UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2002

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM ______________ TO _____________

Commission file number 1-31219

SUNOCO LOGISTICS PARTNERS L.P.
(Exact name of registrant as specified in its charter)

Delaware	23-3096839
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
Ten Penn Center 1801 Market Street Philadelphia, PA	19103-1699
(Address of principal executive offices)	(Zip-Code)

(215) 977-3000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No _____

The number of the registrant's Common Units held by non-affiliates and outstanding at October 31, 2002 was 5,706,800.

SUNOCO LOGISTICS PARTNERS L.P.

INDEX

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED STATEMENTS OF INCOME
(UNAUDITED)
(in thousands, except units and per unit amounts)

	Partnership	Predecessor
	Three Months Ended September 30,	
	2002	2001
Revenues		
Sales and other operating revenue:		
Affiliates	$ 284,903	$ 236,366
Unaffiliated customers	214,353	156,126
Other income	1,448	1,359
Total Revenues	500,704	393,851
Costs and Expenses		
Cost of products sold and operating expenses	465,198	365,053
Depreciation and amortization	6,327	6,081
Selling, general and administrative expenses	10,289	8,673
Total Costs and Expenses	481,814	379,807
Operating Income	18,890	14,044
Net interest cost paid to affiliates	81	2,686
Other interest cost and debt expense, net	5,043	98
Capitalized interest	(298)	(152)
Income before income tax expense	14,064	11,412
Income tax expense	-	4,184
Net Income	$ 14,064	$ 7,228
Calculation of Limited Partners' interest in Net Income:		
Net Income	$ 14,064	
Less: General Partners' interest in Net Income	281	
Limited Partners' interest in Net Income	$ 13,783	
Net Income per Limited Partner unit:		
Basic	$ 0.61	
Diluted	$ 0.60	
Weighted average Limited Partners' units outstanding:		
Basic	22,767,278	
Diluted	22,783,383	

(See Accompanying Notes)

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED STATEMENTS OF INCOME
(UNAUDITED)
(in thousands, except units and per unit amounts)

	Partnership And Predecessor Combined	Predecessor
	Nine Months Ended September 30,	
	2002	2001
Revenues		
Sales and other operating revenue:		
Affiliates	$ 830,195	$ 837,124
Unaffiliated customers	464,988	413,387
Other income	4,964	3,474
Total Revenues	1,300,147	1,253,985
Costs and Expenses		
Cost of products sold and operating expenses	1,197,546	1,164,381
Depreciation and amortization	19,039	17,682
Selling, general and administrative expenses	29,700	26,213
Total Costs and Expenses	1,246,285	1,208,276
Operating Income	53,862	45,709
Net interest cost paid to affiliates	1,226	9,308
Other interest cost and debt expense, net	12,021	296
Capitalized interest	(843)	(1,100)
Income before income tax expense	41,458	37,205
Income tax expense	1,555	13,920
Net Income	$ 39,903	$ 23,285
Allocation of 2002 Net Income:		
Portion applicable to January 1 through February 7, 2002 (period prior to initial public offering)	$ 3,421	
Portion applicable to February 8 through September 30, 2002	36,482	
Net Income	$ 39,903	
Calculation of Limited Partners' interest in Net Income:		
Net Income	$ 36,482	
Less: General Partners' interest in Net Income	730	
Limited Partners' interest in Net Income	$ 35,752	
Net Income per Limited Partner unit for the period from February 8, 2002 through September 30, 2002:		
Basic	$ 1.57	
Diluted	$ 1.57	
Weighted average Limited Partners' units outstanding:		
Basic	22,767,278	
Diluted	22,773,583	

(See Accompanying Notes)

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED BALANCE SHEETS
(UNAUDITED)
(in thousands)

	Partnership September 30, 2002	Predecessor December 31, 2001
Assets		
Current Assets		
Cash and cash equivalents	$ 41,331	$ --
Accounts receivable, affiliated companies (Note 3)	85,838	6,245
Accounts receivable, net	249,996	151,264
Note receivable from affiliate (Note 3)	-	20,000
Inventories:		
Crude oil	22,616	19,367
Materials, supplies and other	1,227	1,239
Deferred income taxes	-	2,821
Total Current Assets	401,008	200,936
Properties, plants and equipment	959,818	937,305
Less accumulated depreciation and amortization	386,856	370,946
Properties, plants and equipment, net	572,962	566,359
Deferred charges and other assets	29,378	21,906
Total Assets	$ 1,003,348	$ 789,201
Liabilities and Partners' Capital/Net Parent Investment		
Current Liabilities		
Accounts payable	$ 338,707	$ 235,061
Accrued liabilities	18,220	26,628
Advances from affiliate (Note 3)	1,748	--
Current portion of long-term debt due affiliate (Note 3)	-	75,000
Current portion of long-term debt (Note 4)	243	228
Taxes payable	11,322	20,373
Total Current Liabilities	370,240	357,290
Long-term debt due affiliate (Note 3)	-	65,000
Long-term debt (Note 4)	252,746	4,553
Deferred income taxes	-	78,140
Other deferred credits and liabilities	816	9,325
Commitments and contingent liabilities (Note 6)		
Partners' Capital	379,546	--
Net Parent Investment (Note 5)	-	274,893
Total Liabilities and Partners' Capital/Net Parent Investment	$ 1,003,348	$ 789,201

(See Accompanying Notes)

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	Partnership and Predecessor Combined	Predecessor
	Nine Months Ended September 30,	
	2002	2001
Cash Flows from Operating Activities:		
Net income	$ 39,903	$ 23,285
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Depreciation and amortization	19,039	17,682
Deferred income tax expense	675	9,422
Changes in working capital pertaining to operating activities:		
Accounts receivable, affiliated companies	(79,593)	829
Accounts receivable, net	(100,563)	74,248
Inventories	(10,226)	(6,940)
Accounts payable and accrued liabilities	105,952	(101,887)
Taxes payable	5,021	(644)
Other	(3,592)	1,081
Net cash provided by/(used in) operating activities	(23,384)	17,076
Cash Flows from Investing Activities:		
Capital expenditures	(26,880)	(40,222)
Collection of note receivable from affiliate	20,000	--
Other	--	(296)
Net cash used in investing activities	(6,880)	(40,518)
Cash Flows from Financing Activities:		
Distributions paid to unitholders	(16,494)	--
Net proceeds from issuance of common units to the public	96,341	--
Advances from affiliate, net	1,748	--
Repayments of long-term debt	(217)	(200)
Repayments of long-term debt due affiliate	(50,000)	--
Net proceeds from issuance of long-term debt	244,788	--
Special distribution to Sunoco	(244,788)	--
Contributions from Sunoco	40,217	18,642
Net proceeds from short-term borrowings due affiliate	--	5,000
Net cash provided by financing activities	71,595	23,442
Net increase in cash and cash equivalents	41,331	--
Cash and cash equivalents at beginning of period	--	--
Cash and cash equivalents at end of period	$ 41,331	$ --

(See Accompanying Notes)

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED STATEMENT OF PARTNERS' CAPITAL/NET PARENT INVESTMENT
(UNAUDITED)
(in thousands, except unit amounts)

