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

FORM 10-Q

(Mark one)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2015

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)	**(I.R.S. Employer Identification No.)**
1818 Market Street, Suite 1500, Philadelphia, PA	**19103**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (866) 248-4344

Former name, former address and former fiscal year, if changed since last report: Not Applicable

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At August 1, 2015, the number of the registrant's Common Units outstanding were 253,107,536.

SUNOCO LOGISTICS PARTNERS L.P.
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PART I.

FINANCIAL INFORMATION

Item 1. Financial Statements

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions, except per unit amounts, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenues				
Sales and other operating revenue:				
Unaffiliated customers	$ 2,996	$ 4,412	$ 5,449	$ 8,583
Affiliates (Note 4)	206	409	325	715
Total Revenues	3,202	4,821	5,774	9,298
Costs and Expenses				
Cost of products sold	2,821	4,517	5,130	8,727
Operating expenses	55	28	104	69
Selling, general and administrative expenses	25	22	50	52
Depreciation and amortization expense	94	74	176	143
Impairment charge and other matters (Notes 6 and 16)	(100)	—	(59)	—
Total Costs and Expenses	2,895	4,641	5,401	8,991
Operating Income	307	180	373	307
Interest cost and debt expense, net	(52)	(37)	(102)	(63)
Capitalized interest	21	16	42	26
Other income	6	7	12	11
Income Before Provision for Income Taxes	282	166	325	281
Provision for income taxes (Note 8)	(5)	(8)	(11)	(13)
Net Income	277	158	314	268
Net income attributable to noncontrolling interests	—	(2)	(1)	(5)
Net income attributable to redeemable noncontrolling interests	(1)	—	(1)	—
Net Income Attributable to Sunoco Logistics Partners L.P.	276	156	312	263
Less: General Partner's interest	(71)	(44)	(131)	(82)
Limited Partners' interest	$ 205	$ 112	$ 181	$ 181
Net Income Attributable to Sunoco Logistics Partners L.P. per Limited Partner unit (Note 5):				
Basic	$ 0.83	$ 0.54	$ 0.76	$ 0.87
Diluted	$ 0.83	$ 0.53	$ 0.75	$ 0.86
Weighted average Limited Partners' units outstanding (Note 5):				
Basic	246.7	208.4	238.9	208.2
Diluted	247.5	209.6	239.8	209.3
Net Income	$ 277	$ 158	$ 314	$ 268
Adjustment to affiliate's pension funded status	—	1	(1)	1
Other Comprehensive Loss	—	1	(1)	1
Comprehensive Income	277	159	313	269
Less: Comprehensive income attributable to noncontrolling interests	—	(2)	(1)	(5)
Less: Comprehensive income attributable to redeemable noncontrolling interests	(1)	—	(1)	—
Comprehensive Income Attributable to Sunoco Logistics Partners L.P.	$ 276	$ 157	$ 311	$ 264

(See Accompanying Notes)

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, unaudited)

	June 30, 2015	December 31, 2014
Assets		
Cash and cash equivalents	$ 58	$ 101
Accounts receivable, affiliated companies (Note 4)	52	9
Accounts receivable, net	1,777	1,766
Inventories (Note 6)	730	470
Other current assets	17	3
Total Current Assets	2,634	2,349
Properties, plants and equipment	10,287	9,358
Less accumulated depreciation and amortization	(658)	(509)
Properties, plants and equipment, net	9,629	8,849
Investment in affiliates	238	226
Long-term note receivable, affiliated companies (Note 4)	26	17
Goodwill	1,358	1,358
Intangible assets, net (Note 7)	744	770
Other assets	69	75
Total Assets	$ 14,698	$ 13,644
Liabilities and Equity		
Accounts payable	$ 1,888	$ 1,934
Accounts payable, affiliated companies (Note 4)	15	21
Accrued liabilities	166	304
Accrued taxes payable (Note 8)	48	52
Total Current Liabilities	2,117	2,311
Long-term debt (Note 9)	4,619	4,260
Other deferred credits and liabilities	74	71
Deferred income taxes (Note 8)	246	249
Total Liabilities	7,056	6,891
Commitments and contingent liabilities (Note 10)		
Redeemable noncontrolling interests	15	15
Total Equity	7,627	6,738
Total Liabilities and Equity	$ 14,698	$ 13,644

(See Accompanying Notes)

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions, unaudited)

