

SUNOCO LOGISTICS PARTNERS L.P.

Form 424B3

February 09, 2010

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Filed Pursuant to Rule 424(B)(3)  
Registration Statement No. 333-155644  
333-155644-01

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated February 9, 2010

## PRELIMINARY PROSPECTUS SUPPLEMENT

(To prospectus dated February 1, 2009)

\$

### Sunoco Logistics Partners Operations L.P.

% Senior Notes due 2020

% Senior Notes due 2040

Guaranteed By

Sunoco Logistics Partners L.P.

This is an offering by Sunoco Logistics Partners Operations L.P. of \$ of % Senior Notes due 2020 (the 2020 notes ) and \$ of % Senior Notes due 2040 (the 2040 notes ) and together with the 2020 notes, the notes ). Interest is payable on the notes on and of each year beginning , 2010. Interest on the notes will accrue from , 2010. The 2020 notes will mature on , 2020 and the 2040 notes will mature on , 2040.

We may redeem all or part of the notes at any time at a price of 100% of their principal amount plus a make-whole premium and accrued and unpaid interest to the redemption date. The notes will not be entitled to the benefit of any sinking fund payment.

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The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior debt and senior to any future subordinated debt that we may incur. The notes will be fully and unconditionally guaranteed by our parent, Sunoco Logistics Partners L.P., on a senior unsecured basis so long as it guarantees any of our other long-term debt. The guarantee will rank equally in right of payment with all of the existing and future senior debt of the guarantor.

*Investing in the notes involves risks. Please read Risk Factors beginning on page S-13 of this prospectus supplement and on page 4 of the accompanying prospectus.*

|  | Per 2020 Note | Total | Per 2040 Note | Total |
|--|---------------|-------|---------------|-------|
| Public Offering Price(1)   | %             | \$    | %             | \$    |
| Underwriting Discount  | %             | \$    | %             | \$    |
| Proceeds to Sunoco Logistics Partners Operations L.P.<br>(before expenses) | %             | \$    | %             | \$    |

(1) Plus accrued interest from , 2010 if delivery occurs after that date.

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

The notes will not be listed on any national securities exchange. Currently, there is no public market for the notes.

It is expected that delivery of the notes will be made to investors in registered book-entry form only through the facilities of The Depository Trust Company on or about , 2010.

*Joint Book-Running Managers*

**Barclays Capital**  
**UBS Investment Bank**

**Citi**  
**Wells Fargo Securities**

Prospectus Supplement dated , 2010.

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This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of notes. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of notes. Generally, when we refer only to the prospectus, we are referring to both parts combined. If the information about the notes offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and any free writing prospectus relating to this offering. We have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are offering to sell the notes, and seeking offers to buy the notes, only in jurisdictions where offers and sales are permitted. You should not assume that the information included in this prospectus supplement, the accompanying prospectus or any free writing prospectus is accurate as of any date other than the dates shown in these documents or that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since such dates.

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**FORWARD-LOOKING STATEMENTS**

All of the statements, other than statements of historical fact, included or incorporated by reference in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference contain forward-looking statements. These forward-looking statements discuss our goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to us, based on the current beliefs of our management as well as assumptions made by, and information currently available to, management. Words such as may, will, anticipate, believe, plan, schedule, expect, estimate, intend, project, and phrases or expressions identify forward-looking statements. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference.

Although we believe these forward-looking statements to be reasonable, they are based upon a number of assumptions, any or all of which ultimately may prove to be inaccurate. These statements are also subject to numerous uncertainties and risks that could cause actual results to differ materially from any results projected, forecasted, estimated or budgeted, including, but not limited to, the following:

our ability to successfully consummate announced acquisitions or expansions and integrate them into our existing business operations;

delays related to construction of, or work on, new or existing facilities and the issuance of applicable permits;

changes in demand for, or supply of, crude oil, refined petroleum products and natural gas liquids that impact demand for our pipeline, terminalling and storage services;

changes in the short-term and long-term demand for crude oil we both buy and sell;

the loss of Sunoco R&M as a customer or a significant reduction in its current level of throughput and storage with us;

an increase in the competition encountered by our petroleum products terminals, pipelines and crude oil acquisition and marketing operations;

changes in the financial condition or operating results of joint ventures or other holdings in which we have an equity ownership interest;

changes in the general economic conditions in the United States;

changes in laws and regulations to which we are subject, including federal, state, and local tax, safety, environmental and employment laws;

changes in regulations governing the composition of refined petroleum products that we transport, terminal and store;

improvements in energy efficiency and technology resulting in reduced demand for petroleum products;