	Net Parent Investment	Partners' Capital					Total Partners' Capital/ Net Parent Investment
		Limited Partners				General Partner	
		Common		Subordinated			
	$	Units	$	Units	$	$	$
Balance at January 1, 2002	$ 274,893	--	$ --	--	$ --	$ --	$ 274,893
Net income applicable to the period from January 1 through February 7, 2002	3,421	--	--	--	--	--	3,421
Contribution from Sunoco	40,217	--	--	--	--	--	40,217
Adjustment to reflect net liabilities not contributed by Sunoco to the Partnership	189,474	--	--	--	--	--	189,474
Special distribution to Sunoco	(244,788)	--	--	--	--	--	(244,788)
Net assets contributed by Sunoco	263,217	--	--	--	--	--	263,217
Allocation of net assets contributed by Sunoco	(263,217)	5,633,639	85,396	11,383,639	172,557	5,264	--
Issuance of common units to the public	--	5,750,000	96,341	--	--	--	96,341
Net income applicable to the period from February 8 through September 30, 2002	--	--	17,876	--	17,876	730	36,482
Cash distributions	--	--	(8,082)	--	(8,082)	(330)	(16,494)
Balance at September 30, 2002	$ --	11,383,639	$ 191,531	11,383,639	$ 182,351	$ 5,664	$ 379,546

(See Accompanying Notes)

NOTES TO CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

1. Basis of Presentation

Sunoco Logistics Partners L.P. (the "Partnership") is a Delaware limited partnership formed by Sunoco, Inc. in October 2001 to acquire, own, and operate a substantial portion of Sunoco, Inc.'s logistics business, consisting of refined product pipelines, terminalling and storage assets, crude oil pipelines, and crude oil acquisition and marketing assets located in the Northeast, Midwest and Southwest United States (collectively, "Sunoco Logistics (Predecessor)" or the "Predecessor").

The accompanying condensed financial statements are presented in accordance with the requirements of Form 10-Q and accounting principles generally accepted in the United States for interim financial reporting. They do not include all disclosures normally made in financial statements contained in Form 10-K. In management's opinion, all adjustments necessary for a fair presentation of the results of operations, financial position and cash flows for the periods shown have been made. All such adjustments are of a normal recurring nature. Results for the three and nine months ended September 30, 2002 are not necessarily indicative of results for the full year 2002.

The financial statements of Sunoco Logistics Partners L.P. reflect historical cost-basis accounts of the Predecessor for periods prior to February 8, 2002, the closing date of the Partnership's initial public offering (the "IPO" - see Note 2), and include charges from Sunoco, Inc. and its subsidiaries (collectively, "Sunoco") for direct costs and allocations of indirect corporate overhead. Management of the Partnership believes that the allocation methods are reasonable and that the allocations are representative of the costs that would have been incurred on a stand-alone basis. Beginning on February 8, 2002, the condensed financial statements reflect the consolidated financial statements of the Partnership and its subsidiaries.

2. The Initial Public Offering

On February 8, 2002, Sunoco, through its subsidiary, Sunoco Partners LLC, the general partner of the Partnership, contributed the Predecessor to the Partnership in exchange for: (i) a 2% general partner interest in the Partnership; (ii) incentive distribution rights (as defined in the Partnership Agreement); (iii) 5,633,639 common units; (iv) 11,383,639 subordinated units; and (v) a special interest representing the right to receive from the Partnership, on the closing of the IPO, the net proceeds from the issuance of $250 million of ten-year senior notes by Sunoco Logistics Partners Operations L.P. (the "Operating Partnership") which totalled $244.8 million. The Partnership concurrently issued 5,750,000 common units (including 750,000 units issued pursuant to the underwriters' over-allotment option), representing a 24.8% limited partnership interest in the Partnership, in an IPO at a price of $20.25 per unit. Proceeds from the IPO, which totalled $96.3 million net of underwriting discounts and offering expenses, were used by the Partnership to establish working capital that was not contributed to the Partnership by Sunoco.

3. Related Party Transactions

Prior to the IPO, substantially all of the related party transactions discussed below were settled immediately through the net parent investment account. Subsequent to the IPO, normal trade terms apply to transactions with Sunoco as described in various agreements discussed below which were entered into concurrent with the IPO.

Accounts Receivable, Affiliated Companies

Affiliated revenue in the condensed statements of income consist of sales of crude oil as well as the provision of crude oil and refined product pipeline transportation, terminalling and storage services to Sunoco. Sales of crude oil are computed using the formula-based pricing mechanism of a supply agreement with Sunoco. Management of the Partnership believes these terms to be comparable to those that could be negotiated with an unrelated third party. Pipeline revenue is generally based on using posted tariffs. Prior to January 1, 2002, revenue from terminalling and storage was generally equal to all of the costs incurred for these activities, including operating, maintenance and environmental remediation expenditures. Concurrent with the closing of the IPO, the Partnership entered into a pipelines and terminals storage and throughput agreement with Sunoco under which the Partnership is charging Sunoco fees for services provided under these agreements comparable to those charged in arm's-length, third-party transactions. Under the pipelines and terminals storage and throughput agreement, Sunoco has agreed to pay the Partnership a minimum level of revenue for transporting and terminalling refined products. Sunoco also has agreed to minimum throughputs of refined products and crude oil in the Partnership's Inkster Terminal, Fort Mifflin Terminal Complex, Marcus Hook Tank Farm and certain crude oil pipelines. Effective January 1, 2002 for most terminals, fee arrangements consistent with this contract were used as the basis for the transfer prices. Accordingly, such fees for most terminals are reflected in the condensed financial statements beginning on January 1, 2002. Sunoco also leases from the Partnership the 58 miles of interrefinery pipelines between Sunoco's Philadelphia and Marcus Hook refineries for a term of 20 years.

Under an omnibus agreement with Sunoco that the Partnership entered into at the closing of the IPO, Sunoco is continuing to provide centralized corporate functions such as legal, accounting, treasury, information technology, insurance and other corporate services for three years for an annual administrative fee initially in the amount of $8.0 million, which may be increased in the second and third years following the IPO by the lesser of 2.5% or the consumer price index for the applicable year. These costs, which are reflected in selling, general and administrative expenses, may also increase if the Partnership makes an acquisition or constructs additional assets that require an increase in the level of general and administrative services received by the Partnership from the general partner or Sunoco. The $8.0 million fee includes expenses incurred by Sunoco to perform the centralized corporate functions described above. This fee does not include salaries of pipeline and terminal personnel or other employees of the general partner, including senior executives, or the cost of their employee benefits, such as 401(k), pension, and health insurance benefits. The Partnership is also reimbursing Sunoco for these costs and other direct expenses incurred on the Partnership's behalf.

Allocated Sunoco employee benefit plan expenses for employees who work in the pipeline, terminalling, storage and crude oil gathering operations, including senior executives, (e.g., non-contributory defined benefit retirement plans, defined contribution 401(k) plans, employee and retiree medical, dental and life insurance plans, incentive compensation plans, and other such benefits) are reflected primarily in cost of products sold and operating expenses in the condensed statements of income. In connection with the transfer of the Predecessor's operations to the Partnership, these employees, including senior executives, became employees of the Partnership's general partner or its affiliates, which are wholly owned subsidiaries of Sunoco. The Partnership has no employees.

Note Receivable from Affiliate

Effective October 1, 2000, the Predecessor loaned $20.0 million to Sunoco. The loan, which was evidenced by a note that was collected on January 1, 2002, earned interest at a rate based on the short-term applicable federal rate established by the Internal Revenue Service.

Advances from Affiliate

The Partnership entered into a treasury services agreement with Sunoco at the closing of the IPO pursuant to which the Partnership, among other things, participates in Sunoco's centralized cash management program. Under this program, all of the Partnership's cash receipts and cash disbursements are processed, together with those of Sunoco and its other subsidiaries, through Sunoco's cash accounts with a corresponding credit or charge to an intercompany account. The intercompany balances are settled periodically, but no less frequently than at the end of each month. Amounts due from Sunoco earn interest at a rate equal to the average rate of the Partnership's third-party money market investments, while amounts due to Sunoco bear interest at a rate equal to the interest rate provided in the Partnership's revolving credit facility (see Note 4).

