Energy Transfer Partners, L.P.
Form S-3/A
June 20, 2016
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**As filed with the Securities and Exchange Commission on June 20, 2016**

**Registration No. 333-211253**

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Amendment No. 1**

**to**

**FORM S-3**

**REGISTRATION STATEMENT**

***UNDER***

***THE SECURITIES ACT OF 1933***

**ENERGY TRANSFER PARTNERS, L.P.**

**(Exact Name of Registrant as Specified in Its Charter)**

| | |
|---|---|
| **Delaware**<br>**(State or other jurisdiction of**<br><br>**incorporation or organization)** | **73-1493906**<br>**(I.R.S. Employer**<br><br>**Identification No.)** |

**8111 Westchester Drive, Suite 600**

**Dallas, Texas 75225**

**(214) 981-0700**

**(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)**

**Thomas E. Long**

**Chief Financial Officer**

**Energy Transfer Partners, L.P.**

**8111 Westchester Drive, Suite 600**

**Dallas, Texas 75225**

**(214) 981-0700**

**(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)**

***Copies to:***

| | |
|---|---|
| **James M. Wright, Jr.**<br><br>**General Counsel**<br><br>**Energy Transfer Partners, L.P.**<br><br>**8111 Westchester Drive, Suite 600**<br><br>**Dallas, Texas 75225**<br><br>**(214) 981-0700** | **David P. Oelman**<br><br>**Vinson & Elkins L.L.P.**<br><br>**1001 Fannin Street, Suite 2500**<br><br>**Houston, Texas 77002**<br><br>**(713) 758-2222** |

**Approximate date of commencement of proposed sale to the public**: As soon as practicable after this registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ¨

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ¨

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ¨

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

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

**The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED JUNE 20, 2016**

**Prospectus**

**ENERGY TRANSFER PARTNERS, L.P.**

**$1,500,000,000**

**Common Units**

We may offer and sell up to $1,500,000,000 in aggregate offering price of common units representing limited partner interests of Energy Transfer Partners, L.P. described in this prospectus from time to time in one or more classes or series and in amounts, at prices and on terms to be determined by market conditions at the time of our offerings.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis. This prospectus describes the general terms of these common units and the general manner in which we will offer the common units. The specific terms of any common units we offer will be included in a supplement to this prospectus. The prospectus supplement will also describe the specific manner in which we will offer the common units.

**Investing in our common units involves risks. Limited partnerships are inherently different from corporations. You should carefully consider the risk factors described under Risk Factors beginning on page 5 of this prospectus before you make an investment in our securities.**

Our common units are traded on the New York Stock Exchange, or the NYSE, under the symbol ETP. The last reported sales price of our common units on the NYSE on June 13, 2016 was $37.71 per common unit.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

**The date of this prospectus is , 2016.**

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In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with any other information. If anyone provides you with different or inconsistent information, you should not rely on it.

You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus. You should not assume that the information contained in the documents incorporated by reference in this prospectus is accurate as of any date other than the respective dates of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Under this shelf registration process, we may, over time, offer and sell any combination of the securities described in this prospectus in one or more offerings. This prospectus generally describes Energy Transfer Partners, L.P. and the securities. Each time we sell securities with this prospectus, we will provide you with a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add to, update or change information in this prospectus. Before you invest in our securities, you should carefully read this prospectus and any prospectus supplement and the additional information described under the heading Where You Can Find More Information. To the extent information in this prospectus is inconsistent with information contained in a prospectus supplement, you should rely on the information in the prospectus supplement. You should read both this prospectus and any prospectus supplement, together with additional information described under the heading Where You Can Find More Information, and any additional information you may need to make your investment decision. Unless the context requires otherwise, all references in this prospectus to we, us, Energy Transfer, ETP, the Partnership and our refer to Energy Transfer Partners, L.P., and its operati partnerships and their subsidiaries, including Sunoco Logistics Partners L.P., or Sunoco Logistics and Sunoco LP. References to ETP GP, our general partner or the general partner refer to Energy Transfer Partners GP, L.P. References to ETP LLC refer to Energy Transfer Partners, L.L.C., the general partner of our general partner. References to ETE refer to Energy Transfer Equity, L.P., the owner of ETP LLC.

## ENERGY TRANSFER PARTNERS, L.P.

We are one of the largest publicly traded master limited partnerships in the United States in terms of equity market capitalization (approximately $19.6 billion as of June 13, 2016). We are managed by our general partner, ETP GP, and ETP GP is managed by its general partner, ETP LLC, which is owned by ETE, another publicly traded master limited partnership. The primary activities in which we are engaged, and operating subsidiaries through which we conduct those activities, all of which are in the United States, are as follows:

- Natural gas operations, including the following:
  - natural gas midstream and intrastate transportation and storage; and
  - interstate natural gas transportation and storage through Energy Transfer Interstate Holdings, LLC, which we refer to as ET Interstate, and Panhandle Eastern Pipe Line Company, LP and its subsidiaries, which we refer to as Panhandle. ET Interstate is the parent company of Transwestern Pipeline Company, LLC, ETC Fayetteville Express Pipeline, LLC, ETC Tiger Pipeline, LLC, CrossCountry Energy, LLC, ETC Midcontinent Express Pipeline, LLC and ET Rover Pipeline LLC. Panhandle is the parent company of the Trunkline Gas Company, LLC and Sea Robin transmission systems.
- Liquids operations, including natural gas liquids, or NGL, transportation, storage and fractionation services.

Product and crude oil transportation, terminalling services and acquisition and marketing activities through Sunoco Logistics.

Our principal executive offices are located at 8111 Westchester Drive, Suite 600, Dallas, Texas 75225, and our telephone number at that location is (214) 981-0700.