	Six Months Ended June 30,	
	2015	**2014**
Cash Flows from Operating Activities:		
Net Income	$ 314	$ 268
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	176	143
Impairment charge and other matters	(59)	—
Deferred income tax benefit	(3)	(2)
Amortization of bond premium	(6)	(8)
Non-cash compensation expense	8	8
Equity in earnings of unconsolidated affiliates	(13)	(11)
Distributions from unconsolidated affiliates	10	6
Changes in working capital pertaining to operating activities:		
Accounts receivable, affiliated companies	(43)	(1)
Accounts receivable, net	(31)	(600)
Inventories	(201)	29
Accounts payable, affiliated companies	(6)	17
Accounts payable and accrued liabilities	(52)	369
Accrued taxes payable	(4)	3
Unrealized (gains) losses on commodity risk management activities	23	7
Other	(1)	(7)
Net cash provided by operating activities	112	221
Cash Flows from Investing Activities:		
Capital expenditures	(1,074)	(1,019)
Investment in joint venture interests	—	(42)
Acquisitions, net of cash received	(131)	(65)
Change in long-term note receivable, affiliated companies	(9)	(4)
Net cash used in investing activities	(1,214)	(1,130)
Cash Flows from Financing Activities:		
Distributions paid to limited and general partners	(311)	(215)
Distributions paid to noncontrolling interests	—	(4)
Net proceeds from issuance of limited partner units	1,013	102
Payments of statutory withholding on net issuance of limited partner units under LTIP	(9)	(6)
Repayments under credit facilities	(1,160)	(1,220)
Borrowings under credit facilities	1,525	1,270
Repayments of senior notes	—	(175)
Net proceeds from issuance of long-term debt	—	989
Advances to affiliated companies, net	—	239
Contributions attributable to acquisition from affiliate	6	6
Other	(5)	—
Net cash provided by financing activities	1,059	986
Net change in cash and cash equivalents	(43)	77
Cash and cash equivalents at beginning of period	101	39
Cash and cash equivalents at end of period	$ 58	$ 116

(See Accompanying Notes)

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(in millions, unaudited)

	Limited Partners	General Partner	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
Balance at January 1, 2014	$ 5,292	$ 912	$ —	$ 121	$ 6,325
Net Income	181	82	—	5	268
Adjustment to affiliate's pension funded status	—	—	1	—	1
Total comprehensive income	181	82	1	5	269
Issuance of limited partner units to the public	102	2	—	—	104
Non-cash compensation expense	8	—	—	—	8
Distribution equivalent rights	(3)	—	—	—	(3)
Payments of statutory withholding on issuance under LTIP	(6)	—	—	—	(6)
Distributions	(141)	(74)	—	(4)	(219)
Contributions attributable to acquisition from affiliate	6	—	—	—	6
Balance at June 30, 2014	$ 5,439	$ 922	$ 1	$ 122	$ 6,484
Balance at January 1, 2015	$ 5,752	$ 925	$ 1	$ 60	$ 6,738
Net Income	181	131	—	1	313
Adjustment to affiliate's pension funded status	—	—	(1)	—	(1)
Total comprehensive income (loss)	181	131	(1)	1	312
Issuance of limited partner units to the public	1,013	—	—	—	1,013
Non-cash compensation expense	8	—	—	—	8
Distribution equivalent rights	(1)	—	—	—	(1)
Payments of statutory withholding on issuance under LTIP	(9)	—	—	—	(9)
Distributions	(195)	(116)	—	—	(311)
Contributions attributable to acquisition from affiliate	6	—	—	—	6
Acquisition of a noncontrolling interest in a consolidated subsidiary	(103)	(2)	—	(26)	(131)
Other	2	—	—	—	2
Balance at June 30, 2015	$ 6,654	$ 938	$ —	$ 35	$ 7,627

(See Accompanying Notes)

1. Organization and Basis of Presentation

Sunoco Logistics Partners L.P. (the "Partnership") is a publicly traded Delaware limited partnership that owns and operates a logistics business, consisting of crude oil, refined products and natural gas liquids ("NGL") pipelines, terminalling and storage assets, and crude oil, refined products and NGL acquisition and marketing assets. The Partnership conducts its business activities in 35 states located throughout the United States.

The consolidated financial statements reflect the results of the Partnership and its wholly-owned subsidiaries, including Sunoco Logistics Partners Operations L.P. (the "Operating Partnership"), the proportionate shares of the Partnership's undivided interests in assets, and the accounts of entities in which the Partnership has a controlling financial interest. A controlling financial interest is evidenced by either a voting interest greater than 50 percent or a risk and rewards model that identifies the Partnership or one of its subsidiaries as the primary beneficiary of a variable interest entity. At June 30, 2015, the Partnership held a controlling financial interest in Inland Corporation ("Inland"), Mid-Valley Pipeline Company ("Mid-Valley"), and Price River Terminal, LLC ("PRT"), and as such, these entities are reflected as consolidated subsidiaries of the Partnership. In January 2015, the Partnership acquired the outstanding noncontrolling interest in the West Texas Gulf Pipe Line Company ("West Texas Gulf"), which resulted in West Texas Gulf becoming a wholly-owned subsidiary of the Partnership. The Partnership is not the primary beneficiary of any variable interest entities ("VIEs"). All significant intercompany accounts and transactions are eliminated in consolidation, and noncontrolling interests in net income and equity are shown separately in the condensed consolidated statements of comprehensive income and equity. Equity ownership interests in corporate joint ventures in which the Partnership does not have a controlling financial interest, but over which the Partnership can exercise significant influence, are accounted for under the equity method of accounting.

In May 2014, the Financial Accounting Standards Board ("FASB") codified guidance related to the recognition of revenue from contracts with customers. The new guidance outlines the core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those reporting periods, with early adoption permitted. The Partnership is currently assessing the impact, if any, that adoption of new guidance will have on its consolidated financial position and results of operations.

The accompanying condensed consolidated 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 annual financial statements contained in Form 10-K. The accompanying condensed consolidated balance sheet at December 31, 2014 has been derived from the Partnership's audited financial statements for the year ended December 31, 2014. 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. The Partnership expects the interim increase in the quantity of crude oil inventory to decline by year end and therefore has adjusted its interim LIFO calculation to produce a reasonable matching of the most recently incurred costs with current revenues. Results for the six months ended June 30, 2015 are not necessarily indicative of results for the full year 2015.