Short-Term Borrowings due Affiliate

At December 31, 2000, the Predecessor had two short-term notes totaling $45.0 million due to Sunoco. During the nine months ended September 30, 2001, the Predecessor borrowed an additional $5.0 million under another short-term note. As of December 31, 2001, all amounts outstanding under the notes were repaid. The notes bore interest at a rate based on the short-term applicable federal rate established by the Internal Revenue Service.

Long-Term Debt due Affiliate

At December 31, 2001, the Predecessor had four variable-rate notes totaling $140.0 million due to Sunoco. The notes bore interest at a rate based on the short-term applicable federal rate established by the Internal Revenue Service. The Predecessor repaid $50.0 million of this debt prior to the IPO. The remaining debt was not assumed by the Partnership.

4. Long-Term Debt

The components of long-term debt (including current portion) were as follows (in thousands of dollars):

	September 30, 2002	December 31, 2001
Senior Notes	$ 250,000	$ --
Less unamortized bond discount	1,575	--
	248,425	--
Other (including current portion)	4,564	4,781
	$ 252,989	$ 4,781

In conjunction with the IPO, the Operating Partnership issued $250.0 million of ten-year, 7.25% Senior Notes (the "Senior Notes")at 99.325% of the principal amount and established a three-year $150.0 million revolving credit facility (the "Credit Facility"). The Senior Notes are redeemable, at a make-whole premium, and are not subject to sinking fund provisions. The Senior Notes contain various covenants limiting the Operating Partnership's ability to incur certain liens, engage in sale/leaseback transactions, or merge, consolidate or sell substantially all of its assets. The Operating Partnership is in compliance with these covenants as of September 30, 2002. In addition, the Senior Notes are also subject to repurchase by the Operating Partnership at a price equal to 100% of their principal amount, plus accrued and unpaid interest upon a change of control to a non-investment grade entity. The Operating Partnership distributed the net proceeds of $244.8 million, after offering commissions and issuance expenses, from the sale of the outstanding Senior Notes to the Partnership, which were then distributed to Sunoco.

The $150.0 million Credit Facility matures on January 31, 2005, and is available to fund the Operating Partnership's working capital requirements, to finance future acquisitions and for general partnership purposes. It may also be used to fund the minimum quarterly distribution to a maximum of $20.0 million. Borrowings under this distribution sublimit must be reduced to zero each year for a 15-day period. The Credit Facility will bear interest at the Operating Partnership's option, at either (i) LIBOR plus an applicable margin or (ii) the higher of the federal funds rate plus 0.50% or the Bank of America prime rate (each plus the applicable margin). The Credit Facility may be prepaid at any time. The Credit Facility contains various covenants limiting the Operating Partnership's ability to incur indebtedness; grant certain liens; make certain loans, acquisitions and investments; make any material change to the nature of its business; acquire another company; or enter into a merger or sale of assets, including the sale or transfer of interests in the Operating Partnership's subsidiaries. The Credit Facility also contains covenants requiring the Operating Partnership to maintain, on a rolling four-quarter basis, a ratio of total debt to EBITDA (each as defined in the credit agreement) up to 4:1; and an interest coverage ratio (as defined in the credit agreement) of at least 3.5:1. The Operating Partnership is in compliance with these covenants as of September 30, 2002. At September 30, 2002, the Partnership's ratio of total debt to EBITDA was 2.8 to 1 and the interest coverage ratio was 4.6 to 1. There were no borrowings against the Credit Facility as of September 30, 2002.

The Partnership and the operating subsidiaries of the Operating Partnership serve as joint and several guarantors of the Senior Notes and of any obligations under the Credit Facility. The guarantees are full and unconditional.

On April 11, 2002, the Operating Partnership filed an exchange offer registration statement on SEC Form S-4 in connection with the registration of the exchange of the Senior Notes and the guarantees covering the Senior Notes. This registration statement was declared effective on June 28, 2002. The exchange offer was completed on August 2, 2002, with all $250 million aggregate principal amount of the Senior Notes being exchanged for a like principal amount of new publicly tradable notes having substantially identical terms issued pursuant to the exchange offer registration statement filed under the Securities Act of 1933, as amended.

The Partnership has no operations and its only assets are its investments in its wholly owned partnerships and subsidiaries. The Operating Partnership also has no operations and its assets are limited primarily to its investments in its wholly owned operating subsidiaries and cash and cash equivalents of $41.3 million. Except for amounts associated with the Senior Notes, cash and cash equivalents and advances from affiliate, the assets and liabilities in the condensed balance sheet at September 30, 2002 and the revenues and costs and expenses in the condensed statements of income for the quarter and nine months then ended are attributable to the operating subsidiaries.

5. Net Parent Investment

The Predecessor's net parent investment account represented a net balance resulting from the settlement of intercompany transactions (including federal income taxes) between the Predecessor and Sunoco as well as Sunoco's ownership interest in the net assets of the Predecessor. It also reflects the Predecessor's participation in Sunoco's central cash management program, wherein all of the Predecessor's cash receipts were remitted to Sunoco and all cash disbursements were funded by Sunoco. There were no terms of settlement or interest charges attributable to this balance. The Predecessor's net parent investment account excludes amounts loaned to/borrowed from Sunoco evidenced by interest-bearing notes.

In connection with the contribution of the Predecessor to the Partnership on February 8, 2002, Sunoco retained certain assets and liabilities. The following table summarizes the carrying amount of the assets and liabilities which were not contributed by Sunoco (in thousands of dollars):

Accounts receivable	$ 1,831
Inventories	6,989
Deferred income taxes	2,821
Properties, plants and equipment, net	822
	12,463
Accrued liabilities	10,714
Taxes payable	14,072
Long-term debt due affiliate	90,000
Deferred income taxes	78,815
Other deferred credits and liabilities	8,336
	201,937
Net liabilities retained by Sunoco	$ 189,474

6. Commitments and Contingent Liabilities

The Partnership is subject to numerous federal, state and local laws which regulate the discharge of materials into the environment or that otherwise relate to the protection of the environment. These laws result in liabilities and loss contingencies for remediation at the Partnership's facilities and at third-party or formerly owned sites.

Total future costs for environmental remediation activities will depend upon, among other things, the identification of new sites, the determination of the extent of any contamination at each site, the timing and nature of required remedial actions, the technology available and needed to meet the various existing legal requirements, the nature and extent of future environmental laws, inflation rates and the determination of the Partnership's liability at multi-party sites, if any, in light of uncertainties with respect to joint and several liability, and the number, participation levels and financial viability of other parties. As discussed below, the Partnership's future costs will also be impacted by an indemnification from Sunoco.

The Partnership is a party to certain pending and threatened claims. Although the ultimate outcome of these claims cannot be ascertained at this time, it is reasonably possible that some portion of them could be resolved unfavorably to the Partnership. Management of the Partnership does not believe that any liabilities which may arise from such claims and the environmental matters discussed above would be material in relation to the financial position of the Partnership at September 30, 2002. Furthermore, management of the Partnership does not believe that the overall costs for such matters will have a material impact, over an extended period of time, on the Partnership's operations, cash flows or liquidity.