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## WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the SEC under the Securities Act of 1933 that registers the securities offered by this prospectus. The registration statement, including the attached exhibits, contains additional relevant information about us. The rules and regulations of the SEC allow us to omit some information included in the registration statement from this prospectus.

In addition, we file annual, quarterly and other reports and other information with the SEC. You may read and copy any document we file at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on the operation of the SEC s public reference room. Our SEC filings are available on the SEC s web site at *http://www.sec.gov*. We also make available free of charge on our website, at *http://www.energytransfer.com*, all materials that we file electronically with the SEC, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Section 16 reports and amendments to these reports as soon as reasonably practicable after such materials are electronically filed with, or furnished to, the SEC. Additionally, you can obtain information about us through the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which our common units are listed.

The SEC allows us to incorporate by reference the information we have filed with the SEC. This means that we can disclose important information to you without actually including the specific information in this prospectus by referring you to other documents filed separately with the SEC. These other documents contain important information about us, our financial condition and results of operations. The information incorporated by reference is an important part of this prospectus. Information that we file later with the SEC will automatically update and may replace information in this prospectus and information previously filed with the SEC.

We incorporate by reference in this prospectus the documents listed below:

our annual report on Form 10-K for the year ended December 31, 2015;

our quarterly report on Form 10-Q for the quarter ended March 31, 2016;

our current reports on Form 8-K or 8-K/A filed on January 28, 2016, January 29, 2016, April 1, 2016 and April 7, 2016 (excluding any information furnished pursuant to Item 2.02 or Item 7.01 of any such current report on Form 8-K);

the description of our common units in our registration statement on Form 8-A (File No. 1-11727) filed pursuant to the Securities Exchange Act of 1934 on May 16, 1996; and

any future filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, (excluding any information furnished pursuant to Item 2.02 or Item 7.01 of any current report on Form 8-K or Form 8-K/A) until all offerings under this shelf registration statement are completed or after the date on which the registration statement that includes this prospectus was initially filed with the SEC and before the effectiveness of such registration statement.

You may obtain any of the documents incorporated by reference in this prospectus from the SEC through the SEC s website at the address provided above. You also may request a copy of any document incorporated by reference in this prospectus (including exhibits to those documents specifically incorporated by reference in this document), at no cost, by visiting our internet website at *www.energytransfer.com*, or by writing or calling us at the following address:

Energy Transfer Partners, L.P.

8111 Westchester Drive, Suite 600

Dallas, Texas 75225

Attention: James M. Wright, Jr.

Telephone: (214) 981-0700

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## CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus contains various forward-looking statements and information that are based on our beliefs and those of our general partner, as well as assumptions made by and information currently available to us. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. When used in this prospectus, words such as anticipate, project, expect, plan, goal, forecast, estimate, int believe, may, will and similar expressions and statements regarding our plans and objectives for future operations, are intended to identify forward-looking statements. Although we and our general partner believe that the expectations on which such forward-looking statements are based are reasonable, neither we nor our general partner can give assurances that such expectations will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, estimated, projected or expected. Among the key risk factors that may have a direct bearing on our results of operations and financial condition are:

- the volumes transported on our pipelines and gathering systems;
- the level of throughput in our natural gas processing and treating facilities;
- the fees we charge and the margins we realize for our gathering, treating, processing, storage and transportation services;
- the prices and market demand for, and the relationship between, natural gas and natural gas liquids, or NGLs;
- energy prices generally;
- the price of natural gas and NGLs compared to the price of alternative and competing fuels;
- the general level of petroleum product demand and the availability and price of NGL supplies;
- the level of domestic oil and natural gas production;
- the availability of imported oil and natural gas;
- actions taken by foreign oil and gas producing nations;

the political and economic stability of petroleum producing nations;

the effect of weather conditions on demand for oil, natural gas and NGLs;

availability of local intrastate and interstate transportation systems;

the continued ability to find and contract for new sources of natural gas supply;

availability and marketing of competitive fuels;

the impact of energy conservation efforts;

energy efficiencies and technological trends;

governmental regulation and taxation;

changes to, and the application of, regulation of tariff rates and operational requirements related to our interstate and intrastate pipelines;

hazards or operating risks incidental to the gathering, treating, processing and transporting of natural gas and NGLs;

competition from other midstream companies and interstate pipeline companies;

loss of key personnel;

- loss of key natural gas producers on the providers of fractionation services;

- reductions in the capacity or allocations of third-party pipelines that connect with our pipelines and facilities;

- the effectiveness of risk-management policies and procedures and the ability of our liquids marketing counterparties to satisfy their financial commitments;

- the nonpayment or nonperformance by our customers;

- regulatory, environmental, political and legal uncertainties that may affect the timing and cost of our internal growth projects, such as our construction of additional pipeline systems;

- risks associated with the construction of new pipelines and treating and processing facilities or additions to our existing pipelines and facilities, including difficulties in obtaining permits and rights-of-way or other regulatory approvals and the performance by third-party contractors;

- the availability and cost of capital and our ability to access certain capital sources;

- a deterioration of the credit and capital markets;

- risks associated with the assets and operations of entities in which we own less than a controlling interest, including risks related to management actions at such entities that we may not be able to control or exert influence;

- the ability to successfully identify and consummate strategic acquisitions at purchase prices that are accretive to our financial results and to successfully integrate acquired businesses;

- changes in laws and regulations to which we are subject, including tax, environmental, transportation and employment regulations or new interpretations by regulatory agencies concerning such laws and regulations; and

- the costs and effects of legal and administrative proceedings.

You should not put undue reliance on any forward-looking statements. When considering forward-looking statements, please review the risk factors described under Risk Factors in this prospectus and those incorporated by reference into this prospectus from our most recent Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K.

All forward-looking statements, expressed or implied, included herein are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we, or persons acting on our behalf, may issue.