Certain amounts in the prior year condensed consolidated financial statements have been reclassified to conform to the current-year presentation.

2. Changes in Business and Other Matters

In July 2015, the Partnership announced its agreement with Energy Transfer Partners, L.P. ("ETP") and Phillips 66 to participate in the Bayou Bridge pipeline project. The project currently consists of newly constructed pipeline that will deliver crude oil from SXL and Phillips 66 terminals in Nederland, Texas, to Lake Charles, Louisiana. Commercial operations are expected to begin in the first quarter 2016.

The Partnership will be the operator of the pipeline and will maintain a 30 percent interest in the project. The Partnership will fund its proportionate share of the cost of the project, which will be accounted for as an equity method investment within the Partnership’s Crude Oil Pipeline segment.

In the second quarter 2014, the Partnership entered into a joint agreement for 49 percent economic and voting interest in Bayview Refining Company, LLC ("Bayview"). Bayview will construct and operate a facility to process crude oil into intermediate petroleum products and will be accounted for as a variable interest entity for which the Partnership is not the primary beneficiary. Through June 30, 2015, the joint owners have made contributions to fund construction totaling $50 million. The facility is expected to be fully operational in the second half of 2015. The Partnership's investment in Bayview is reflected as an equity method investment within the Crude Oil Acquisition and Marketing segment.

In connection with the formation of Bayview, the joint owners agreed to guarantee the obligations of the entity with respect to certain third-party operating agreements over a ten-year term. The fair value of the liability recognized in connection with the guarantee was not material in relation to the Partnership’s financial position at June 30, 2015.

In the first quarter 2014, the Partnership exercised its rights to acquire an additional ownership interest in Explorer Pipeline Company ("Explorer") from Chevron Pipe Line Company for $42 million, increasing the Partnership's ownership interest from 9.4 to 13.3 percent. Explorer owns approximately 1,850 miles of refined products pipelines running from the Gulf Coast of the United States to the Chicago, Illinois area. The fair value of the investment was estimated based on the fair value of the consideration transferred. The investment continues to be accounted for as an equity method investment within the Partnership's Products Pipelines segment, with the equity income recorded based on the Partnership's ownership percentage for each period presented.

No pro forma information has been presented, as the impact of these investments was not material to the Partnership's consolidated financial position or results of operations.

3. Acquisitions

In December 2014, the Partnership acquired an additional 28.3 percent ownership interest in West Texas Gulf from Chevron Pipe Line Company, increasing its controlling financial interest to 88.6 percent. As this transaction represented the acquisition of ownership interest in a consolidated subsidiary, the $325 million purchase price resulted in the reduction of noncontrolling interest and partners’ equity of $66 and $259 million, respectively, in accordance with applicable accounting guidance. In January 2015, the Partnership acquired the remaining noncontrolling interest in West Texas Gulf from the Southwest Pipeline Holding Company for $131 million. The acquisition of the remaining ownership interest reduced noncontrolling interest and partners’ equity by $26 and $105 million, respectively, in the first quarter 2015.

In the second quarter 2014, the Partnership acquired a crude oil purchasing and marketing business from EDF Trading North America, LLC ("EDF"). The purchase consisted of a crude oil acquisition and marketing business and related assets for approximately 20 thousand barrels per day. The acquisition also included a promissory note that was convertible to an equity interest in a rail facility (see below). The acquisition is included in the Crude Oil Acquisition and Marketing segment.

Also in the second quarter 2014, the Partnership acquired a 55 percent economic and voting interest in Price River Terminal, LLC ("PRT"), a rail facility in Wellington, Utah. As the Partnership acquired a controlling financial interest in PRT, the entity is reflected as a consolidated subsidiary of the Partnership from the acquisition date and is included in the Crude Oil Acquisition and Marketing segment. The terms of the acquisition provide PRT’s noncontrolling interest holders the option to sell their interests to the Partnership at a price defined in the agreement. As a result, the noncontrolling interests attributable to PRT are excluded from total equity and are instead reflected as a redeemable interests in the Partnership’s condensed consolidated balance sheet.

The $65 million purchase price for these acquisitions (net of cash received) consisted primarily of net working capital largely attributable to inventory ($22 million), properties, plants and equipment ($14 million), and intangible assets ($28 million). These fair value allocations also resulted in an increase to goodwill ($13 million) and redeemable noncontrolling interests ($15 million).

No pro forma information has been presented, as the impact of these acquisitions was not material in relation to the Partnership's consolidated financial position or results of operations.

4. Related Party Transactions

The Partnership is a consolidated subsidiary of ETP. ETP and one of its affiliates own Sunoco Partners LLC, the Partnership's general partner, and a 26.5 percent limited partner interest in the Partnership. The Partnership has various operating and administrative agreements with ETP and its affiliates, which include the agreements described below.

Administrative Services

The Partnership has no employees. The operations of the Partnership are carried out by employees of the general partner. The Partnership reimburses the general partner and its affiliates for certain costs and direct expenses incurred on the Partnership's behalf. These costs may be increased if the acquisition or construction of new businesses or assets requires an increase in the level of services received by the Partnership.