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the effect of changes in accounting principles and tax laws and interpretations of both;

global and domestic economic repercussions, including disruptions in the crude oil and petroleum products markets, from terrorist activities, international hostilities and similar events;

the occurrence of operational hazards or unforeseen interruptions for which we may not be adequately insured (including as a result of equipment malfunction, explosions, fires, spills and the effects of severe weather conditions);

changes in insurance markets resulting in increased costs and reductions in the level and types of coverage available;

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the age of, and changes in the reliability and efficiency of, our operating facilities;

changes in the expected level of capital, operating, or remediation spending related to environmental matters;

risks related to labor relations and workplace safety;

non-performance by or disputes with major customers, suppliers or other business partners;

changes in our tariff rates implemented by federal and/or state government regulators;

the amount and terms of our debt, which could make us vulnerable to adverse general economic and industry conditions, limit our ability to borrow additional funds, place us at competitive disadvantages compared to competitors that have less debt, or have other adverse consequences;

changes in interest rates on our outstanding debt, which could increase the costs of borrowing;

changes in our or Sunoco's credit ratings, as assigned by ratings agencies;

the condition of the debt capital markets and equity capital markets in the United States, and our ability to raise capital in a cost-effective way;

performance of financial institutions impacting our liquidity, including those supporting our credit facilities; and

the costs and effects of legal and administrative claims and proceedings against us or any entity in which we have an ownership interest, and changes in the status of, or the initiation of new litigation, claims or proceedings, to which we, or any entity in which we have an ownership interest, is a party.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. We undertake no obligation to update publicly any forward-looking statement whether as a result of new information or future events.

**NOTICE FOR NEW HAMPSHIRE RESIDENTS**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER THIS CHAPTER WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**





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### **SUMMARY**

*This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before investing in the notes. You should read the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference for a more complete understanding of this offering. Please read Risk Factors beginning on page S-13 of this prospectus supplement and page 4 of the accompanying prospectus for more information about important risks that you should consider before investing in the notes.*

*As used in this prospectus supplement, unless the context otherwise indicates, the terms we, us, our and similar terms mean Sunoco Logistics Partners Operations L.P., together with our operating subsidiaries. References to the master partnership, our parent, or Sunoco Logistics Partners refer to Sunoco Logistics Partners L.P. References to Sunoco mean Sunoco, Inc., the owner of the general partner of the master partnership. References to Sunoco R&M mean Sunoco, Inc. (R&M), a wholly owned subsidiary of Sunoco through which Sunoco conducts its refining and marketing operations. Except where the context otherwise requires, references to, and descriptions of, our assets, operations and financial results include the assets, operations and financial results of the master partnership and its subsidiaries and predecessors.*

#### **Sunoco Logistics Partners Operations L.P.**

We are a Delaware limited partnership formed by Sunoco Logistics Partners to own, operate and acquire a geographically diverse portfolio of complementary pipeline, terminalling, and crude oil acquisition and marketing assets. We are principally engaged in the transportation, terminalling and storage of refined products and crude oil and the purchase and sale of crude oil. Sunoco Logistics Partners conducts substantially all of its business through us. We are the borrower under the master partnership's revolving credit facilities, and we are the issuer of all of the master partnership's publicly traded notes, all of which are guaranteed by Sunoco Logistics Partners. Our financial results do not differ materially from those of Sunoco Logistics Partners. The number and dollar amount of reconciling items between our consolidated financial statements and those of Sunoco Logistics Partners are insignificant. All financial results presented in this prospectus supplement and the accompanying prospectus are those of Sunoco Logistics Partners.