Sunoco has indemnified the Partnership for 30 years for environmental and toxic tort liabilities related to the assets contributed to the Partnership that arise from the operation of such assets prior to the closing of the IPO. Sunoco has indemnified the Partnership for 100% of all losses asserted within the first 21 years of closing. Sunoco's share of liability for claims asserted thereafter will decrease by 10% a year. For example, for a claim asserted during the twenty-third year after closing, Sunoco would be required to indemnify the Partnership for 80% of its loss. There is no monetary cap on the amount of indemnity coverage provided by Sunoco. The Partnership has agreed to indemnify Sunoco and its affiliates for events and conditions associated with the operation of the Partnership's assets that occur on or after the closing of the IPO and for environmental and toxic tort liabilities to the extent Sunoco is not required to indemnify the Partnership.

Sunoco also has indemnified the Partnership for liabilities, other than environmental and toxic tort liabilities related to the assets contributed to the Partnership, that arise out of Sunoco and its affiliates' ownership and operation of the assets prior to the closing of the IPO and that are asserted within 10 years after closing.

7. Business Segment Information

The following tables sets forth certain statement of income information concerning the Partnership's business segments and reconciles total segment operating income to net income for the three-month and nine-month periods ended September 30, 2002 and 2001 (in thousands of dollars):

	Three Months Ended September 30,	
	2002	2001
Segment Operating Income		
Eastern Pipeline System:		
Sales and other operating revenue:		
Affiliates	$ 17,996	$ 17,296
Unaffiliated customers	5,664	4,997
Other income	1,585	1,366
Total Revenues	25,245	23,659
Operating expenses	11,680	10,227
Depreciation and amortization	2,423	2,446
Selling, general and administrative expenses	3,756	3,070
Total Costs and Expenses	17,859	15,743
Operating Income	$ 7,386	$ 7,916
Terminal Facilities:		
Sales and other operating revenue:		
Affiliates	$ 13,872	$ 11,046
Unaffiliated customers	8,882	8,464
Other income /(loss)	--	(31)
Total Revenues	22,754	19,479
Operating expenses	9,158	8,393
Depreciation and amortization	2,646	2,352
Selling, general and administrative expenses	3,206	2,651
Total Costs and Expenses	15,010	13,396
Operating Income	$ 7,744	$ 6,083
Western Pipeline System:		
Sales and other operating revenue:		
Affiliate	$ 253,035	$ 208,024
Unaffiliated customers	199,807	142,665
Other income /(loss)	(137)	24
Total Revenues	452,705	350,713
Cost of products sold and operating expenses	444,360	346,433
Depreciation and amortization	1,258	1,283
Selling, general and administrative expenses	3,327	2,952
Total Costs and Expenses	448,945	350,668
Operating Income	$ 3,760	$ 45
Reconciliation of Segment Operating Income to Net Income:		
Operating Income:		
Eastern Pipeline System	$ 7,386	$ 7,916
Terminal Facilities	7,744	6,083
Western Pipeline System	3,760	45
Total segment operating income	18,890	14,044
Net interest expense	4,826	2,632
Income tax expense	--	4,184
Net Income	$ 14,064	$ 7,228

	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001
Segment Operating Income		
Eastern Pipeline System:		
Sales and other operating revenue:		
Affiliates	$ 53,539	$ 52,452
Unaffiliated customers	16,721	15,544
Other income	5,096	3,470
Total Revenues	75,356	71,466
Operating expenses	33,211	30,447
Depreciation and amortization	7,352	7,235
Selling, general and administrative expenses	11,762	9,474
Total Costs and Expenses	52,325	47,156
Operating Income	$ 23,031	$ 24,310
Terminal Facilities:		
Sales and other operating revenue:		
Affiliates	$ 41,407	$ 31,374
Unaffiliated customers	23,901	22,267
Other income /(loss)	2	(98)
Total Revenues	65,310	53,543
Operating expenses	25,226	25,866
Depreciation and amortization	7,728	7,171
Selling, general and administrative expenses	8,459	7,392
Total Costs and Expenses	41,413	40,429
Operating Income	$ 23,897	$ 13,114
Western Pipeline System:		
Sales and other operating revenue:		
Affiliates	$ 735,249	$ 753,298
Unaffiliated customers	424,366	375,576
Other income / (loss)	(134)	102
Total Revenues	1,159,481	1,128,976
Cost of products sold and operating expenses	1,139,109	1,108,068
Depreciation and amortization	3,959	3,276
Selling, general and administrative expenses	9,479	9,347
Total Costs and Expenses	1,152,547	1,120,691
Operating Income	$ 6,934	$ 8,285
Reconciliation of Segment Operating Income to Net Income:		
Operating Income:		
Eastern Pipeline System	$ 23,031	$ 24,310
Terminal Facilities	23,897	13,114
Western Pipeline System	6,934	8,285
Total segment operating income	53,862	45,709
Net interest expense	12,404	8,504
Income tax expense	1,555	13,920
Net Income	$ 39,903	$ 23,285

8. Net Income Per Unit Data

Prior to the Partnership's IPO on February 8, 2002, there were no limited partner units outstanding. As such, net income per unit is not presented for the three-month and nine-month periods ended September 30, 2001. The following table sets forth the reconciliation of the weighted average number of limited partner units used to compute basic net income per limited partner unit to those used to compute diluted net income per limited partner unit for the three-month and nine-month periods ended September 30, 2002:

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002
Weighted average number of limited partner units outstanding - basic	22,767,278	22,767,278
Add effect of dilutive stock incentive awards	16,105	6,305
Weighted average number of limited partner units - diluted	22,783,383	22,773,583

9. Long-Term Incentive Plan

In July 2002, Sunoco Partners LLC, the general partner of the Partnership, adopted a long-term incentive plan under which restricted units (rights to receive common units), unit options, and distribution equivalent rights ("DERs") of Sunoco Logistics Partners L.P. may be awarded to directors, executives and key employees of the general partner providing services to the Partnership. DERs, granted in tandem with specific restricted unit awards, are contingent rights to receive an amount in cash equal to the cash distributions made by the Partnership during the period such restricted units are outstanding. The plan permits the grant of awards covering an aggregate of 1,250,000 common units. In July 2002, the general partner granted 185,625 restricted units with DERs under the plan to directors, executives and key employees of the general partner. The ultimate number of common units to be issued at the end of the three-year vesting period could increase or decrease based upon the achievement of certain performance goals set forth by general partner's board of directors. The Partnership recognized $0.3 million of compensation expense for the three and nine months ended September 2002 associated with management's estimate of the number of common units expected to be issued at the end of the vesting period. The fair market value of the restricted units granted was $3.7 million on the date of grant.

10. New Accounting Standards

Effective January 1, 2002, Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"), was adopted. SFAS No. 142 requires the testing of goodwill and indefinite-lived intangible assets for impairment rather than amortizing them. The Partnership ceased amortizing goodwill and indefinite-lived intangible assets effective January 1, 2002 and determined during 2002 that the value was not impaired. The following table sets forth the reconciliation of net income as reported to net income as adjusted to exclude amortization of goodwill and indefinite-lived intangible assets (in thousands of dollars):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Net income, as reported	$ 14,064	$ 7,228	$ 39,903	$ 23,285
Add back:				
goodwill amortization	-	106	-	317
indefinite-lived intangible asset amortization	-	76	-	228
Net income, as adjusted	$ 14,064	$ 7,410	$ 39,903	$ 23,830

In August 2001, Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS No. 143"), was issued. This statement significantly changes the method of accruing for costs that an entity is legally obligated to incur associated with the retirement of fixed assets. Under SFAS No. 143, the fair value of a liability for an asset retirement obligation will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs will be capitalized as part of the carrying amount of the fixed asset and depreciated over its estimated useful life. Under existing accounting principles, a liability for an asset retirement obligation is recognized using a cost-accumulation measurement approach. Management of the Partnership has not completed its evaluation of SFAS No. 143 and, therefore, is unable to estimate the impact on the Partnership's financial statements at this time.