The Partnership pays ETP and its affiliates an annual administrative fee for expenses incurred by ETP and its affiliates to perform certain centralized corporate functions, such as legal, accounting, information technology, insurance, and other corporate services, including the administration of employee benefit plans. This fee does not include the salaries or wages of employees of the general partner, or the cost of employee benefits.

The Partnership's share of allocated ETP employee benefit plan expenses, including 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 in operating expenses and selling, general and administrative expenses in the condensed consolidated statements of comprehensive income.

Affiliated Revenues and Accounts Receivable, Affiliated Companies

The Partnership is party to various agreements with ETP and its affiliates to supply crude oil, refined products and NGLs, as well as to provide pipeline and terminalling services. The revenues associated with these activities are reflected as affiliated revenues in the condensed consolidated statements of comprehensive income.

The Partnership's note receivable in connection with its interest in Bayview (Note 2) is reflected in long-term note receivable, affiliated companies, in the condensed consolidated balance sheet.

Capital Contributions

Contributions were previously required for the general partner to maintain its two percent general partner interest. In July 2014, the Partnership agreement was amended to remove the obligation of the general partner to make capital contributions upon the issuance of limited partner units to retain a two percent interest. No capital contributions have been made by the general partner subsequent to the Partnership agreement modification.

In connection with the acquisition of the Marcus Hook Facility in the second quarter 2013, the Partnership will be reimbursed $40 million by an affiliate of ETP for certain operating expenses of the facility through March 31, 2017. The reimbursement proceeds are reflected as contributions to equity within the condensed consolidated statements of equity.

5. Net Income Attributable to Sunoco Logistics Partners L.P. per Limited Partner Unit

The general partner's interest in net income attributable to SXL consists of its approximate two percent general partner interest and "incentive distributions," which are increasing percentages of up to 50 percent of quarterly distributions in excess of $0.0833 per common unit (Note 12). The general partner was allocated net income attributable to SXL of $71 and $44 million (representing 26 and 28 percent of total net income attributable to SXL) for the three months ended June 30, 2015 and 2014, respectively. The general partner was allocated net income attributable to SXL of $131 and $82 million (representing 42 and 31 percent of total net income attributable to SXL) for the six months ended June 30, 2015 and 2014, respectively. Diluted net income attributable to SXL per limited partner unit is calculated by dividing the limited partners' interest in net income attributable to SXL by the sum of the weighted average number of common units outstanding and the dilutive effect of unvested incentive unit awards (Note 13).

The following table sets forth the reconciliation of the weighted average number of limited partner units used to compute basic net income attributable to SXL per limited partner unit to those used to compute diluted net income attributable to SXL per limited partner unit for the three and six months ended June 30, 2015 and 2014:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(in millions)		(in millions)	
Weighted average number of units outstanding, basic	246.7	208.4	238.9	208.2
Add effect of dilutive incentive awards	0.8	1.2	0.9	1.1
Weighted average number of units, diluted	247.5	209.6	239.8	209.3

6. Inventories

The components of inventories are as follows:

	June 30, 2015	December 31, 2014
	(in millions)	
Crude oil	$ 599	$ 364
Refined products and NGLs	115	90
Refined products additives	2	4
Materials, supplies and other	14	12
Total Inventories	$ 730	$ 470

In the fourth quarter 2014, the Partnership established lower of cost or market ("LCM") reserves of $231 and $27 million, respectively, on its crude oil and products inventories as a result of declining commodity prices. At June 30, 2015, the LCM reserves amounted to $194 and $5 million, respectively, on the Partnership's crude oil and products inventories.

7. Intangible Assets

The components of intangible assets are as follows:

	Weighted Average Amortization Period	June 30, 2015	December 31, 2014
	(in years)	(in millions)	
Gross			
Customer relationships	18	$ 836	$ 836
Technology	10	47	47
Total gross		883	883
Accumulated amortization			
Customer relationships		(126)	(102)
Technology		(13)	(11)
Total accumulated amortization		(139)	(113)
Total Net		$ 744	$ 770

In connection with the EDF acquisition in the second quarter 2014, the Partnership recognized intangible assets related to customer relationships. The customer relationship intangible assets represent the estimated economic value associated with certain relationships acquired in connection with the business combination whereby (i) the Partnership acquired information about or access to customers, (ii) the customers now have the ability to transact business with the Partnership and (iii) the Partnership is uniquely positioned to provide products or services to the customers. The customer relationship intangible assets are amortized on a straight-line basis over their respective economic lives.

Amortization expense was $13 and $12 million for the three months ended June 30, 2015 and 2014, respectively, and $26 and $25 million for the six months ended June 30, 2015 and 2014, respectively. The Partnership forecasts annual amortization expense of $52 million in 2015 and approximately $51 million of annual amortization expense for each year thereafter, through 2019, for these intangible assets.

Intangible assets associated with rights of way are included in properties, plants and equipment in the Partnership's condensed consolidated balance sheets.

8. Income Taxes

The Partnership is not a taxable entity for U.S. federal income tax purposes, or for the majority of states that impose income taxes. Rather, income taxes are generally assessed at the partner level. There are some states in which the Partnership operates where it is subject to state and local income taxes. Substantially all of the income tax amounts reflected in the Partnership's condensed consolidated financial statements are related to the operations of Inland, Mid-Valley and West Texas Gulf, all of which are entities subject to income taxes for federal and state purposes at the corporate level. The effective tax rates for these entities approximate the federal statutory rate of 35 percent.