Our business is currently comprised of three segments, consisting of our Refined Products Pipeline System, our Terminal Facilities and our Crude Oil Pipeline System.

The *Refined Products Pipeline System* serves the United States operations of Sunoco and selected other third parties and consists of: approximately 2,200 miles of refined product pipelines, including a two-thirds undivided interest in the 80-mile refined product Harbor Pipeline, and 58 miles of interrefinery pipelines between two of Sunoco's refineries; a 9.4 percent interest in Explorer Pipeline Company, a joint venture that owns a 1,881-mile refined product pipeline; a 31.5 percent interest in Wolverine Pipe Line Company, a joint venture that owns a 721-mile refined product pipeline; a 12.3 percent interest in West Shore Pipe Line Company, a joint venture that owns a 652-mile refined product pipeline; and a 14.0 percent interest in Yellowstone Pipe Line Company, a joint venture that owns a 690-mile refined product pipeline.

The *Terminal Facilities* consist of 42 refined product terminals with an aggregate storage capacity of 7.2 million shell barrels, primarily serving our Refined Products Pipeline System; the Nederland Terminal, a 19.6 million barrel marine crude oil terminal on the Texas Gulf Coast; a 2.0 million barrel refined product terminal serving Sunoco's Marcus Hook refinery near Philadelphia, Pennsylvania; one inland and two marine crude oil terminals with a combined capacity of 3.4 million barrels, and related pipelines, that serve Sunoco's Philadelphia refinery; and a 1.0 million barrel liquefied petroleum gas terminal near Detroit, Michigan.

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The *Crude Oil Pipeline System* gathers, purchases, sells, and transports crude oil principally in Oklahoma and Texas and consists of approximately 3,850 miles of crude oil trunk pipelines, including a 37.0 percent undivided interest in the 80-mile Mesa Pipe Line system, and approximately 500 miles of crude oil gathering lines that supply the trunk pipelines; approximately 110 crude oil transport trucks; approximately 120 crude oil truck unloading facilities; and a 55.3 percent equity interest (50 percent voting interest) in the Mid-Valley Pipeline Company, a joint venture that owns a 994-mile crude pipeline and a 43.8 percent interest in West Texas Gulf Pipe Line Company, a joint venture that owns a 579-mile crude oil pipeline.

We are principally engaged in the transport, terminalling and storage of refined products and crude oil in 13 states located in the northeastern, midwestern and southwestern United States. We generate revenues by charging tariffs for transporting refined products, crude oil and other hydrocarbons through our pipelines and by charging fees for storing refined products, crude oil and other hydrocarbons in, and for providing other services at, our terminals. We also generate revenues by purchasing and selling domestic crude oil. Generally, as we purchase crude oil, we simultaneously enter into corresponding sale transactions involving physical deliveries of crude oil, which enables us to secure a profit on the transaction at the time of purchase and establish a substantially balanced position, thereby minimizing our exposure to crude oil price volatility after the initial purchase. However, the margins we receive from these transactions may vary from period to period. We do not enter into futures contracts or other derivative instruments in connection with these purchases and sales unless they result in the physical delivery of crude oil.

## **Our Business Strategies**

Our primary business strategies are to:

generate stable cash flows;

increase our pipeline and terminal throughput;

pursue strategic and accretive acquisitions that complement or supplement our existing asset base;

pursue economically accretive organic growth opportunities;

continue to improve our operating efficiency and to reduce our costs; and

increase our cash distributions to unitholders.

## **Our Competitive Strengths**

We believe that we are well-positioned to execute our business strategies successfully because of the following competitive strengths:

*We have a unique strategic relationship with Sunoco and its affiliates.* Many of our refined product and crude oil pipelines and terminals are directly connected to Sunoco R&M's refineries and afford Sunoco R&M a cost-effective means to access crude oil and distribute refined products. In addition, we and Sunoco and its affiliates can jointly bid on potential acquisitions, and we are entitled to purchase from Sunoco and its affiliates any significant crude oil or refined product pipeline and terminalling assets, which we often refer to as logistics assets, associated with acquisitions made by Sunoco and its affiliates. Our acquisition of an undivided interest in the Mesa Pipe Line system in 2005 and our acquisition of a 55.3 percent equity interest (50 percent voting interest) in Mid-Valley Pipeline Company in 2006 are examples of our exercising our right to acquire logistics assets from Sunoco and its affiliates.