We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

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# RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the risk factors and all of the other information included in or incorporated by reference into this prospectus, including those in our most recent Annual Report on Form 10-K, any Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K, in evaluating an investment in our securities. If any of these risks were to occur, our business, financial condition or results of operations could be adversely affected. In that case, the trading price of our common units could decline and you could lose all or part of your investment. When we offer and sell any securities pursuant to a prospectus supplement, we may include additional risk factors relevant to such securities in the prospectus supplement.

## Risks Related to Our Investment in Sunoco Logistics

ETP is the controlling owner of Sunoco Logistics general partner interest and owns approximately 26 percent of Sunoco Logistics limited partner interests, including ownership of Sunoco Logistics outstanding Class B units, and all of Sunoco Logistics incentive distribution rights ( IDRs ).

## RISKS RELATED TO SUNOCO LOGISTICS BUSINESS

***If Sunoco Logistics is unable to generate sufficient cash flow, Sunoco Logistics ability to pay quarterly distributions to its common unitholders at current levels or to increase its quarterly distributions in the future, could be materially impaired.***

Sunoco Logistics ability to pay quarterly distributions depends primarily on cash flow, including cash flow from financial reserves and credit facilities, and not solely on profitability, which is affected by non-cash items. As a result, Sunoco Logistics may pay cash distributions during periods when it records net losses and may be unable to pay cash distributions during periods when it records net income. Sunoco Logistics ability to generate sufficient cash from operations is largely dependent on its ability to successfully manage its businesses which may also be affected by economic, financial, competitive, and regulatory factors that are beyond its control. To the extent Sunoco Logistics does not have adequate cash reserves, its ability to pay quarterly distributions to its common unitholders at current levels could be materially impaired.

***An increase in interest rates may cause the market price of Sunoco Logistics units to decline.***

Like all equity investments, an investment in Sunoco Logistics units is subject to certain risks. In exchange for accepting these risks, investors may expect to receive a higher rate of return than would otherwise be obtainable from lower-risk investments. Accordingly, as interest rates rise, the ability of investors to obtain higher risk-adjusted rates of return by purchasing government-backed debt securities may cause a corresponding decline in demand for riskier investments generally, including yield-based equity investments such as publicly traded limited partnership interests. Reduced demand for Sunoco Logistics units resulting from investors seeking other investment opportunities may cause the trading price of Sunoco Logistics units to decline.

***A material decrease in demand driven by unfavorable crude oil prices could materially and adversely affect Sunoco Logistics results of operations, financial position or cash flows.***

The volume of crude oil transported through Sunoco Logistics integrated pipelines, terminal facilities and acquisition and marketing assets depends on the availability of attractively priced crude oil produced or received in the areas served by Sunoco Logistics assets. A period of sustained crude oil price declines, as experienced in 2014 and 2015, could lead to a decline in drilling activity, production and import levels in these areas. Similarly, a period of sustained increases in the price of crude oil supplied from any of these areas, as compared to alternative sources of crude oil available to Sunoco Logistics customers, could materially reduce demand for crude oil in the these areas. In either case, the volumes of crude oil transported through Sunoco Logistics pipelines, terminal facilities and acquisition and marketing assets could decline, and it could likely be difficult to secure alternative sources of attractively priced crude supply in a timely fashion or at all. If Sunoco Logistics is unable to replace any significant volume declines with additional volumes from other sources, its results of operations, financial position or cash flows could be materially and adversely affected.

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***A material decrease in demand resulting from unfavorable natural gas liquids (   NGLs   ) prices could materially and adversely affect Sunoco Logistics   results of operations, financial position, or cash flows.***

Any significant and prolonged change in the actual or expected demand for NGLs could have an adverse impact on the volumes transported through Sunoco Logistics   pipelines and/or terminals, or bought and sold through its acquisition and marketing assets. Changes in demand could result from additional regulatory restrictions on the extraction of NGLs that would significantly increase the cost of extraction and procurement; changes in technology affecting the mix of energy products available; or changes in laws, regulations, or costs related to exportation. Any material decrease in demand could have a material adverse effect on Sunoco Logistics   results of operations, financial position, or cash flows.

***A sustained decrease in demand for refined products in the markets served by Sunoco Logistics   pipelines and terminals could materially and adversely affect its results of operations, financial position, or cash flows.***

The following are material factors that could lead to a sustained decrease in market demand for refined products:

- a sustained recession or other adverse economic conditions that result in lower purchases of refined petroleum products;
- higher refined products prices due to an increase in the market price of crude oil, changes in economic conditions, or other factors;
- higher fuel taxes or other governmental or regulatory actions that increase, directly or indirectly, the cost of gasoline or other refined products;
- a shift by consumers to more fuel-efficient or alternative fuel vehicles or an increase in fuel economy, whether as a result of technological advances by manufacturers, pending legislation proposing to mandate higher fuel economy, or otherwise; and
- a temporary or permanent material increase in the price of refined products as compared to alternative sources of refined products available to Sunoco Logistics   customers.

***Any reduction in throughput capacity available to Sunoco Logistics   shippers, including its crude oil, NGLs and refined products acquisition and marketing businesses, on either Sunoco Logistics   pipelines or interconnecting third-party pipelines could cause a reduction of volumes transported through Sunoco Logistics   pipelines and its terminals.***

Users of Sunoco Logistics   pipelines and terminals are dependent upon Sunoco Logistics   pipelines, as well as connections to third-party pipelines, to receive and deliver crude oil, NGLs and refined products. Any interruptions or reduction in the capabilities of Sunoco Logistics   pipelines or these interconnecting pipelines due to testing, line repair, reduced operating pressures, or other causes would result in reduced volumes transported through Sunoco Logistics pipelines or its terminals. If additional shippers begin transporting volume over interconnecting pipelines, the allocations to Sunoco Logistics   existing shippers on these interconnecting pipelines could be reduced, which also could reduce volumes transported through Sunoco Logistics pipelines or its terminals. Allocation reductions of this nature are not infrequent and are beyond Sunoco Logistics control. Any such interruptions or allocation reductions that, individually or in the aggregate, are material or continue for a sustained period of time could have a material adverse effect on Sunoco Logistics results of operations, financial position, or cash flows.

