Chief Financial Officer
of Alliance GP, LLC
(the general partner of Alliance Holdings GP, L.P.)

Date: November 7, 2013

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate document. A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

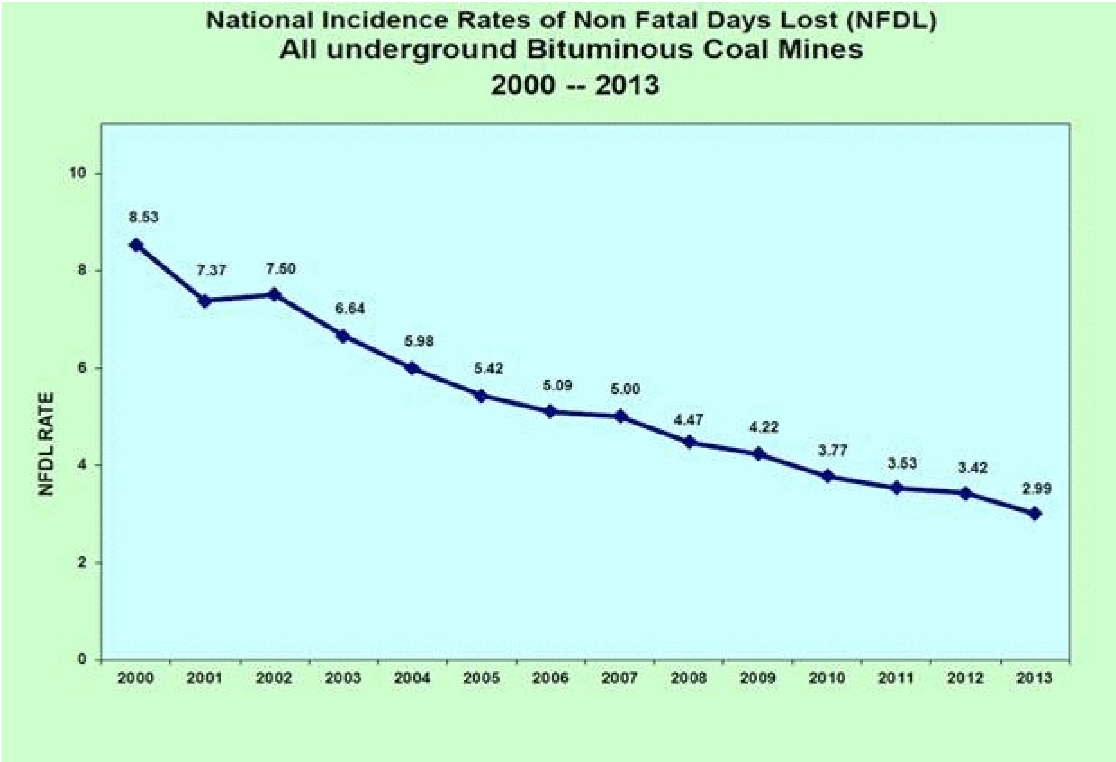
EXHIBIT 95.1

Federal Mine Safety and Health Act Information

Workplace safety is fundamental to the ARLP Partnership's culture. The ARLP Partnership's operating subsidiaries empower their employees to be actively involved in continuous efforts to prevent accidents. By providing a work environment that rewards safety and encourages employee participation in the safety process, the ARLP Partnership's mining operations strive to be the leaders in safety performance in its industry.

The ARLP Partnership is also a recognized leader in developing and implementing new technologies to improve safety throughout the industry. The ARLP Partnership's subsidiary, Matrix Design, is an innovator in the design and development of technologies intended to improve safety in underground mining operations. In fact, Matrix Design was recently awarded a Mine Safety and Health Technology Innovation Award by the U.S. National Institute for Occupational Safety and Health. Matrix Design products include portable, wireless communication and electronic tracking systems for providing surface personnel the ability to communicate with and locate underground mining personnel, and proximity detection systems designed to improve the safety of continuous mining machines and other mobile equipment used in underground operations. Matrix Design has completed installation of its communication and tracking system at the ARLP Partnership's operating subsidiaries and has either installed or received orders to install this vital safety system at over half of the operating underground coal mines in the U.S. In addition, Matrix Design's first-generation proximity detection system, M3-1000, has been installed on continuous miners in use at underground coal mines operated by the ARLP Partnership's subsidiaries and others. The Mine Safety and Health Administration ("MSHA") also recently approved Matrix Design's second-generation proximity detection system, IntelliZone, expanding the availability of this safety technology to various forms of mobile equipment used in underground mines to carry coal between continuous miners and conveyor belts. Matrix Design is in the process of installing IntelliZone on continuous mining machines and mobile equipment within underground coal mines operated by the ARLP Partnership's subsidiaries. In addition, in September 2013, Matrix Design received MSHA approval for the use of Matrix Design's new advanced-technology atmospheric monitoring sensors ("AMS") for underground mining operations. The AMS technology, which was developed at the request of Alpha Natural Resources, Inc. ("Alpha") and is presently being implemented at various Alpha affiliates, is designed to provide services that integrate voice communications, personnel tracking, atmospheric monitoring, and calibration tools for underground mining. The AMS technology is designed to operate by either wired or wireless connections.