In August 2001, Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"), was issued. Among other things, SFAS No. 144 significantly changes the criteria that would have to be met to classify an asset as held-for-sale. SFAS No. 144 supersedes Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of," and the provisions of Accounting Principles Board Opinion 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," that relate to reporting the effects of a disposal of a segment of a business. The Partnership adopted SFAS No. 144 effective January 1, 2002 when adoption was mandatory. This new standard had no impact on the Partnership's condensed financial statements for the first nine months of 2002.

11. Distribution to Unitholders

On October 22, 2002, the Partnership declared a cash distribution of $0.45 per unit on its outstanding common and subordinated units. The distribution represents the minimum quarterly distribution for the quarter ended September 30, 2002. The $10.5 million distribution, including $0.2 million to the General Partner, will be paid on November 14, 2002 to unitholders of record at the close of business on November 1, 2002.

Distributions paid by the Partnership since the IPO on February 8, 2002 were as follows:

Date Cash Distribution Paid	Per Unit Cash Distribution Amount	Total Cash Distribution to the Limited Partners	Total Cash Distribution to the General Partner
		($ millions)	($ millions)
August 14, 2002	$ 0.45	$ 10.3	$ 0.2
May 15, 2002	$ 0.26	$ 5.9	$ 0.1

The distribution paid on May 15, 2002 represented the minimum quarterly distribution for the 52-day period from the date of the IPO, February 8, 2002, through March 31, 2002.

12. Subsequent Event

In October 2002, the Partnership entered into a definitive agreement to purchase an interest in three Midwestern and Western United States pipeline companies from an affiliate of Union Oil Company of California ("Unocal") for $54.0 million. These interests consist of 31.5 percent of Wolverine Pipeline Company, 9.2 percent of West Shore Pipeline Company, and 14.0 percent of Yellowstone Pipeline Company. Closing of the transaction is expected to occur before year-end, subject to regulatory approval and customary closing conditions. The transaction is expected to be initially funded through borrowings under the $150 million Credit Facility.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations - Three Months Ended September 30, 2002 and 2001

Sunoco Logistics Partners L.P.
Operating Highlights
Three Months Ended September 30, 2002 and 2001

	Three Months Ended September 30, 2002	2001
Eastern Pipeline System /(1)/:		
Pipeline throughput (bpd) /(2)/	581,765	529,920
Total shipments (barrel miles per day) /(3)/	57,271,321	53,046,186
Revenue per barrel mile (cents)	0.449	0.457
Terminal Facilities:		
Terminal throughput (bpd):		
Nederland terminal	400,039	456,975
Other terminals /(4)/	728,415	730,096
Western Pipeline System:		
Crude oil pipeline throughput (bpd)	291,750	294,178
Crude oil purchases at wellhead (bpd)	188,879	183,088
Gross margin per barrel of pipeline throughput (cents)/(5)/	26.9	11.0

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(1) Excludes amounts attributable to the 9.4% ownership interest in the Explorer Pipeline Company joint venture.
(2) Excludes Toledo, Twin Oaks, and Linden transfer pipelines, which transport large volume of refined products over short distances and generate minimal revenue.
(3) Represents total average daily pipeline throughput multiplied by the number of miles of pipeline through which each barrel has been shipped.
(4) Includes the Partnership's refined product terminals, the Fort Mifflin Terminal Complex and the Marcus Hook Tank Farm.
(5) Represents total segment sales and other operating revenue minus the cost of products sold and operating expenses and depreciation and amortization divided by crude oil pipeline throughput.

Analysis of Statements of Income

Net income was $14.1 million for the three-month period ended September 30, 2002 as compared with $7.2 million for the same period in the prior year, an increase of $6.9 million. This increase was primarily the result of a $4.9 million increase in operating income and a $4.2 million decrease in corporate income taxes due to the partnership status in the current quarter, partially offset by a $2.2 million increase in net interest expense. Operating income increased $4.9 million to $18.9 million for the third quarter of 2002 compared with $14.0 million for the prior year due principally to higher gross margins from the Western Pipeline System and higher Terminal Facilities business segment revenue due to the new pricing arrangement with Sunoco, Inc. and its subsidiaries (collectively, "Sunoco"). Effective January 1, 2002, Sunoco Logistics began to charge Sunoco market-based fees for most terminalling and throughput services. Prior to this date, most of the terminalling and throughput services provided to Sunoco were at fees that enabled Sunoco Logistics to recover costs but not generate any profits (see Note 3 to the condensed financial statements).

Sales and other operating revenue totaled $499.3 million for the third quarter of 2002 as compared with $392.5 million for the corresponding 2001 period, an increase of $106.8 million. The change was attributable to increased revenue at the Western Pipeline System resulting from higher lease acquisition volume and higher crude oil prices. Revenue at the Terminal Facilities business segment was also higher due to the new pricing arrangement with Sunoco discussed earlier. The average price of West Texas Intermediate crude oil at Cushing, Oklahoma, the benchmark crude oil in the United States, increased to an average price of $28.25 per barrel for the third quarter of 2002 from $26.76 for the corresponding prior year period.

Total cost of products sold and operating expenses increased $100.1 million to $465.2 million for the three months ended September 30, 2002 from $365.1 million for the prior year primarily due to an increase in the Western Pipeline System's lease acquisition volume and rising crude oil prices from the prior year. Depreciation and amortization increased $0.2 million from the prior year to $6.3 million for the third quarter of 2002 due to higher capital expenditures at the end of 2001, including the acquisition of GulfMark Energy, Inc.'s crude oil pipeline in Texas and its crude oil acquisition business in November 2001.

Selling, general and administrative expenses increased $1.6 million to $10.3 million for the third quarter of 2002 from $8.7 million for the prior year due primarily to public company costs and increased insurance premiums.

Net interest expense increased $2.2 million to $4.8 million for the third quarter of 2002 from $2.6 million for the prior year due to interest expense on the $250 million ten-year, 7.25% Senior Notes (see notes 2 and 4 to the condensed financial statements) issued on February 8 being at a higher interest rate than the debt due to Sunoco in the prior year, which was primarily at a floating rate, and a higher debt level in 2002 compared with the prior year. The debt due to Sunoco in the prior year was either repaid or not assumed by the Partnership.

There was no income tax expense for the three months ended September 30, 2002 compared to $4.2 million for the prior year due to the Partnership not being subject to income taxes from its inception on February 8, 2002.

Analysis of Segment Operating Income

Eastern Pipeline System:

Operating income for the Eastern Pipeline System was $7.4 million for the third quarter of 2002 compared with $7.9 million for the prior year. The $0.5 million decrease was primarily the result of a $2.2 million increase in total costs and expenses, partially offset by a $1.4 million increase in sales and other operating revenue and a $0.2 million increase in other income. The increase in sales and other operating revenue compared with last year's period was due to an increase in total shipments, which more than offset a decrease in revenue per barrel mile. Other income was higher due to an increase in equity income from the Explorer Pipeline resulting from increased volume and higher revenue per barrel.

The $2.2 million increase in total costs and expenses was due to an increase in operating expenses of $1.5 million and an increase in selling, general and administrative expenses of $0.7 million. Operating expenses increased to $11.7 million for the third quarter of 2002 from $10.2 million for the prior year due to higher pipeline maintenance expenditures in the current period. Selling, general and administrative expenses rose to $3.8 million for the three months ended September 2002 from $3.1 million for the prior year due to allocated public company costs and increased insurance premiums.