Similarly, Sunoco Logistics crude oil, NGLs and refined products acquisition and marketing businesses are dependent upon its pipelines and third-party pipelines to transport their products. Any material interruptions or allocations that affect the ability of those businesses to transport products, or the cost of such transportation, could have a material adverse effect on Sunoco Logistics results of operations, financial position, or cash flows.

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***If Sunoco Logistics is unable to complete capital projects at their expected costs and/or in a timely manner, or if the market conditions assumed in Sunoco Logistics project economics deteriorate, Sunoco Logistics results of operations, financial condition, or cash flows could be affected materially and adversely.***

Delays or cost increases related to capital spending programs involving construction of new facilities (or improvements and repairs to Sunoco Logistics existing facilities) could adversely affect Sunoco Logistics ability to achieve forecasted operating results. Although Sunoco Logistics evaluates and monitors each capital spending project and try to anticipate difficulties that may arise, such delays or cost increases may arise as a result of factors that are beyond its control, including:

- denial or delay in issuing requisite regulatory approvals and/or permits;
- unplanned increases in the cost of construction materials or labor;
- disruptions in transportation of modular components and/or construction materials;
- severe adverse weather conditions, natural disasters, or other events (such as equipment malfunctions, explosions, fires, releases) affecting Sunoco Logistics facilities, or those of vendors and suppliers;
- shortages of sufficiently skilled labor, or labor disagreements resulting in unplanned work stoppages;
- changes in market conditions impacting long lead-time projects;
- market-related increases in a project s debt or equity financing costs; and
- nonperformance by, or disputes with, vendors, suppliers, contractors, or sub-contractors involved with a project.

Sunoco Logistics forecasted operating results also are based upon its projections of future market fundamentals that are not within its control, including changes in general economic conditions, availability to its customers of attractively priced alternative supplies of crude oil, NGLs and refined products and overall customer demand.

***An impairment of goodwill and intangible assets could reduce Sunoco Logistics earnings.***

At December 31, 2015, Sunoco Logistics consolidated balance sheet reflected $1.36 billion of goodwill and $718 million of intangible assets. Accounting principles generally accepted in the United States require Sunoco Logistics to test goodwill for impairment on an annual basis or when events or circumstances occur, indicating that goodwill might be impaired. Long-lived assets, such as intangible assets with finite useful lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If Sunoco Logistics determines that any of Sunoco Logistics goodwill or intangible assets were impaired, it would be required to take an immediate non-cash charge to earnings with a correlative effect on partners capital and balance sheet leverage as measured by debt to total capitalization.

For additional information on Sunoco Logistics goodwill impairment test, see Note 2 to the consolidated financial statements included in Item 8. Financial Statements and Supplementary Data of Sunoco Logistics annual report on Form 10-K for the year ended December 31, 2015.

***Future acquisitions and expansions may increase substantially the level of Sunoco Logistics indebtedness and contingent liabilities, and Sunoco Logistics may be unable to integrate them effectively into its existing operations.***

Sunoco Logistics evaluates and acquires assets and businesses that it believes complement or diversify its existing assets and businesses. Acquisitions may require substantial capital or a substantial increase in indebtedness. If Sunoco Logistics consummates any future material acquisitions, its capitalization and results of operations may change significantly.

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Acquisitions and business expansions involve numerous risks, including difficulties in the assimilation of the assets and operations of the acquired businesses, inefficiencies and difficulties that arise because of unfamiliarity with new assets, new geographic areas and the businesses associated with them. Further, unexpected costs and challenges may arise whenever businesses with different operations or management are combined and Sunoco Logistics may experience unanticipated delays in realizing the benefits of an acquisition. In some cases, Sunoco Logistics have indemnified the previous owners and operators of acquired assets.

Following an acquisition, Sunoco Logistics may discover previously unknown liabilities associated with the acquired business for which it has no recourse under applicable indemnification provisions. In addition, the terms of an acquisition may require Sunoco Logistics to assume certain prior known or unknown liabilities for which it may not be indemnified or have adequate insurance.

***Sunoco Logistics operations are subject to operational hazards and unforeseen interruptions for which it may not be adequately insured.***

Sunoco Logistics operations, and those of its customers and suppliers, may be subject to operational hazards or unforeseen interruptions such as natural disasters, adverse weather, accidents, fires, explosions, hazardous materials releases, and other events beyond Sunoco Logistics control. If one or more of the facilities that Sunoco Logistics owns, or any third-party facilities that it receives from or delivers to, are damaged by any disaster, accident, catastrophe or other event, Sunoco Logistics operations could be significantly interrupted. These interruptions might involve a loss of equipment or life, injury, extensive property damage, or maintenance and repair outages. The duration of the interruption will depend on the seriousness of the damages or required repairs. Sunoco Logistics may not be able to maintain or obtain insurance to cover these types of interruptions, or in coverage amounts desired, at reasonable rates. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. Any event that interrupts the revenues generated by Sunoco Logistics operations, or which causes it to make significant expenditures not covered by insurance, could materially and adversely affect its results of operations, financial position, or cash flows.

***Sunoco Logistics is exposed to the credit and other counterparty risk of its customers in the ordinary course of its business.***

Sunoco Logistics has various credit terms with virtually all of its customers, and its customers have varying degrees of creditworthiness. Although Sunoco Logistics evaluates the creditworthiness of each of its customers, it may not always be able to fully anticipate or detect deterioration in their creditworthiness and overall financial condition, which could expose it to an increased risk of nonpayment or other default under its contracts and other arrangements with them. In the event that a material customer or customers default on their payment obligations to Sunoco Logistics, this could materially and adversely affect Sunoco Logistics results of operations, financial position, or cash flows.