The ARLP Partnership's industry is focused on improving employee safety and its safety performance is continuously monitored, including through the mining industry standard of "non-fatal days lost," or "NFDL," which reflects both the frequency and severity of injuries incurred and, it believes, is a better measure of safety performance than compliance statistics. As indicated in the chart below, these efforts have resulted in significant safety improvements as the industry average NFDL as of the second quarter of 2013, as reported [a] by MSHA, has decreased approximately 65% since 2000.



(a) Data compiled for all U.S. underground bituminous coal mines and related surface facilities from the MSHA report "Mine Injury and Worktime, Quarterly Closeout Edition." Data for 2000 through 2012 reflects the "January – December, Final" report for each year. Data for 2013 reflects the "January — June, Preliminary" report for the first six months of 2013.

During this same time period, the combined NFDL rating of the ARLP Partnership's operating subsidiaries has averaged approximately one-third lower than the industry average.

The ARLP Partnership's mining operations are subject to extensive and stringent compliance standards established pursuant to the Federal Mine Safety and Health Act of 1977, as amended by the MINER Act (as amended, the "Mine Act"). MSHA monitors and rigorously enforces compliance with these standards, and the ARLP Partnership's mining operations are inspected frequently. Citations and orders are issued by MSHA under Section 104 of the Mine Act for violations of the Mine Act or any mandatory health or safety standard, rule, order or regulation promulgated under the Mine Act. A Section 104(a) "Significant and Substantial" or "S&S" citation is generally issued in a situation where the conditions created by the violation do not cause imminent danger, but in the opinion of the MSHA inspector could significantly and substantially contribute to the cause and effect of a mine safety or health hazard. During the three months ended September 30, 2013, the ARLP Partnership's mines were subject to 1,925 MSHA inspection days with an average of only 0.12 S&S citations written per inspection day.

The ARLP Partnership endeavors to comply at all times with all Mine Act regulations. However, the Mine Act has been construed as authorizing MSHA to issue citations and orders pursuant to the legal doctrine of strict liability, or liability without fault. If, in the opinion of an MSHA inspector, a condition exists that violates the Mine Act or regulations promulgated thereunder, then a citation or order will be issued regardless of whether the ARLP Partnership had any knowledge of, or fault in, the existence of that condition. Many of the Mine Act standards include one or more subjective elements, so that issuance of a citation often depends on the opinions or experience of the MSHA inspector involved and the frequency of citations will vary from inspector to inspector.

The number of citations issued also is affected by the size of the mine, in that the number of citations issued generally increases with the size of the mine. The ARLP Partnership's mines typically are larger in scale than most underground coal mines in the U.S. in terms of area, production and employee hours.

The ARLP Partnership takes all allegations of violations of Mine Act standards seriously, and if it disagrees with the assertions of an MSHA inspector, the ARLP Partnership exercises its right to challenge those findings by "contesting" the citation or order pursuant to the procedures established by the Mine Act and its regulations. During the three months ended September 30, 2013, the ARLP Partnership's operating subsidiaries have contested approximately 23% of all citations and 58% of S&S citations issued by MSHA inspectors. These contest proceedings frequently result in the dismissal or modification of previously issued citations, substantial reductions in the penalty amounts originally assessed by MSHA, or both.

The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") requires issuers to include in periodic reports filed with the SEC certain information relating to citations or orders for violations of standards under the Mine Act. The following tables include information required by the Dodd-Frank Act for the three months ended September 30, 2013. The mine data retrieval system maintained by MSHA may show information that is different than what is provided herein. Any such difference may be attributed to the need to update that information on MSHA's system and/or other factors.