In taxable jurisdictions, the Partnership records deferred income taxes on all significant temporary differences between the book basis and the tax basis of assets and liabilities. The net deferred tax liabilities reflected in the condensed consolidated balance sheets are derived principally from the differences in the book and tax bases of properties, plants and equipment of Inland, Mid-Valley and West Texas Gulf.

9. Debt

The components of the Partnership's debt balance are as follows:

	June 30, 2015	December 31, 2014
Credit Facilities	(in millions)	
$2.50 billion Credit Facility, due March 2020	$ 550	$ 150
$35 million Credit Facility, matured and repaid April 2015	—	35
Senior Notes		
Senior Notes - 6.125%, due May 2016 [(1)]	175	175
Senior Notes - 5.50%, due February 2020	250	250
Senior Notes - 4.65%, due February 2022	300	300
Senior Notes - 3.45%, due January 2023	350	350
Senior Notes - 4.25% due April 2024	500	500
Senior Notes - 6.85%, due February 2040	250	250
Senior Notes - 6.10%, due February 2042	300	300
Senior Notes - 4.95%, due January 2043	350	350
Senior Notes - 5.30% due April 2044	700	700
Senior Notes - 5.35% due May 2045	800	800
Unamortized fair value adjustments	100	106
Total debt	4,625	4,266
Less:		
Unamortized bond discount	(6)	(6)
Long-term debt	$ 4,619	$ 4,260

(1) The 6.125 percent Senior Notes were classified as long-term debt at June 30, 2015 as the Partnership has the ability and intent to refinance such borrowings on a long-term basis.

Credit Facilities

In March 2015, the Operating Partnership amended and restated its $1.50 billion Credit Facility, which was scheduled to mature in November 2018. The amended and restated credit facility is a $2.50 billion unsecured revolving credit agreement (the "$2.50 billion Credit Facility"), which matures in March 2020, that will continue to fund the Partnership's working capital requirements, finance acquisitions and capital projects, and be used for general partnership purposes. The $2.50 billion Credit Facility contains an "accordion" feature, under which the total aggregate commitment may be extended to $3.25 billion under certain conditions. In June 2015, the $2.5 billion Credit Facility was amended to create a segregated tranche of borrowings that will be guaranteed by ETP. The amendment did not modify the outstanding borrowings, total capacity or terms of the facility. The facility bears interest at LIBOR or the Base Rate (as defined in the facility), each plus an applicable margin. The credit facility may be repaid at any time. Outstanding borrowings under this credit facility were $550 and $150 million at June 30, 2015 and December 31, 2014, respectively.

The $2.50 billion Credit Facility contains various covenants including limitations on the creation of indebtedness and liens, and related to the operation and conduct of the business of the Partnership and its subsidiaries. The credit facility also limits the Partnership, on a rolling four quarter basis, to a maximum total consolidated debt to consolidated Adjusted EBITDA ratio, as defined in the underlying credit agreement, of 5.0 to 1, which can generally be increased to 5.5 to 1 during an acquisition period. The Partnership's ratio of total consolidated debt, excluding net unamortized fair value adjustments, to consolidated Adjusted EBITDA was 3.3 to 1 at June 30, 2015, as calculated in accordance with the credit agreement.

The West Texas Gulf $35 million revolving credit facility matured in April 2015 and was repaid with borrowings from the $2.50 billion Credit Facility.

Senior Notes

In April 2014, the Operating Partnership issued $300 million of 4.25 percent Senior Notes and $700 million of 5.30 percent Senior Notes (the "2024 and 2044 Senior Notes"), due April 2024 and April 2044 respectively. The terms and conditions of the 2024 and 2044 Senior Notes are comparable to those of the Operating Partnership's other outstanding senior notes. The net proceeds from these offerings were used to repay outstanding credit facility borrowings and for general partnership purposes.

10. 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 otherwise relate to the protection of the environment. These laws and regulations can result in liabilities and loss contingencies for remediation at the Partnership's facilities and at third-party or formerly owned sites. At June 30, 2015 and December 31, 2014, there were accrued liabilities for environmental remediation in the condensed consolidated balance sheets of $8 and $14 million, respectively. The accrued liabilities for environmental remediation do not include any amounts attributable to unasserted claims, since there are no unasserted claims that are probable of settlement or are reasonably estimable, nor have any recoveries from insurance been assumed. Charges against income for environmental remediation totaled $2 and $3 million for the three months ended June 30, 2015 and 2014, respectively, and $5 and $8 million for the six months ended June 30, 2015 and 2014. The Partnership maintains insurance programs that cover certain of its existing or potential environmental liabilities. Claims for recovery of environmental liabilities and previous expenditures that are probable of realization were not material in relation to the Partnership's consolidated financial position at June 30, 2015.

Total future costs for environmental remediation activities will depend upon, among other things, the identification of any additional sites; the determination of the extent of the 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. Management believes it is reasonably possible that additional environmental remediation losses will be incurred. At June 30, 2015, the aggregate of the estimated maximum additional reasonably possible losses, which relate to numerous individual sites, totaled $8 million.