***Mergers among Sunoco Logistics customers and competitors could result in lower volumes being shipped on Sunoco Logistics pipelines or products stored in or distributed through Sunoco Logistics terminals, or reduced marketing margins and/or volumes.***

Mergers between existing customers could provide strong economic incentives for the combined entities to utilize their existing systems instead of ours in those markets where the systems compete. As a result, Sunoco Logistics could lose some or all of the volumes and associated revenues from these customers and Sunoco Logistics could experience difficulty in replacing those lost volumes and revenues, which could materially and adversely affect its results of operations, financial position, or cash flows.

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***Rate regulation or market conditions may not allow Sunoco Logistics to recover the full amount of increases in its costs. Additionally, a successful challenge to Sunoco Logistics rates could materially and adversely affect its results of operations, financial position, or cash flows.***

The primary rate-making methodology of the Federal Energy Regulatory Commission ( FERC ) is price indexing. Sunoco Logistics uses this methodology in many of its interstate markets. In an order issued in December 2010, the FERC announced that, effective July 1, 2011, the index would equal the change in the producer price index for finished goods plus 2.65 percent (previously, the index was equal to the change in the producer price index for finished goods plus 1.3 percent). This index is to be in effect through July 2016. In an order issued December 2015, the FERC announced that, effective July 1, 2016, the index would equal the change in the producer price index for finished goods plus 1.23 percent. This index is to be effective through July 2021. If the changes in the index result in a rate reduction or are not large enough to fully reflect actual increases to Sunoco Logistics costs, Sunoco Logistics financial condition could be adversely affected. If the index results in a rate increase that is substantially in excess of the pipeline s actual cost increases, or it results in a rate decrease that is substantially less than the pipeline s actual cost decrease, the rates may be protested, and, if successful, result in the lowering of the pipeline s rates. The FERC s rate-making methodologies may limit Sunoco Logistics ability to set rates based on its true costs or may delay the use of rates that reflect increased costs.

Under the Energy Policy Act of 1992, certain interstate pipeline rates were deemed just and reasonable or grandfathered. On Sunoco Logistics FERC-regulated pipelines, most of Sunoco Logistics revenues are derived from such grandfathered rates. A person challenging a grandfathered rate must, as a threshold matter, establish a substantial change since the date of enactment of the Act, in either the economic circumstances or the nature of the service that formed the basis for the rate. If the FERC were to find a substantial change in circumstances, then the existing rates could be subject to detailed review. There is a risk that some rates could be found to be in excess of levels justified by Sunoco Logistics cost of service. In such event, the FERC would order Sunoco Logistics to reduce rates prospectively and could order Sunoco Logistics to pay reparations to shippers. Reparations could be required for a period of up to two years prior to the date of filing the complaint in the case of rates that are not grandfathered and for the period starting with the filing of the complaint in the case of grandfathered rates.

In addition, a state commission could also investigate Sunoco Logistics intrastate rates or terms and conditions of service on its own initiative or at the urging of a shipper or other interested party. If a state commission found that Sunoco Logistics rates exceeded levels justified by its cost of service, the state commission could order Sunoco Logistics to reduce its rates.

Potential changes to current rate-making methods and procedures may impact the federal and state regulations under which Sunoco Logistics will operate in the future. In addition, if the FERC s petroleum pipeline rate-making methodology changes, the new methodology could materially and adversely affect Sunoco Logistics results of operations, financial position, or cash flows.

***Sunoco Logistics operations are subject to federal, state, and local laws and regulations relating to environmental protection and operational safety that could require substantial expenditures.***

Sunoco Logistics pipelines, gathering systems, and terminal operations are subject to increasingly strict environmental and safety laws and regulations. The transportation and storage of crude oil, NGLs and refined products result in a risk that crude oil, NGLs and refined products, and other hydrocarbons may be suddenly or gradually released into the environment, potentially causing substantial expenditures for a response action, significant government penalties, liability to government agencies for natural resource damages, personal injury, or property damage to private parties, and significant business interruption. Sunoco Logistics owns or leases a number of properties that have been used to store or distribute crude oil, NGLs and refined products for many years. Many of these properties also have been previously owned or operated by third parties whose handling, disposal, or release of hydrocarbons and other wastes were not under Sunoco Logistics control, and for which, in some cases, Sunoco Logistics has indemnified the previous owners and operators.

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Sunoco Logistics pipeline operations are subject to regulation by the Department of Transportation ( DOT ), under the Pipeline and Hazardous Materials Safety Administration ( PHMSA ), pursuant to which PHMSA has established requirements relating to the design, installation, testing, construction, operation, replacement and management of pipeline facilities. Moreover, PHMSA, through the Office of Pipeline Safety, has promulgated rules requiring pipeline operators to develop integrity management programs to comprehensively evaluate their pipelines, and take measures to protect pipeline segments located in what the rule refers to as high consequence areas. Activities under these integrity management programs involve the performance of internal pipeline inspections, pressure testing or other effective means to assess the integrity of these regulated pipeline segments, and the regulations require prompt action to address integrity issues raised by the assessment and analysis. Integrity testing and assessment of all of these assets will continue, and the potential exists that results of such testing and assessment could cause Sunoco Logistics to incur even greater capital and operating expenditures for repairs or upgrades deemed necessary to ensure the continued safe and reliable operation of its pipelines.