Terminal Facilities

Operating income for the Terminal Facilities was $7.7 million for the three months ended September 30, 2002 compared with $6.1 million for the prior year. The $1.6 million increase was due to a $3.3 million increase in total revenue, partially offset by a $0.8 million increase in operating expenses, $0.5 million in selling, general and administrative expenses, and $0.2 million in depreciation and amortization.

The $3.3 million increase in total revenue was due principally to the change in the fee arrangement for terminalling and throughput services provided to Sunoco, as discussed earlier, and higher tank rental revenue at the Nederland Terminal from a new tank brought into service at the beginning of the second quarter 2002. This was partially offset by a decline in volume at Nederland as a result of rising prices of foreign crude oil relative to domestic crude oil.

The increase in operating expenses to $9.2 million for the third quarter 2002 compared with $8.4 million for the prior year was due to higher maintenance expenses in the current period. The increase in selling, general and administrative expenses to $3.2 million for the three months ended September 2002 from $2.7 million for the prior year was due to allocated public company costs and increased insurance premiums.

Western Pipeline System

Operating income for the Western Pipeline System was $3.8 million for the third quarter of 2002, a $3.7 million increase from the prior year. This increase was primarily the result of higher lease acquisition volume and margins, partly offset by a decline in gathered volume. Selling, general and administrative expenses increased $0.3 million to $3.3 million for the quarter ended September 2002 from $3.0 million for the prior year due to allocated public company costs and increased insurance premiums.

Results of Operations - Nine Months Ended September 30, 2002 and 2001

Sunoco Logistics Partners L.P.
Operating Highlights
Nine Months Ended September 30, 2002 and 2001

	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001
Eastern Pipeline System/(1)/:		
Pipeline throughput (bpd) /(2)/	571,494	551,681
Total shipments (barrel miles per day) /(3)/	56,522,115	55,552,924
Revenue per barrel mile (cents)	0.455	0.448
Terminal Facilities:		
Terminal throughput (bpd):		
Nederland terminal	421,649	437,852
Other terminals /(4)/	742,117	734,965
Western Pipeline System:		
Crude oil pipeline throughput (bpd)	285,875	289,496
Crude oil purchases at wellhead (bpd)	189,234	177,189
Gross margin per barrel of pipeline throughput (cents)/(5)/	21.2	22.2

(1) Excludes amounts attributable to the 9.4% ownership interest in the Explorer Pipeline Company joint venture.
(2) Excludes Toledo, Twin Oaks, and Linden transfer pipelines, which transport large volume of refined products over short distances and generate minimal revenue.
(3) Represents total average daily pipeline throughput multiplied by the number of miles of pipeline through which each barrel has been shipped.
(4) Includes the Partnership's refined product terminals, the Fort Mifflin Terminal Complex and the Marcus Hook Tank Farm.
(5) Represents total segment sales and other operating revenue minus the cost of products sold and operating expenses and depreciation and amortization divided by crude oil pipeline throughput.

Analysis of Statements of Income

Net income was $39.9 million for the nine-month period ended September 30, 2002 as compared with $23.3 million for the same period in the prior year, an increase of $16.6 million. This increase was primarily the result of a $12.3 million decrease in corporate income taxes subsequent to the IPO and an $8.2 million increase in operating income, partially offset by a $3.9 million increase in net interest expense. Operating income was $8.2 million higher in the current year compared with the first nine months of 2001 due principally to higher revenue at the Terminal Facilities business segment. The increase in revenue was primarily the result of a new pricing arrangement with Sunoco discussed earlier. Partially offsetting the revenue increase was public company costs, one-time start-up costs, increased insurance premiums, and charges associated with a pipeline leak in January 2002, prior to the date of the IPO. As this pipeline leak occurred prior to the IPO and the Partnership is indemnified by Sunoco for liabilities associated with the incident, there was no impact on the Partnership's post-February 8, 2002 results.

Sales and other operating revenue totaled $1,295.2 million for the first nine months of 2002 as compared with $1,250.5 million for the corresponding 2001 period, an increase of $44.7 million. The increase was largely attributable to higher lease acquisition volume, partially offset by a decrease in crude oil prices. The average price of West Texas Intermediate crude oil at Cushing, Oklahoma, declined to an average price of $25.42 per barrel for the first nine months of 2002 from $27.80 for the corresponding prior year period. Other income increased $1.5 million from the prior year to $5.0 million for the first nine months of 2002 as a result of higher equity income from Explorer Pipeline due to increased volume and revenue per barrel.

Total cost of products sold and operating expenses increased $33.1 million to $1,197.5 million for the first nine months of 2002 from $1,164.4 million for the prior year due primarily to an increase in lease acquisition volume, partly offset by the decline in crude oil prices described above. Depreciation and amortization increased $1.3 million to $19.0 million for the first nine months of 2002 compared with $17.7 million for the prior year due to higher capital expenditures at the end of 2001 including the acquisition of GulfMark discussed earlier.

Selling, general and administrative expenses increased $3.5 million to $29.7 million for the first nine months of 2002 from $26.2 million for the prior year due primarily to public company costs, one-time start-up costs and increased insurance premiums.

Net interest expense increased $3.9 million to $12.4 million for the first nine months of 2002 from $8.5 million for the prior year due to interest expense on the Senior Notes being at a higher interest rate than the debt due to Sunoco in the prior year, which was primarily at a floating rate, and a higher debt level in 2002 compared with the prior year. The debt due to Sunoco in the prior year was either repaid or not assumed by the Partnership.

Income tax expense for the nine months ended September 30, 2002 of $1.6 million represents a $12.3 million decrease from $13.9 million for the prior year due principally to the Partnership not being subject to income taxes from its inception on February 8, 2002.

Analysis of Segment Operating Income

Eastern Pipeline System:

Operating income for the Eastern Pipeline System was $23.0 million for the first nine months of 2002 compared with $24.3 million for the prior year. The $1.3 million decrease was primarily the result of a $5.1 million increase in total costs and expenses, partially offset by a $2.3 million increase in sales and other operating revenue and a $1.6 million increase in other income. Total sales and other operating revenue increased compared with the prior year due to higher volume and revenue per barrel mile. The increase in other income was due to higher equity income from the Explorer Pipeline resulting from increased volume and revenue per barrel.

The $5.1 million increase in total costs and expenses was due to an increase in operating expenses of $2.8 million and an increase in selling, general and administrative expenses of $2.3 million. The increase in operating expenses was due to charges associated with a pipeline leak in January 2002 and higher pipeline maintenance expenses. As this pipeline leak occurred prior to the IPO and the Partnership is indemnified by Sunoco for liabilities associated with the incident, there was no impact on the Partnership's post-February 8, 2002 results. The increase in selling, general and administrative expenses was due to allocated public company costs, one-time startup costs and higher insurance premiums.

Terminal Facilities

Operating income for the Terminal Facilities was $23.9 million for the nine months ended September 30, 2002 compared with $13.1 million for the prior year. The $10.8 million increase was due to an $11.8 million increase in total revenue and a $0.7 million decrease in operating expenses, partially offset by increases of $1.1 million for selling, general and administrative expenses and $0.5 million for depreciation and amortization.

The $11.8 million increase in total revenue was due principally to the change in the fee arrangement for terminalling and throughput services provided to Sunoco as discussed earlier, and higher tank rental revenue at the Nederland Terminal as a result of a new tank that was brought into service at the beginning of the second quarter. These increases were partially offset by lower volume at the Nederland Terminal due to rising prices of foreign crude oil relative to domestic crude oil.