The Partnership is a party to certain pending and threatened claims. Although the ultimate outcome of these claims cannot be ascertained at this time, nor can a range of reasonably possible losses be determined, it is reasonably possible that some portion of them could be resolved unfavorably for the Partnership. Management does not believe that any liabilities which may arise from such claims or the environmental matters discussed above would be material in relation to the Partnership's financial position, results of operations or cash flows at June 30, 2015. Furthermore, management 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 financial position, results of operations or cash flows.

Sunoco, Inc. ("Sunoco") has indemnified the Partnership for 30 years for environmental and toxic tort liabilities related to the assets contributed to the Partnership, that arose from the operation of such assets prior to the closing of the February 2002 initial public offering ("IPO"). Sunoco has also indemnified the Partnership for 100 percent of all losses asserted within the first 21 years after the closing of the IPO. Sunoco's share of the liability for claims asserted thereafter will decrease by 10 percent per year. For example, for a claim asserted during the twenty-third year after the closing of the IPO, Sunoco would be required to indemnify the Partnership for 80 percent of its loss. There is no monetary cap on the amount of indemnity coverage provided by Sunoco. The Partnership has agreed to indemnify Sunoco 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 that Sunoco is not required to indemnify the Partnership.

Management of the Partnership does not believe that any liabilities which may arise from claims indemnified by Sunoco would be material in relation to the Partnership's financial position, results of operations or cash flows at June 30, 2015. There are certain other pending legal proceedings related to matters arising after the IPO that are not indemnified by Sunoco. Management believes that any liabilities that may arise from these legal proceedings will not be material in relation to the Partnership's financial position, results of operations or cash flows at June 30, 2015.

11. Equity

The changes in the number of units outstanding from January 1, 2014 through June 30, 2015 are as follows:

	Common Units
	(in millions)
Balance at January 1, 2014	207.7
Units issued in public offering	7.7
Units issued under ATM program	10.3
Units issued under incentive plans	0.4
Balance at December 31, 2014	226.1
Units issued in public offering	15.5
Units issued under ATM program	9.6
Units issued under incentive plans	0.3
Balance at June 30, 2015	251.5

On June 12, 2014, the Partnership completed a two-for-one split of its common units. The unit split resulted in the issuance of one additional common unit for every one common unit owned. All unit and per unit information included in this report are presented on a post-split basis.

In the first quarter 2014, the Partnership filed a registration statement and established a $250 million ATM program. The program allows the Partnership to issue common units directly to the public and raise capital in a timely and efficient manner to finance its growth capital program, while supporting the Partnership's investment grade credit ratings. In the third quarter 2014, the Partnership filed a registration statement which allows for issuance of an additional $1.0 billion of common units under the ATM program. In 2014, the Partnership issued 10.3 million common units under the ATM program for net proceeds of $477 million. For the three and six months ended June 30, 2015, the Partnership issued 6.2 and 9.6 million common units under this program, for net proceeds of $242 and $384 million, respectively.

In March 2015, the Partnership completed an overnight public offering of 13.5 million common units for net proceeds of $547 million. The net proceeds from this offering were used to repay outstanding borrowings under the Partnership's revolving credit facility and for general partnership purposes. In April 2015, an additional 2.0 million common units were issued for net proceeds of $82 million related to the exercise of an option in connection with the March 2015 offering.

12. Cash Distributions

Within 45 days after the end of each quarter, the Partnership distributes all cash on hand at the end of the quarter, less reserves established by the general partner at its discretion. This is defined as "available cash" in the partnership agreement. The general partner has broad discretion to establish cash reserves that it determines are necessary or appropriate to properly conduct the Partnership's business. The Partnership will make quarterly distributions to the extent there is sufficient cash from operations after the establishment of cash reserves and the payment of fees and expenses, including payments to the general partner.

If cash distributions exceed $0.0833 per unit in a quarter, the general partner will receive increasing percentages, up to 50 percent, of the cash distributed in excess of that amount. These distributions are referred to as "incentive distributions." The percentage interests for the unitholders and the general partner for the minimum quarterly distribution are also applicable to the quarterly distribution amounts that are less than the minimum quarterly distribution.

The following table shows the target distribution levels and distribution "splits" between the general partner and the holders of the Partnership's common units through June 30, 2015:

		Marginal Percentage Interest in Distributions	
	Total Quarterly Distribution Target Amount	General Partner	Unitholders
Minimum Quarterly Distribution	$0.0750	2%	98%
First Target Distribution	up to $0.0833	2%	98%
Second Target Distribution	above $0.0833 up to $0.0958	15% (1)	85%
Third Target Distribution	above $0.0958 up to $0.2638	37% (1)	63%
Thereafter	above $0.2638	50% (1)	50%

(1) Includes general partner interest.

The distributions paid by the Partnership for the periods presented were as follows:

Cash Distribution Payment Date	Cash Distribution per Limited Partner Unit	Total Cash Distribution to the Limited Partners (in millions)	Total Cash Distribution to the General Partner (in millions)
May 15, 2015	$ 0.4190	$ 103	$ 62
February 13, 2015	$ 0.4000	$ 92	$ 54
November 14, 2014	$ 0.3825	$ 84	$ 49
August 14, 2014	$ 0.3650	$ 77	$ 43
May 15, 2014	$ 0.3475	$ 72	$ 39
February 14, 2014	$ 0.3312	$ 69	$ 35

On July 23, 2015, the Partnership's general partner announced a cash distribution of $0.438 per common unit ($1.75 annualized), representing the distribution for the second quarter 2015. The $180 million distribution, including $69 million to the general partner for its interests and incentive distribution rights, will be paid on August 14, 2015 to unitholders of record on August 10, 2015.