In addition, Sunoco Logistics is subject to a number of federal and state laws and regulations, including Occupational Safety and Health Administration, ( OSHA ) and comparable state statutes, the purposes of which are to protect the health and safety of workers, both generally and within the pipeline industry. In addition, the OSHA hazard communication standard, the EPA, community right-to-know regulations under Title III of the federal Superfund Amendment and Reauthorization Act and comparable state statutes require that information be maintained concerning hazardous materials used or produced in Sunoco Logistics operations and that such information be provided to employees, state and local government authorities and citizens. Sunoco Logistics is also subject to OSHA Process Safety Management regulations, which are designed to prevent or minimize the consequences of catastrophic releases of toxic, reactive, flammable or explosive chemicals. These regulations apply to any process which involves a chemical at or above specified thresholds or any process which involves flammable liquid or gas, pressurized tanks, caverns or wells. Flammable liquids stored in atmospheric tanks below their normal boiling points without the benefit of chilling or refrigeration are exempt.

Failure to comply with these laws and regulations may result in assessment of administrative, civil and criminal penalties, imposition of cleanup and site restoration costs and liens and, to a lesser extent, issuance of injunctions to limit or cease operations. Sunoco Logistics may be unable to recover these costs through increased revenues.

***Sunoco Logistics business is subject to federal, state and local laws and regulations that govern the product quality specifications of the petroleum products that it stores and transports.***

The petroleum products that Sunoco Logistics stores and transports are sold by its customers for consumption into the public market. Various federal, state and local agencies have the authority to prescribe specific product quality specifications to commodities sold into the public market. Changes in product quality specifications could reduce Sunoco Logistics throughput volume, require Sunoco Logistics to incur additional handling costs or require the expenditure of significant capital. In addition, different product specifications for different markets impact the fungibility of products transported and stored in Sunoco Logistics pipeline systems and terminal facilities and could require the construction of additional storage to segregate products with different specifications. Sunoco Logistics may be unable to recover these costs through increased revenues.

In addition, the operations of Sunoco Logistics butane blending services are reliant upon gasoline vapor pressure specifications. Significant changes in such specifications could reduce butane blending opportunities, which would affect Sunoco Logistics ability to market its butane blending service licenses and would ultimately affect its ability to recover the costs incurred to acquire and integrate its butane blending assets.

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***Climate change legislation or regulations restricting emissions of greenhouse gases could result in increased operating costs and reduced demand for Sunoco Logistics services.***

The U.S. Senate has considered legislation to restrict U.S. emissions of carbon dioxide and other greenhouse gases ( GHG ) that may contribute to global warming and climate change. Many states, either individually or through multi-state regional initiatives, have begun implementing legal measures to reduce GHG emissions. The U.S. House of Representatives has previously approved legislation to establish a cap-and-trade program, whereby the U.S. Environmental Protection Agency ( EPA ) would issue a capped and steadily declining number of tradable emissions allowances to certain major GHG emission sources so they could continue to emit GHGs into the atmosphere. The cost of such allowances would be expected to escalate significantly over time, making the combustion of carbon-based fuels (e.g., refined petroleum products, oil and natural gas) increasingly expensive. Beginning in 2011, EPA regulations required specified large domestic GHG sources to report emissions above a certain threshold occurring after January 1, 2010. Sunoco Logistics facilities are not subject to this reporting requirement since Sunoco Logistics GHG emissions are below the applicable threshold. In addition, the EPA has proposed new regulations, under the federal Clean Air Act, that would require a reduction in GHG emissions from motor vehicles and could trigger permit review for GHG emissions from certain stationary sources. It is not possible at this time to predict how pending legislation or new regulations to address GHG emissions would impact Sunoco Logistics business. However, the adoption and implementation of federal, state, or local laws or regulations limiting GHG emissions in the U.S. could adversely affect the demand for Sunoco Logistics crude oil, NGLs or refined products transportation and storage services, and result in increased compliance costs, reduced volumes or additional operating restrictions.

***Terrorist attacks aimed at Sunoco Logistics facilities could adversely affect its business.***

The U.S. government has issued warnings that energy assets, specifically the nation s pipeline and terminal infrastructure, may be the future targets of terrorist organizations. Any terrorist attack at Sunoco Logistics facilities, those of its customers and, in some cases, those of other pipelines, refineries, or terminals could materially and adversely affect Sunoco Logistics results of operations, financial position, or cash flows.

***Sunoco Logistics risk management policies cannot eliminate all commodity risk, and Sunoco Logistics use of hedging arrangements could result in financial losses or reduce Sunoco Logistics income. In addition, any non-compliance with Sunoco Logistics risk management policies could result in significant financial losses.***

Sunoco Logistics follows risk management practices designed to minimize commodity risk, and engages in hedging arrangements to reduce Sunoco Logistics exposure to fluctuations in the prices of certain products it markets. These hedging arrangements expose Sunoco Logistics to risk of financial loss in some circumstances, including when the counterparty to the hedging contract defaults on its contract obligations, or when there is a change in the expected differential between the underlying price in the hedging agreement and the actual prices received. In addition, these hedging arrangements may limit the benefit Sunoco Logistics would otherwise receive from increases in prices for such products.

Sunoco Logistics has adopted risk management policies designed to manage risks associated with its businesses. However, these policies cannot eliminate all price-related risks, and there is also the risk of non-compliance with such policies. Sunoco Logistics cannot make any assurances that it will detect and prevent all violations of Sunoco Logistics risk management practices and policies, particularly if deception or other intentional misconduct is involved. Any violations of Sunoco Logistics risk management practices or policies by Sunoco Logistics employees or agents could result in significant financial losses.