*Our refined product pipelines and terminal facilities are strategically located in areas with high demand.* We have a strong presence in the northeastern and midwestern United States, and our

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transportation and distribution assets in these regions operate at high utilization rates, providing us with a base of stable cash flows. Additionally, our 2008 acquisition of the MagTex products pipeline system expanded our presence in the growing refined product markets in the southwestern United States.

*We have a complementary portfolio of assets that are both geographically and operationally diverse.* Our assets include refined product pipelines and terminals in the northeastern, midwestern and southwestern United States, a crude oil terminal on the Texas Gulf Coast and crude oil pipelines in Oklahoma, Texas and Michigan. We also own equity interests in four refined product pipelines located in the central and western regions of the United States and in two crude oil pipelines. This geographic and asset diversity contributes to the stability of our cash flows.

*Our pipelines and terminal facilities are efficient and well-maintained.* In recent years, we have made significant investments to upgrade our asset base. All of our refined product pipelines and terminal facilities and many of our crude oil pipelines are automated to provide continuous, real-time, operational data. We continually undertake internal inspection programs and other procedures to monitor the integrity of our pipelines.

*Our executive officers and directors have extensive energy industry experience.* Our executive officers and directors have broad experience in the energy industry and our management team has operated our core assets for over ten years. As a result, we believe that we have the expertise to execute our business strategies and manage our assets and operations effectively. The master partnership's general partner has adopted incentive compensation plans to closely align the interests of its executive officers with the interests of its other stakeholders.

### **Our Relationship with Sunoco and its Affiliates**

We have a strong and mutually beneficial relationship with Sunoco, one of the leading independent refining and marketing companies in the United States and the largest refiner in the northeastern United States. Sunoco operates its businesses through a number of operating subsidiaries, the primary one being Sunoco R&M, which operates Sunoco's refineries and markets gasoline and convenience items through approximately 4,700 retail sites. Sunoco R&M's three active refineries have an aggregate refining capacity of approximately 675,000 barrels per day. Substantially all of Sunoco's business activities with us are conducted through Sunoco R&M and the majority of our operations are strategically located within Sunoco R&M's refining and marketing supply chain. Sunoco R&M relies on us to provide transportation and terminalling services that support a significant portion of its refining and marketing operations.

The success of our operations depends substantially upon the continued use of our pipelines and terminal facilities by Sunoco R&M. For the nine months ended September 30, 2009, Sunoco R&M accounted for approximately 55 percent of the total revenues of our Refined Products Pipeline System, approximately 51 percent of the total revenues of our Terminal Facilities and approximately 11 percent of the total revenues of our Crude Oil Pipeline System. In 2002, we entered into a pipelines and terminals storage and throughput agreement with Sunoco R&M. That agreement was replaced, in part, on March 1, 2007 with: (i) a five year products terminal services agreement with Sunoco R&M under which Sunoco R&M may terminal and store refined products at our terminals, and (ii) a new tank farm agreement under which Sunoco R&M may terminal and store refined products at our Marcus Hook Tank Farm. These agreements contain no minimum throughput obligations for Sunoco R&M. Certain additional obligations under the 2002 agreement were replaced with new three year agreements with Sunoco R&M relating to the Inkster Terminal, effective April 1, 2009, and the Fort Mifflin Terminal Complex, effective March 1, 2009, that contain minimum annual obligations for each facility. The remainder of Sunoco's obligations under the 2002 agreement expired in March 2009.

Following the recent offering of the master partnership's common units by Sunoco Partners LLC, Sunoco, through its ownership of our parent's general partner, has an aggregate 31.2 percent limited partner interest and a

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2.0 percent general partner interest in Sunoco Logistics Partners. Because of its significant equity ownership in our parent and operational relationship with us, Sunoco will continue to have a substantial vested interest in the growth and success of our business. In addition, our parent's general partner and its affiliates, which are indirectly owned by Sunoco, employ approximately 1,340 people who provide direct support to our operations. We do not have any employees.