The $0.7 million decrease in operating expenses was primarily due to lower maintenance expenses for the first nine months of 2002 compared with the prior year. The $1.1 million increase in selling, general and administrative expenses was attributable to allocated public company costs, one-time start-up costs, and higher insurance premiums.

Western Pipeline System

Operating income for the Western Pipeline System was $6.9 million for the first nine months of 2002, a $1.4 million decrease from $8.3 million for the prior year. This decrease was primarily the result of a decline in gathered volume, partially offset by an increase in lease acquisition volume and margins. Total revenue and cost of products sold and operating expenses both increased due to an increase in lease acquisition volume, partly offset by a decline in the price of crude oil, as discussed above. Depreciation and amortization increased $0.7 million from the prior year to $4.0 million for the first nine months of 2002 due to higher capital expenditures in 2001 including the acquisition of GulfMark noted earlier.

Liquidity and Capital Resources

Cash Flows and Financial Capacity

Net cash used in operating activities for the first nine months of 2002 was $23.4 million compared with $17.1 million of cash provided by operating activities for the same period in 2001. The $23.4 million of net cash used in operating activities for the nine months ended September 2002 was primarily the result of the replacement of working capital that was not contributed by Sunoco to the Partnership upon formation. The net proceeds of the IPO were used to replenish this working capital shortfall. The working capital not contributed consisted primarily of $81.0 million of affiliated company accounts receivable and $13.5 million of crude oil inventory.

Net cash used in investing activities was $6.9 million for the nine months ended September 30, 2002 compared with $40.5 million for the prior year. The change was primarily due to the collection of a $20.0 million note receivable from an affiliate and a $13.3 million reduction of capital expenditures due to fewer one-time projects undertaken during the first nine months of 2002 compared to the same period in 2001.

Net cash provided by financing activities for the first nine months of 2002 was $71.6 million, compared with $23.4 million for the prior year. The change between periods was due mainly to the net proceeds of $96.3 million from the IPO, partially offset by $16.5 million of distributions paid to unitholders and the general partner. In addition, net proceeds of $244.8 million from the issuance of the Senior Notes in conjunction with the IPO were distributed to Sunoco. For a more detailed discussion of the IPO and related transactions, see Notes 2 and 4 to the condensed financial statements.

Under the treasury services agreement with Sunoco, the Partnership, among other things, participates in Sunoco's centralized cash management program. The $1.7 million of advances from affiliate represent amounts due to Sunoco under this treasury services agreement.

Capital Requirements

The following table summarizes maintenance and expansion capital expenditures for the periods presented (in thousands of dollars):

	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001
Maintenance..........	$ 17,624	28,898
Expansion............	9,256	11,324
	$ 26,880	40,222

Maintenance capital expenditures declined by $11.3 million from $28.9 million for the first nine months of 2001 to $17.6 million for the first nine months of 2002 due to several non-recurring expenditures in 2001 to upgrade technology resources, increase reliability and lower the Partnership's cost structure. During 2001, in the area of technology, an automation project was undertaken for the Western Pipeline System, network systems were upgraded and various software programs for all areas of the business were enhanced. For the Eastern Pipeline System, a crude oil transfer line between the Darby Creek Tank Farm and Hog Island Wharf was replaced, and higher one-time line testing projects were undertaken related to the Department of Transportation's pipeline integrity management rule adopted in 2001. For the Western Pipeline System, several crude oil transport trucks were purchased. Several other projects were undertaken to reduce the existing cost structure, including rebuilding and upgrading pump stations.

Expansion capital expenditures declined by $2.0 million from $11.3 million for the first nine months of 2001 to $9.3 million for the first nine months of 2002. During 2001, two new tanks were constructed for the Eastern Pipeline's Montello facility and an ethanol blending project for the refined product terminals was completed. During 2002, the construction of two new tanks at the Nederland Terminal will add 1.3 million barrels of storage capacity and is expected to be operational by the second quarter of 2003. Nederland is also in the process of constructing a vapor recovery unit that should be completed before the current year end.

The Partnership's management believes that cash flow from operations will be sufficient to satisfy ongoing capital requirements and to pay the minimum quarterly distributions. The Partnership may also supplement the cash generated with the proceeds of borrowings under the $150.0 million Credit Facility (see Note 4 to the condensed financial statements), or other debt instruments or the issuance of additional common units.

In October 2002, the Partnership entered into a definitive agreement to purchase an interest in three Midwestern and Western United States pipeline companies from an affiliate of Union Oil Company of California ("Unocal") for $54.0 million. These interests consist of 31.5 percent of Wolverine Pipeline Company, 9.2 percent of West Shore Pipeline Company, and 14.0 percent of Yellowstone Pipeline Company. Closing of the transaction is expected to occur before year-end, subject to regulatory approval and customary closing conditions. The transaction is expected to be initially funded through borrowings under the $150 million Credit Facility, and management expects to keep the Partnership investment grade rating by maintaining a conservative capital structure over the medium and long-term.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Partnership is exposed to various market risks, including volatility in crude oil commodity prices and interest rates. To manage such exposure, inventory levels and expectations of future commodity prices and interest rates are monitored when making decisions with respect to risk management. The Partnership has not entered into derivative transactions that would expose it to price risk.

The $150 million Credit Facility, although currently undrawn, would expose the Partnership to interest rate risk, since this Credit Facility bears interest at a variable rate.

Forward-Looking Statements

Certain matters discussed in this quarterly report on Form 10-Q, excluding historical information, include forward-looking statements made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements discuss expected future results, based on current and pending business operations and may be identified by words such as "anticipates", "believes", "expects", "planned", "scheduled" or similar expressions. Although management of the Partnership believes these forward-looking statements are reasonable, they are based upon a number of assumptions concerning future conditions, any or all of which may ultimately prove to be inaccurate. Statements made regarding future results are subject to numerous assumptions, uncertainties and risks that may cause future results to be materially different from the results stated or implied in this document.

The following are among the important factors that could cause actual results to differ materially from any results projected, forecasted, estimated or budgeted:

.. Changes in demand for crude oil and refined petroleum products that is stored and distributed;

.. Changes in demand for storage in petroleum product terminals;

.. The loss of Sunoco as a customer or a significant reduction in its current level of throughput and storage with the Partnership;

.. An increase in the competition encountered by the Partnership's petroleum products terminals, pipelines and crude oil acquisition and marketing operations;

.. Changes in the throughput on petroleum product pipelines owned and operated by third parties and connected to the Partnership's petroleum product pipelines and terminals;

.. Changes in the general economic conditions in the United States;

.. Changes in laws and regulations to which the Partnership is subject, including federal, state, and local tax laws, safety, environmental and employment laws;

.. Changes to existing or future state or federal government regulations banning or restricting the use of MTBE in gasoline;

.. Improvements in energy efficiency and technology resulting in reduced demand;

.. The Partnership's ability to manage rapid growth;

.. The Partnership's ability to control costs;

.. The effect of changes in accounting principles;

.. Global and domestic economic repercussions from terrorist activities and international hostilities and the government's response thereto;

.. The occurrence of operational hazards or unforeseen interruption for which the Partnership may not be adequately insured;

.. Changes in the reliability and efficiency of the Partnership's operating facilities or those of Sunoco or third parties;

.. Changes in the expected level of environmental remediation spending;

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

.. The ability of announced acquisitions or expansions to be cash-accretive;

.. The Partnership's ability to successfully consummate announced acquisitions or expansions and integrate them into existing business operations;

.. Risks related to labor relations;

.. Non-performance by a major customer or supplier; and

.. Changes in the status of litigation to which the Partnership 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 the forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. The Partnership undertakes no obligation to update publicly any forward-looking statement whether as a result of new information or future events.