13. Management Incentive Plan

The general partner has adopted the LTIP for employees and directors of the general partner who perform services for the Partnership. The LTIP is administered by the independent directors of the Compensation Committee of the general partner's board of directors with respect to employee awards, and by the general partner's board of directors with respect to awards granted to the independent directors. The LTIP currently permits the grant of restricted units and unit options covering an additional 0.6 million common units.

During the six months ended June 30, 2015 and June 30, 2014, the Partnership issued 0.3 million common units under the LTIP. The Partnership recognized share-based compensation expense of $8 million for the six months ended June 30, 2015 and 2014. Each of the outstanding restricted unit grants have tandem distribution equivalent rights which are recognized as a reduction to equity when earned.

Additionally, the general partner granted 0.1 million phantom unit incentive awards during the six months ended June 30, 2015. The Partnership recognized share-based compensation expense in relation to the phantom units of $0.4 million for the period. The phantom units will be settled in cash upon vesting, and have been accounted for as a liability within the condensed consolidated balance sheet.

14. Derivatives and Risk Management

The Partnership is exposed to various risks, including volatility in the prices of the products that the Partnership markets, counterparty credit risk and changes in interest rates.

Price Risk Management

The Partnership is exposed to risks associated with changes in the market price of crude oil, refined products and NGLs. These risks are primarily associated with price volatility related to pre-existing or anticipated purchases, sales and storage. Price changes are often caused by shifts in the supply and demand for these commodities, as well as their locations. In order to manage such exposure, the Partnership's policy is (i) to only purchase crude oil, refined products and NGLs for which sales contracts have been executed or for which ready markets exist, (ii) to structure sales contracts so that price fluctuations do not materially impact the margins earned, and (iii) not to acquire and hold physical inventory, futures contracts or other derivative instruments for the purpose of speculating on commodity price changes. Although the Partnership seeks to maintain a balanced inventory position within its commodity inventories, net unbalances may occur for short periods of time due to production, transportation and delivery variances. When physical inventory builds or draws do occur, the Partnership continuously manages the variances to a balanced position over a period of time.

The physical contracts related to the Partnership's crude oil, refined products and NGL businesses that qualify as derivatives are designated as normal purchases and sales and accounted for using accrual accounting under United States generally accepted accounting principles. The Partnership accounts for derivatives that do not qualify as normal purchases and sales at fair value. The Partnership currently does not utilize derivative instruments to manage its exposure to prices related to crude oil purchase and sale activities.

Pursuant to the Partnership's approved risk management policy, derivative contracts such as swaps, futures and other instruments may be used to hedge or reduce exposure to price risk associated with acquired inventory or forecasted physical transactions. The Partnership uses such derivative instruments to mitigate the risk associated with market movements in the price of crude oil, refined products and NGLs. These derivative contracts act as a hedging mechanism against the volatility of prices by allowing the Partnership to transfer this price risk to counterparties who are able and willing to bear it. The Partnership does not designate any of its derivative contracts as hedges for accounting purposes. Therefore, all realized and unrealized gains and losses from these derivative contracts are recognized in the condensed consolidated statement of comprehensive income as they are incurred. All realized gains and losses associated with derivative contracts are recorded in earnings in the same line item associated with the forecasted transaction (either in sales and other operating revenue or cost of products sold).

The Partnership had open derivative positions on approximately 15.2 and 3.6 million barrels of refined products and NGLs at June 30, 2015 and December 31, 2014, respectively. The derivatives outstanding as of June 30, 2015 vary in duration but do not extend beyond one year. The Partnership records its derivatives at fair value based on observable market prices (levels 1 and 2). As of June 30, 2015, the fair value of the Partnership's derivative assets and liabilities were approximately $9 and $16 million, respectively, compared to $29 and $14 million at December 31, 2014. Derivative asset and liability balances are recorded in accounts receivable and accrued liabilities, respectively, in the condensed consolidated balance sheets.

The following table sets forth the impact of derivatives on the Partnership's results of operations for the three and six months ended June 30, 2015 and 2014:

Location of Gains (Losses) Recognized in Earnings	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
	(in millions)		(in millions)	
Commodity contracts not designated as cash flow hedging instruments:				
Sales and other operating revenue	$ (7)	$ (9)	$ (8)	$ (9)
Cost of products sold	(10)	(1)	(10)	—
	$ (17)	$ (10)	$ (18)	$ (9)

Credit Risk Management

The Partnership maintains credit policies with regard to its counterparties that management believes minimize the overall credit risk through credit analysis, credit approvals, credit limits and monitoring procedures. The credit positions of the Partnership's customers are analyzed prior to the extension of credit and periodically after credit has been extended. The Partnership's counterparties consist primarily of financial institutions and major integrated oil companies. This concentration of counterparties may impact the Partnership's overall exposure to credit risk, either positively or negatively, as the counterparties may be similarly affected by changes in economic, regulatory or other conditions.