## **Recent Developments**

*Registered Secondary Offering.* On February 5, 2010, the general partner of the master partnership completed the sale of 2,200,000 common units representing limited partner interests in the master partnership in a registered secondary public offering. The master partnership did not receive any of the proceeds from this sale.

*Fourth Quarter and Full Year Earnings.* On January 26, 2010, we announced financial results for the quarter and year ended December 31, 2009. For the quarter ended December 31, 2009, net income decreased to \$54.4 million, or \$1.30 per limited partner unit on a diluted basis, compared to \$75.3 million, or \$2.23 per limited partner unit on a diluted basis, for the quarter ended December 31, 2008. Operating income for the quarter ended December 31, 2009 decreased by \$16.8 million, to \$66.4 million, from \$83.1 million for the quarter ended December 31, 2008.

For the year ended December 31, 2009, net income increased to \$250.4 million compared to \$214.5 million for the year ended December 31, 2008. Operating income for the year ended December 31, 2009 increased by \$49.5 million to \$295.0 million from \$245.6 million for the year ended December 31, 2008.

Our independent registered public accounting firm has not completed its audit of our financial statements for the year ended December 31, 2009. As a result, the financial results for the quarter and full year ended December 31, 2009 that we announced are subject to change.

*Distribution Increase.* On January 26, 2010, the board of directors of our general partner declared a cash distribution for the fourth quarter of 2009 of \$1.09 per common unit (\$4.36 annualized), which is payable on February 12, 2010 to unitholders of record as of February 8, 2010. This represents the twenty-sixth distribution increase in the last twenty-seven quarters. This distribution rate is 10.1 percent higher than the fourth quarter of 2008 distribution of \$0.99 per common unit and represents a 2.3 percent increase over the distribution for the third quarter of 2009 of \$1.065 per common unit.

*IDR Exchange.* On January 26, 2010, Sunoco Logistics Partners repurchased, and its general partner transferred and assigned to the master partnership for cancellation, the incentive distribution rights held by its general partner under Sunoco Logistics Partners' Second Amended and Restated Agreement of Limited Partnership, as amended, in consideration for (i) the master partnership's issuance to its general partner of new incentive distribution rights issued under Sunoco Logistics Partners' Third Amended and Restated Agreement of Limited Partnership and (ii) the issuance to its general partner of a promissory note in the principal amount of \$201.2 million. The promissory note matures on December 31, 2010.

*Eagle Point Refinery.* On October 6, 2009, Sunoco announced its decision to indefinitely idle its Eagle Point refinery and to consolidate production at its Marcus Hook and Philadelphia refineries. On February 1, 2010 Sunoco subsequently announced its permanent shutdown of the Eagle Point refinery. Sunoco expects to continue to distribute refined products through our Eagle Point terminal. Our assets, including docks, terminals and pipelines, which provide logistics support to the Eagle Point refinery had a net book value of \$62.0 million as of September 30, 2009 and generated revenues of \$12.9 million for the first nine months of 2009. We do not expect the shutdown of the Eagle Point refinery to have a material impact on us or our results of operations and continue to work with Sunoco to evaluate the impact, if any, that the shutdown of the Eagle Point refinery will have on our operating results and the net book value of our assets.

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**Our Ownership, Structure and Management**

We are the operating subsidiary of the master partnership. We and our subsidiaries conduct the master partnership's operations and own its operating assets. Our general partner has sole responsibility for conducting our business and for managing our operations. The officers of our general partner are the same as the officers of Sunoco Partners LLC, the general partner of the master partnership. The sole director of our general partner is also a director of Sunoco Partners LLC. Sunoco, the owner of our master partnership's general partner, receives an annual administrative fee for the provision of various general and administrative services for our benefit. The fee does not include salaries of pipeline and terminal personnel or other employees of our master partnership's general partner, including senior executives, or the cost of their employee benefits. We will also reimburse Sunoco and its affiliates for direct expenses they incur on our behalf.