Subsidiary Name / MSHA Identification Number (1)	*Section 104(a) S&S Citations*(2)	*Section 104(b) Orders* (3)	*Section 104(d) Citations and Orders* (4)	*Section 110(b)(2) Violations* (5)	*Section 107(a) Orders* (6)	*Total Dollar Value of MSHA Assessments Proposed (in thousands)* (7)
Illinois Basin Operations						
Webster County Coal, LLC (KY)						
1502132	18	-	1	-	-	$ 11.8
Warrior Coal, LLC (KY)						
1505230	-	-	-	-	-	$ -
1512083	-	-	-	-	-	$ -
1513514	-	-	-	-	-	$ -
1516460	-	-	-	-	-	$ -
1517216	19	-	-	-	-	$ 72.0
1517232	12	-	-	-	-	$ 25.4
1517678	-	-	-	-	-	$ -
1517740	-	-	-	-	-	$ -
1517758	-	-	-	-	-	$ -
1514335	-	-	-	-	-	$ 0.2
Hopkins County Coal, LLC (KY)						
1502013	2	-	-	-	-	$ 1.4
1511935	-	-	-	-	-	$ -
1517377	-	-	-	-	-	$ -
1517515	-	-	-	-	-	$ -
1518826	17	-	-	-	-	$ 27.6
1517378	-	-	-	-	-	$ -
River View Coal, LLC (KY)						
1503178	-	-	-	-	-	$ 0.2
1519374	31	-	1	-	-	$ 55.6
White County Coal, LLC (IL)						
1102662	-	-	-	-	-	$ -
1103058	25	-	-	-	-	$ 54.8
Alliance WOR Processing, LLC (IL)						
1103242	-	-	-	-	-	$ -
Gibson County Coal, LLC (IN)						
1202388	-	-	-	-	-	$ 0.4
1202215	15	1	-	-	-	$ 39.6
Sebree Mining, LLC (KY)						
1519264	-	-	-	-	-	$ -
1518547	11	-	-	-	-	$ 15.5
1518864	-	-	-	-	-	$ -
1517044	-	-	-	-	-	$ -
Central Appalachian Operations						
Pontiki Coal, LLC (KY)						
1508413	-	-	-	-	-	$ -
1509571	-	-	-	-	-	$ -
1514324	2	-	-	-	-	$ 0.6
1518839	8	-	-	-	-	$ 26.8
1518056	-	-	-	-	-	$ -
MC Mining, LLC (KY)						
1508079	-	-	1	-	1	$ 69.0
1517733	2	-	-	-	-	$ 1.0
1519515	15	-	-	-	-	$ 28.8
Northern Appalachian Operations						
Mettiki Coal, LLC (MD)						
1800621	-	-	-	-	-	$ -
1800671	-	-	-	-	-	$ 1.1
Mettiki Coal (WV), LLC						
4609028	16	-	-	-	-	$ 125.9
Tunnel Ridge, LLC (PA/WV)						
4608864	38	1	1	-	-	$ 232.5
Other						
4403236	-	-	-	-	-	$ -
4403255	-	-	-	-	-	$ -
4406630	-	-	-	-	-	$ -
4406867	-	-	-	-	-	$ -

Subsidiary Name / MSHA Identification Number [(1)]	*Total Number of Mining Related Fatalities*	*Received Notice of Pattern of Violations Under Section 104(e) (yes/no) [(8)]*	*Legal Actions Pending as of Last Day of Period*	*Legal Actions Initiated During Period*	*Legal Actions Resolved During Period*
Illinois Basin Operations					
Webster County Coal, LLC (KY)					
1502132	-	No	33	2	2
Warrior Coal, LLC (KY)					
1505230	-	No	-	-	-
1512083	-	No	-	-	-
1513514	-	No	-	-	-
1516460	-	No	-	-	-
1517216	-	No	28	6	14
1517232	-	No	5	2	-
1517678	-	No	-	-	-
1517740	-	No	-	-	-
1517758	-	No	-	-	-
1514335	-	No	1	1	1
Hopkins County Coal, LLC (KY)					
1502013	-	No	3	-	-
1511935	-	No	-	-	-
1517377	-	No	-	-	-
1517515	-	No	-	-	-
1518826	-	No	35	5	-
1517378	-	No	-	-	-
River View Coal, LLC (KY)					
1503178	-	No	-	-	-
1519374	-	No	7	1	7
White County Coal, LLC (IL)					
1102662	-	No	-	-	-
1103058	-	No	24	3	6
Alliance WOR Processing, LLC (IL)					
1103242	-	No	-	-	1
Gibson County Coal, LLC (IN)					
1202388	-	No	1	-	-
1202215	-	No	10	1	3
Sebree Mining, LLC (KY)					
1519264	-	No	-	-	-
1518547	-	No	8	2	1
1518864	-	No	-	-	-
1517044	-	No	-	-	-
Central Appalachian Operations					
Pontiki Coal, LLC (KY)					
1508413	-	No	-	-	-
1509571	-	No	-	-	-
1514324	-	No	2	-	-
1518839	-	No	10	-	2
1518056	-	No	-	-	-
MC Mining, LLC (KY)					
1508079	-	No	30	3	15
1517733	-	No	1	-	-
1519515	-	No	2	2	-
Northern Appalachian Operations					
Mettiki Coal, LLC (MD)					
1800621	-	No	-	-	-
1800671	-	No	-	-	-
Mettiki Coal (WV), LLC					
4609028	-	No	8	2	2
Tunnel Ridge, LLC (PA/WV)					
4608864	-	No	11	4	-
Other					
4403236	-	No	-	-	-
4403255	-	No	-	-	-
4406630	-	No	-	-	-
4406867	-	No	-	-	-