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***Sunoco Logistics does not own all of the land on which its pipelines and facilities are located, and Sunoco Logistics leases certain facilities and equipment, which subjects Sunoco Logistics to the possibility of increased costs to retain necessary land use which could disrupt its operations.***

Sunoco Logistics does not own all of the land on which certain of its pipelines and facilities are located, and Sunoco Logistics is, therefore, subject to the risk of increased costs to maintain necessary land use. Sunoco Logistics obtains the rights to construct and operate certain of its pipelines and related facilities on land owned by third parties and governmental agencies for a specific period of time. Sunoco Logistics loss of these rights, through its inability to renew rights-of-way contracts on acceptable terms, or increased costs to renew such rights could have a material adverse effect on Sunoco Logistics results of operations, financial condition and cash flows. In addition, Sunoco Logistics is subject to the possibility of increased costs under its rental agreements with landowners, primarily through rental increases and renewals of expired agreements.

Whether Sunoco Logistics has the power of eminent domain for its pipelines varies from state to state, depending upon the type of pipeline (e.g., common carrier), type of products shipped on the pipeline and the laws of the particular state. In either case, Sunoco Logistics must compensate landowners for the use of their property and, in eminent domain actions, such compensation may be determined by a court. Sunoco Logistics inability to exercise the power of eminent domain could negatively affect its business if Sunoco Logistics were to lose the right to use or occupy the property on which its pipelines are located.

Additionally, certain facilities and equipment (or parts thereof) used by Sunoco Logistics are leased from third parties for specific periods. Sunoco Logistics inability to renew equipment leases or otherwise maintain the right to utilize such facilities and equipment on acceptable terms, or the increased costs to maintain such rights, could have a material adverse effect on its results of operations and cash flows.

***A portion of Sunoco Logistics general and administrative services have been outsourced to outside service providers. Fraudulent activity or misuse of proprietary data involving Sunoco Logistics outsourcing partners could expose Sunoco Logistics to additional liability.***

Sunoco Logistics utilizes both affiliated entities and third parties in the processing of its information and data. Breaches of Sunoco Logistics security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information, or sensitive or confidential data about Sunoco Logistics or its customers, including the potential loss or disclosure of such information or data as a result of fraud or other forms of deception, could expose Sunoco Logistics to a risk of loss, or misuse of this information, result in litigation and potential liability for Sunoco Logistics, lead to reputational damage, increase Sunoco Logistics compliance costs, or otherwise harm Sunoco Logistics business.

***Cybersecurity breaches and other disruptions could compromise Sunoco Logistics information and expose Sunoco Logistics to liability, which would cause its business and reputation to suffer.***

In the ordinary course of its business, Sunoco Logistics collects and stores sensitive data, including intellectual property, Sunoco Logistics proprietary business information and that of its customers, suppliers and business partners, and personal identification information of its employees, in Sunoco Logistics data centers and on Sunoco Logistics networks. The secure processing, maintenance and transmission of this information is critical to Sunoco Logistics operations and business strategy. Despite its security measures, Sunoco Logistics information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise Sunoco Logistics networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruption of Sunoco Logistics operations, damage to Sunoco Logistics reputation, and cause a loss of confidence in Sunoco Logistics products and services, which could adversely affect its business.

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***Sunoco Logistics operations could be disrupted if its information systems fail, causing increased expenses and/or loss of sales.***

Sunoco Logistics business is highly dependent on financial, accounting and other data processing systems and other communications and information systems. Sunoco Logistics process a large number of transactions on a daily basis and rely upon the proper functioning of computer systems. If a key system was to fail or experience unscheduled downtime for any reason, even if only for a short period, Sunoco Logistics operations and financial results could be affected adversely. Sunoco Logistics systems could be damaged or interrupted by a security breach, fire, flood, power loss, telecommunications failure or similar event. Sunoco Logistics has a formal disaster recovery plan in place, but this plan may not entirely prevent delays or other complications that could arise from an information systems failure. Sunoco Logistics business interruption insurance may not compensate it adequately for losses that may occur.

***Sunoco Logistics business could be affected adversely by union disputes and strikes or work stoppages by its unionized employees.***

As of December 31, 2015, approximately 49 percent of Sunoco Logistics workforce was covered by a number of collective bargaining agreements with various terms and dates of expiration. There can be no assurances that Sunoco Logistics will not experience a work stoppage in the future as a result of labor disagreements. Any work stoppages could have a material adverse effect on Sunoco Logistics business, financial position, results of operations or cash flows.

***Sunoco Logistics does not control, and therefore may not be able to cause or prevent certain actions by, certain of its joint ventures.***

Certain of Sunoco Logistics joint ventures have their own governing boards, and Sunoco Logistics may not control all of the decisions of those boards. Consequently, it may be difficult or impossible for Sunoco Logistics to cause the joint venture entity to take actions that Sunoco Logistics believes would be in its or the joint venture s best interests. Likewise, Sunoco Logistics may be unable to prevent actions of the joint venture.

## RISKS RELATED TO SUNOCO LOGISTICS PARTNERSHIP STRUCTURE

***Sunoco Logistics general partner s discretion in determining the level of cash reserves may adversely affect Sunoco Logistics ability to make cash distributions to its unitholders.***

Sunoco Logistics partnership agreement provides that Sunoco Logistics general partner may reduce Sunoco Logistics operating surplus by establishing cash reserves to provide funds for its future operating expenditures. In addition, the partnership agreement provides that Sunoco Logistics general partner may reduce available cash by establishing cash reserves for the proper conduct of Sunoco Logistics business, to comply with applicable law or agreements to which Sunoco Logistics is a party or to provide funds for future distributions to Sunoco Logistics unitholders in any one or more of the next four quarters. These cash reserves will affect the amount of cash available for current distribution to Sunoco Logistics unitholders.