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The following chart depicts the organization and ownership of us, our subsidiaries and the master partnership as of February 8, 2010.

|   | <b>Percentage Interest</b> |
|---|----------------------------|
| <b>Ownership of Sunoco Logistics Partners Operations L.P.</b> |                            |
| Sunoco Logistics Partners GP LLC General Partner Interest     | 0.01%                      |
| Sunoco Logistics Partners L.P. Limited Partner Interest       | 99.99%                     |
| Total   | 100.0%                     |
| <b>Ownership of Sunoco Logistics Partners L.P.</b>            |                            |
| Public Common Units   | 66.8%                      |
| Sunoco Partners LLC Common Units                              | 31.2%                      |
| Sunoco Partners LLC General Partner Interest                  | 2.0%                       |
| Total   | 100.0%                     |

Our principal executive offices are located at 1818 Market Street, Suite 1500, Philadelphia, Pennsylvania 19103, and our phone number is (866) 248-4344.



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### **The Offering**

|                        |   |
|------------------------|---|
| Issuer                 | Sunoco Logistics Partners Operations L.P.   |
| Securities             | <p>\$ of % Senior Notes due 2020.</p> <p>\$ of % Senior Notes due 2040.</p>   |
| Maturity Date          | <p>, 2020 for the 2020 notes.</p> <p>, 2040 for the 2040 notes.</p>   |
| Interest Payment Dates | We will pay interest on the notes in arrears each and , beginning , 2010.   |
| Mandatory Redemption   | We will not be required to make mandatory redemption or sinking fund payments on the notes or to repurchase the notes at the option of the holders.   |
| Optional Redemption    | We may redeem the notes, in whole or in part, at any time at a price equal to 100% of the principal amount plus accrued and unpaid interest to the date of redemption, plus a make-whole premium as described under Description of the Notes Optional Redemption.   |
| Guarantees             | The notes will be guaranteed by our parent, Sunoco Logistics Partners L.P., on a senior unsecured basis so long as it guarantees any of our other long-term debt. Any of our subsidiaries that in the future become guarantors or co-issuers of our long-term debt must guarantee the notes on the same basis. If we cannot make payments on the notes when they are due, the guarantors must make them instead.  |
| Ranking                | The notes will be our general unsecured obligations. The notes will rank equally in right of payment with all our existing and future senior debt, including debt under our revolving credit facilities, our outstanding 7.25% Senior Notes due 2012, 8.75% Senior Notes due 2014 and 6.125% Senior Notes due 2016, and senior in right of payment to any subordinated debt that we may incur. The parent guarantee of the notes will rank equally in right of payment with the guarantor s existing and future senior debt, including Sunoco Logistics Partners guarantees of debt under our revolving credit facilities, our outstanding 7.25% Senior Notes due 2012, 8.75% Senior Notes due 2014 and 6.125% Senior Notes due 2016, and senior in right of payment to any subordinated debt the guarantor may incur. Neither we nor the guarantor currently has any secured debt outstanding. |
| Certain Covenants      | <p>The indenture governing the notes limits our ability and the ability of our subsidiaries, among other things, to:</p> <p>create liens without equally and ratably securing the notes; and</p>  |

engage in certain sale and leaseback transactions.

The indenture also limits our ability to engage in mergers, consolidations and certain sales of assets.

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These covenants are subject to important exceptions and qualifications, as described under [Description of the Notes](#) [Important Covenants](#).

**Use of Proceeds**

We will use the net proceeds of this notes offering to repay in full (i) the \$201.2 million promissory note, set to mature on December 31, 2010, issued to Sunoco Partners LLC, the general partner of our parent, Sunoco Logistics Partners, and (ii) the \$145.0 million balance outstanding under our \$400 million revolving credit facility. We will use any remainder for general partnership purposes. Affiliates of certain of the underwriters participating in this offering are lenders under our \$400 million revolving credit facility and are expected to receive greater than 5% of the net proceeds of this offering through our payments on this facility. Please read [Use of Proceeds](#), [Capitalization](#) and [Underwriting](#).