The number of legal actions pending as of September 30, 2013 that fall into each of the following categories is as follows:

Subsidiary Name / MSHA Identification Number (1)	*Contests of Citations and Orders*	*Contests of Proposed Penalties*	*Complaints for Compensation*	*Complaints of Discharge/ Discrimination/ Interference*	*Applications for Temporary Relief*	*Appeals of Judges Rulings*
Illinois Basin Operations						
Webster County Coal, LLC (KY)						
1502132	5	28	-	-	-	-
Warrior Coal, LLC (KY)						
1505230	-	-	-	-	-	-
1512083	-	-	-	-	-	-
1513514	-	-	-	-	-	-
1516460	-	-	-	-	-	-
1517216	7	21	-	-	-	1
1517232	-	5	-	-	-	-
1517678	-	-	-	-	-	-
1517740	-	-	-	-	-	-
1517758	-	-	-	-	-	-
1514335	-	1	-	-	-	-
Hopkins County Coal, LLC (KY)						
1502013	-	3	-	-	-	-
1511935	-	-	-	-	-	-
1517377	-	-	-	-	-	-
1517515	-	-	-	-	-	-
1518826	5	30	-	-	-	5
1517378	-	-	-	-	-	-
River View Coal, LLC (KY)						
1503178	-	-	-	-	-	-
1519374	-	7	-	-	-	-
White County Coal, LLC (IL)						
1102662	-	-	-	-	-	-
1103058	-	24	-	-	-	-
Alliance WOR Processing, LLC (IL)						
1103242	-	-	-	-	-	-
Gibson County Coal, LLC (IN)						
1202388	-	1	-	-	-	-
1202215	2	8	-	-	-	-
Sebree Mining, LLC (KY)						
1519264	-	-	-	-	-	-
1518547	-	8	-	-	-	-
1518864	-	-	-	-	-	-
1517044	-	-	-	-	-	-
Central Appalachian Operations						
Pontiki Coal, LLC (KY)						
1508413	-	-	-	-	-	-
1509571	-	-	-	-	-	-
1514324	-	2	-	-	-	-
1518839	-	10	-	-	-	1
1518056	-	-	-	-	-	-
MC Mining, LLC (KY)						
1508079	-	30	-	-	-	1
1517733	-	1	-	-	-	-
1519515	-	2	-	-	-	-
Northern Appalachian Operations						
Mettiki Coal, LLC (MD)						
1800621	-	-	-	-	-	-
1800671	-	-	-	-	-	-
Mettiki Coal (WV), LLC						
4609028	-	8	-	-	-	-
Tunnel Ridge, LLC (PA/WV)						
4608864	-	11	-	-	-	-
Other						
4403236	-	-	-	-	-	-
4403255	-	-	-	-	-	-
4406630	-	-	-	-	-	-
4406867	-	-	-	-	-	-

(1) The statistics reported for each of the ARLP Partnership's subsidiaries listed above are segregated into specific MSHA identification numbers.

(2) Mine Act section 104(a) S&S citations shown above are for alleged violations of mandatory health or safety standards that could significantly and substantially contribute to a coal mine health and safety hazard. It should be noted that, for purposes of this table, S&S citations that are included in another column, such as Section 104(d) citations, are not also included as Section 104(a) S&S citations in this column.

(3) Mine Act section 104(b) orders are for alleged failures to totally abate a citation within the period of time specified in the citation.

(4) Mine Act section 104(d) citations and orders are for an alleged unwarrantable failure (i.e. aggravated conduct constituting more than ordinary negligence) to comply with mandatory health or safety standards.

(5) Mine Act section 110(b)(2) violations are for an alleged "flagrant" failure (i.e. reckless or repeated) to make reasonable efforts to eliminate a known violation of a mandatory safety or health standard that substantially proximately caused, or reasonably could have been expected to cause, death or serious bodily injury.

(6) Mine Act section 107(a) orders are for alleged conditions or practices which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated and result in orders of immediate withdrawal from the area of the mine affected by the condition.

(7) Amounts shown include assessments proposed by MSHA during the three months ended September 30, 2013 on all citations and orders, including those citations and orders that are not required to be included within the above chart.

(8) Mine Act section 104(e) written notices are for an alleged pattern of violations of mandatory health or safety standards that could significantly and substantially contribute to a coal mine safety or health hazard.