Item 4. Controls and Procedures

(a) Within the 90 days prior to the date of this report, the Partnership carried out an evaluation, under the supervision and with the participation of the management of Sunoco Partners LLC, the Partnership's general partner (including the President and Chief Executive Officer of Sunoco Partners LLC, and the Vice President and Chief Financial Officer of Sunoco Partners LLC), of the effectiveness of the design and operation of the Partnership's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, the President and Chief Executive Officer of Sunoco Partners LLC, and the Vice President and Chief Financial Officer of Sunoco Partners LLC concluded that the Partnership's disclosure controls and procedures are effective.

(b) There have been no significant changes in the Partnership's internal controls or in other factors that could significantly affect internal controls subsequent to this evaluation.

(c) Disclosure controls and procedures are designed to ensure that information required to be disclosed in Partnership reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Partnership reports under the Exchange Act is accumulated and communicated to management, including the President and Chief Executive Officer of Sunoco Partners LLC, and the Vice President and Chief Financial Officer of Sunoco Partners LLC, as appropriate, to allow timely decisions regarding required disclosure.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

There are various legal and administrative proceedings pending against Sunoco, affiliated predecessors and the Partnership (as successor to certain liabilities of those predecessors). Although the ultimate outcome of these proceedings cannot be ascertained at this time, it is reasonably possible that some of them may be resolved unfavorably. Sunoco has agreed to indemnify the Partnership for any losses incurred prior to the IPO, which may be suffered as a result of such currently pending legal actions. Management believes that any liabilities arising from such currently pending proceedings are not likely to be material in relation to the Partnership's business or financial position at September 30, 2002.

Item 2. Changes in Securities and Uses of Proceeds

On February 4, 2002, the Partnership's Registration Statement on Form S-1 (Registration No. 333-71968), filed with the Securities and Exchange Commission, became effective. Pursuant to the Registration Statement, on February 5, 2002, 5,000,000 common units were sold to the public at a price of $20.25 per unit for aggregate gross proceeds of $101.3 million. Subsequent to the IPO, the underwriters exercised their over-allotment option for 750,000 additional common units at a price of $20.25 per unit for aggregate gross proceeds of $15.1 million. Underwriting fees paid in connection with these transactions were $6.7 million and $1.0 million, respectively. On February 8, 2002, the closing date of the IPO, the Partnership received proceeds of $108.7 million (including proceeds of the over-allotment option). The aggregate-offering price of 5,750,000 Common Units was $116.4 million, and the aggregate underwriting fees were $7.7 million. The Partnership used approximately $12.4 million of the net proceeds to pay expenses associated with the IPO and related formation transactions, which consisted primarily of legal, accounting and other professional service costs. The remaining $96.3 million of net proceeds was used to increase working capital to the level necessary for the operation of the business, thereby establishing working capital that was not contributed to the Partnership by Sunoco in connection with its formation. The underwriters of the IPO were Lehman Brothers, Salomon Smith Barney, UBS Warburg, Banc of America Securities, Wachovia Securities and Credit Suisse First Boston.

In addition, concurrent with the closing of the IPO, Sunoco Logistics Partners Operations L.P., the Partnership's wholly owned operating subsidiary, issued, in an offering exempt from registration under the Securities Act of 1933, $250.0 million of 7.25% Senior Notes due 2012 ("Senior Notes") in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933. The Senior Notes were issued at a price of 99.325% of their principal amount. Gross proceeds from this offering were $248.3 million and aggregate underwriting discounts and commissions were $1.6 million. Net proceeds were $244.8 million after deducting expenses incurred in connection with the issuance of the Senior Notes of approximately $1.9 million, which consisted primarily of legal, accounting and other professional services costs. The initial purchasers of the Senior Notes were Lehman Brothers, Credit Suisse First Boston, Salomon Smith Barney, UBS Warburg, Banc of America Securities and Wachovia Securities. The $244.8 million of net proceeds from the sale of the Senior Notes were distributed to Sunoco. The Senior Notes have been guaranteed by the Partnership and the Operating Partnership's subsidiaries. Although the initial offering of the Senior Notes was not registered under the Securities Act of 1933, the Operating Partnership entered into a registration rights agreement giving the holders of the Senior Notes certain registration rights. In connection with the registration of the exchange of the Senior Notes and the guarantees covering the Senior Notes, the Operating Partnership filed an exchange offer registration statement on SEC Form S-4. This registration statement was declared effective on June 28, 2002. The exchange offer was completed on August 2, 2002, with all $250 million aggregate principal amount of the Senior Notes being exchanged for a like principal amount of new publicly tradable notes having substantially identical terms issued pursuant to the exchange offer registration statement filed under the Securities Act of 1993, as amended.

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

99.1: Certification of Periodic Report

99.2: Certification of Periodic Report

(b) Reports on Form 8-K

The Partnership filed a report on Form 8-K on October 31, 2002 to disclose under Item 5--"Other Events" a press release issued by the Partnership announcing that it had signed a definitive agreement to purchase interests in Wolverine Pipeline Company, West Shore Pipeline Company, and Yellowstone Pipeline Company from an affiliate of Union Oil Company of California.

We are pleased to furnish this Form 10-Q to unitholders who request it by writing to:

Sunoco Logistics Partners L.P.
Investor relations
Ten Penn Center
1801 Market Street
Philadelphia, PA 19103-1699

SIGNATURE

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

Sunoco Logistics Partners L.P.

By /s/ Colin A. Oerton

Colin A. Oerton
Vice President &
Chief Financial Officer

Date November 8, 2002

CERTIFICATION
OF
PERIODIC FINANCIAL REPORT
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Deborah M. Fretz, President and Chief Executive Officer of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., hereby certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sunoco Logistics Partners L.P.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ DEBORAH M. FRETZ

Name: Deborah M. Fretz

Title: President and Chief Executive Officer

Date: November 8, 2002

CERTIFICATION
OF
PERIODIC FINANCIAL REPORT
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Colin A. Oerton, Vice President and Chief Financial Officer of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., hereby certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sunoco Logistics Partners L.P.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ COLIN A. OERTON

Name: Colin A. Oerton

Title: Vice President and Chief Financial Officer

Date: November 8, 2002

Exhibit 99.1

CERTIFICATION
OF
PERIODIC FINANCIAL REPORT
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350

I, Deborah M. Fretz, President and Chief Executive Officer of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., hereby certify that the registrant's Quarterly Report on Form 10-Q for the Quarter ended September 30, 2002 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the period report fairly presents, in all material respects, the financial condition and results of operations of Sunoco Logistics Partners L.P.

/s/ Deborah M. Fretz

Name: Deborah M. Fretz
Title: President and Chief Executive Officer
Date: November 8, 2002

Exhibit 99.2

CERTIFICATION
OF
PERIODIC FINANCIAL REPORT
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18
U.S.C. Section 1350

I, Colin A. Oerton, Vice President and Chief Financial Officer of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., hereby certify that the registrant's Quarterly Report on Form 10-Q for the Quarter ended September 30, 2002 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the period report fairly presents, in all material respects, the financial condition and results of operations of Sunoco Logistics Partners L.P.

/s/ Colin A. Oerton

Name: Colin A. Oerton
Title: Vice President and Chief Financial Officer
Date: November 8, 2002