**Ratings**

We have obtained the following ratings on the notes: BBB by Standard & Poor's Ratings Services and Baa2 by Moody's Investors Service, Inc.

A rating reflects only the view of a rating agency and is not a recommendation to buy, sell or hold the notes. Any rating can be revised upward or downward or withdrawn at any time by a rating agency if the rating agency decides that the circumstances warrant a revision.

**Trustee**

U.S. Bank National Association

**Governing Law**

The notes and the indenture will be governed by New York law.

**Risk Factors**

Please read [Risk Factors](#) beginning on page S-13 and on page 4 of the accompanying prospectus for a discussion of factors you should carefully consider before investing in the notes.

**Table of Contents****Summary Financial and Operating Data**

The following tables set forth summary condensed consolidated financial and operating data of Sunoco Logistics Partners L.P. for the years ended December 31, 2006, 2007 and 2008 and for the nine months ended September 30, 2008 and 2009. The summary financial and operating data presented below is derived from (i) the audited financial statements of Sunoco Logistics Partners L.P., which are included in its Annual Report on Form 10-K for the year ended December 31, 2008, except as it pertains to the retrospective adjustment of earnings per unit and segment data, which is derived from its selected financial data and audited financial statements included in Exhibit 99.4 to its Current Report on Form 8-K filed on January 27, 2010 and (ii) the unaudited financial statements included in its Quarterly Reports on Form 10-Q for the nine months ended September 30, 2009. Sunoco Logistics Partners L.P.'s Annual Report on Form 10-K for the year ended December 31, 2008, its Quarterly Report on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009, and its Current Report on Form 8-K filed on January 27, 2010 (other than items 2.02 and 7.01 and exhibits 99.1, 99.2 and 99.3) are incorporated by reference herein.

The summary financial and operating data should be read together with, and are qualified in their entirety by reference to, the historical financial statements of Sunoco Logistics Partners L.P. and the accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations, which are set forth in its Annual Report on Form 10-K for the year ended December 31, 2008, its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009 and its Current Report on Form 8-K filed on January 27, 2010 (other than items 2.02 and 7.01 and exhibits 99.1, 99.2 and 99.3).

|  | Year Ended December 31,                    |              |              | Nine Months Ended |             |
|--|--|--------------|--------------|-------------------|-------------|
|  | 2006(1)                                    | 2007(2)      | 2008(3)      | September 30,     | 2009(5)     |
|  |  |              |              | 2008(4)           | (unaudited) |
|  | (\$ in thousands, except per unit amounts) |              |              |                   |             |
| Income Statement Data:                       |  |              |              |                   |             |
| Revenues:                                    |  |              |              |                   |             |
| Sales and other operating revenue:           |  |              |              |                   |             |
| Affiliates                                   | \$ 1,842,634                               | \$ 1,682,042 | \$ 2,571,947 | \$ 2,153,655      | \$ 531,309  |
| Unaffiliated customers                       | 3,994,601                                  | 5,695,413    | 7,540,373    | 6,385,662         | 3,209,485   |
| Other income <sup>(6)</sup>                  | 17,315                                     | 28,381       | 24,298       | 19,854            | 21,298      |
| Total revenues                               | 5,854,550                                  | 7,405,836    | 10,136,618   | 8,559,171         | 3,762,092   |
| Costs and expenses:                          |  |              |              |                   |             |
| Cost of products sold and operating expenses | 5,644,021                                  | 7,156,142    | 9,786,014    | 8,316,720         | 3,450,490   |
| Depreciation and amortization                | 36,649                                     | 37,341       | 40,054       | 29,499            | 35,328      |
| Impairment charge                            |  |              | 5,674        | 5,674             |             |
| Selling, general and administrative expenses | 55,686                                     | 56,198       | 59,284       | 44,827            | 47,616      |
| Total costs and expenses                     | 5,736,356                                  | 7,249,681    | 9,891,026    | 8,396,720         | 3,533,434   |
| Operating income                             | 118,194                                    | 156,155      | 245,592      | 162,451           | 228,658     |
| Net interest cost and debt expense           | 27,853                                     | 35,280       | 31,112       | 23,291            | 32,649      |