***Even if unitholders are dissatisfied, they have limited rights under the partnership agreement to remove Sunoco Logistics general partner without its consent, which could lower the trading price of the common units.***

The partnership agreement also contains provisions limiting the ability of unitholders to call meetings or to acquire information about Sunoco Logistics operations, as well as other provisions limiting the unitholders ability to influence the manner or direction of management. Unlike the holders of common stock in a corporation, unitholders have only limited voting rights on matters affecting Sunoco Logistics business and, therefore, limited ability to influence management s decisions regarding Sunoco Logistics business. Unitholders did not elect Sunoco Logistics general partner or its board of directors and will have no right to elect Sunoco

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Logistics general partner or its board of directors on an annual or other continuing basis. The board of directors of Sunoco Logistics general partner is chosen by ETP, the controlling member of Sunoco Logistics general partner. Furthermore, if the unitholders are dissatisfied with the performance of Sunoco Logistics general partner, they will have little ability to remove Sunoco Logistics general partner. As a result of these limitations, the price at which the common units trade could be diminished because of the absence or reduction of a control premium in the trading price.

***Sunoco Logistics general partner may, in its sole discretion, approve the issuance of partnership securities and specify the terms of such partnership securities.***

Pursuant to Sunoco Logistics partnership agreement, Sunoco Logistics general partner has the ability, in its sole discretion and without the approval of the unitholders, to approve the issuance of securities by Sunoco Logistics at any time and to specify the terms and conditions of such securities. The securities authorized to be issued may be issued in one or more classes or series, with such designations, preferences, rights, powers and duties (which may be senior to existing classes and series of partnership securities), as shall be determined by Sunoco Logistics general partner, including:

- the right to share in Sunoco Logistics profits and losses;
- the right to share in Sunoco Logistics distributions;
- the rights upon dissolution and liquidation of Sunoco Logistics;
- whether, and the terms upon which, Sunoco Logistics may redeem the securities;
- whether the securities will be issued, evidenced by certificates and assigned or transferred; and
- the right, if any, of the security to vote on matters relating to Sunoco Logistics, including matters relating to the relative rights, preferences and privileges of such security.

Please see *Sunoco Logistics may issue additional common units without unitholder approval, which would dilute Sunoco Logistics unitholders ownership interests.* in Sunoco Logistics annual report on Form 10-K for the year ended December 31, 2015.

***The control of Sunoco Logistics general partner may be transferred to a third party without unitholder consent.***

Sunoco Logistics general partner has the right to transfer its general partner interest to a third party in a merger or in a sale of all or substantially all of its assets without the consent of the unitholders. Furthermore, there is no restriction in the partnership agreement on the ability of the owner of Sunoco Logistics general partner from transferring its ownership interest in the general partner to a third party. The new owner of Sunoco Logistics general partner would then be in a position to replace the board of directors and officers of the general partner with its own appointees.

***Conflicts of interest may arise between Sunoco Logistics and ETP as ETP is the controlling owner of Sunoco Logistics general partner, which, due to limited fiduciary responsibilities, may permit ETP and its affiliates to favor their own interests to the detriment of Sunoco Logistics unitholders.***

ETP is the controlling owner of Sunoco Logistics general partner interest and owns approximately 26 percent of Sunoco Logistics limited partnership interests, including ownership of Sunoco Logistics outstanding Class B units. Conflicts may arise between the interests of ETP and its affiliates (including Sunoco Logistics general partner), and Sunoco Logistics interests and those of Sunoco Logistics unitholders. As a result of these conflicts, Sunoco Logistics general partner may favor its own interests and the interests of its affiliates (including ETP) over the interests of Sunoco Logistics unitholders. Sunoco Logistics partnership agreement provides that Sunoco Logistics general partner may resolve any conflicts of interest involving Sunoco Logistics and Sunoco Logistics general partner and its affiliates, and any resolution of a conflict of interest by Sunoco Logistics general partner

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that is fair and reasonable to Sunoco Logistics will be deemed approved by all partners, including the unitholders, and will not constitute a breach of the partnership agreement These conflicts may include, among others, the following situations:

- ETP and its affiliates may engage in competition with Sunoco Logistics. Neither Sunoco Logistics partnership agreement nor any other agreement requires ETP to pursue a business strategy that favors Sunoco Logistics or utilizes Sunoco Logistics assets, and Sunoco Logistics general partner may consider the interests of parties other than Sunoco Logistics, such as ETP, in resolving conflicts of interest;

- under Sunoco Logistics partnership agreement, Sunoco Logistics general partner s fiduciary duties are restricted, and Sunoco Logistics unitholders have only limited remedies available in the event of conduct constituting a potential breach of fiduciary duty by Sunoco Logistics general partner;

- Sunoco Logistics general partner determines the amount and timing of asset purchases and sales, capital expenditures, borrowings, issuance of additional partnership securities, and reserves, each of which can affect the amount of cash available for distribution to Sunoco Logistics unitholders and the amount received by Sunoco Logistics general partner in respect of its incentive distribution rights ( IDRs );

- Sunoco Logistics general partner determines which costs incurred by ETP and its affiliates are reimbursable by Sunoco Logistics; and

- Sunoco Logistics partnership agreement does not restrict Sunoco Logistics general partner from causing Sunoco Logistics to pay it or its affiliates for services rendered, or from entering into additional contractual arrangements with any of these entities on Sunoco Logistics behalf, so long as the terms of any additional contractual arrangements are fair and reasonable to Sunoco Logistics; and Sunoco Logistics general partner controls the enforcement of obligations owed to Sunoco Logistics by Sunoco Logistics general partner and its affiliates.

***Sunoco Logistics is a holding company. Sunoco Logistics conducts its operations through its subsidiaries and depends on cash flow from its subsidiaries to pay distributions to its unitholders and service its debt obligations.***

Sunoco Logistics is a holding company. Sunoco Logistics conducts its operations through its subsidiaries. As a result, Sunoco Logistics cash flow and ability to pay distributions to its unitholders and to service its debt is dependent upon the earnings of its subsidiaries. In addit