Interest Rate Risk Management

The Partnership has interest rate risk exposure for changes in interest rates related to its outstanding borrowings. The Partnership manages its exposure to changes in interest rates through the use of a combination of fixed-rate and variable-rate debt. At June 30, 2015, the Partnership had $550 million of consolidated variable-rate borrowings under its revolving credit facilities.

15. Fair Value Measurements

The Partnership applies fair value accounting for all assets and liabilities that are required to be measured at fair value under current accounting rules. The assets and liabilities measured at fair value on a recurring basis are comprised primarily of derivative instruments.

The Partnership determines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Partnership utilizes valuation techniques that maximize the use of observable inputs (levels 1 and 2) and minimize the use of unobservable inputs (level 3) within the fair value hierarchy established by the FASB. The Partnership generally applies a "market approach" to determine fair value. This method uses pricing and other information generated by market transactions for identical or comparable assets and liabilities. Assets and liabilities are classified within the fair value hierarchy based on the lowest level (least observable) input that is significant to the measurement in its entirety.

The estimated fair value of the Partnership's financial instruments has been determined based on management's assessment of available market information and appropriate valuation methodologies. The Partnership's current assets (other than derivatives and inventories) and current liabilities (other than derivatives) are financial instruments and most of these items are recorded at cost in the condensed consolidated balance sheets. The estimated fair value of these financial instruments approximates their carrying value due to their short-term nature. The Partnership's derivatives are measured and recorded at fair value based on observable market prices (Note 14). The estimated fair values of the Partnership's senior notes are determined using observable market prices, as these notes are actively traded (level 1). The estimated aggregate fair value of the senior notes at June 30, 2015 was $3.80 billion, compared to the carrying amount of $4.08 billion. The estimated aggregate fair value of the senior notes at December 31, 2014 was $4.09 billion, compared to the carrying amount of $4.08 billion.

For further information regarding the Partnership's fair value measurements, see Notes 3 and 14.

16. Business Segment Information

The following tables summarize condensed consolidated statements of comprehensive income information for the Partnership's business segments and reconcile total segment Adjusted EBITDA to net income attributable to the Partnership for the three and six months ended June 30, 2015 and 2014, respectively:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(in millions)		(in millions)	
Sales and other operating revenue [1]				
Crude Oil Pipelines	$ 135	$ 138	$ 270	$ 269
Crude Oil Acquisition and Marketing	2,680	4,432	4,888	8,526
Terminal Facilities	393	283	637	570
Products Pipelines	77	40	140	81
Intersegment eliminations	(83)	(72)	(161)	(148)
Total sales and other operating revenue	$ 3,202	$ 4,821	$ 5,774	$ 9,298
Depreciation and amortization				
Crude Oil Pipelines	$ 27	$ 24	$ 54	$ 48
Crude Oil Acquisition and Marketing	14	14	26	26
Terminal Facilities	38	28	69	54
Products Pipelines	15	8	27	15
Total depreciation and amortization	$ 94	$ 74	$ 176	$ 143
Impairment charge and other matters				
Crude Oil Acquisition and Marketing	$ (105)	$ —	$ (37)	$ —
Terminal Facilities	5	—	(22)	—
Total impairment charge and other matters	$ (100)	$ —	$ (59)	$ —
Adjusted EBITDA				
Crude Oil Pipelines	$ 89	$ 104	$ 184	$ 197
Crude Oil Acquisition and Marketing	41	53	72	65
Terminal Facilities	140	97	192	183
Products Pipelines	56	26	99	43
Total Adjusted EBITDA	326	280	547	488
Interest expense, net	(31)	(21)	(60)	(37)
Depreciation and amortization expense	(94)	(74)	(176)	(143)
Impairment charge and other matters	100	—	59	—
Provision for income taxes	(5)	(8)	(11)	(13)
Non-cash compensation expense	(4)	(3)	(8)	(8)
Unrealized gains (losses) on commodity risk management activities	(8)	(8)	(23)	(7)
Amortization of excess equity method investment	—	(1)	(1)	(1)
Proportionate share of unconsolidated affiliates' interest, depreciation and provision for income taxes	(7)	(7)	(13)	(11)
Net Income	277	158	314	268
Less: Net income attributable to noncontrolling interests	—	(2)	(1)	(5)
Less: Net income attributable to redeemable noncontrolling interests	(1)	—	(1)	—
Net Income attributable to Sunoco Logistics Partners L.P.	$ 276	$ 156	$ 312	$ 263

(1) Sales and other operating revenue includes the following amounts from ETP and its affiliates for the three and six months ended June 30, 2015 and 2014:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(in millions)		(in millions)	
Crude Oil Acquisition and Marketing	$ 108	$ 342	$ 165	$ 611
Terminal Facilities	88	61	140	93
Products Pipelines	10	6	20	11
Total sales and other operating revenue	$ 206	$ 409	$ 325	$ 715

The following table summarizes the identifiable assets for each segment as of June 30, 2015 and December 31, 2014:

	June 30, 2015	December 31, 2014
	(in millions)	
Crude Oil Pipelines	$ 4,026	$ 3,765
Crude Oil Acquisition and Marketing	3,584	3,329
Terminal Facilities	3,837	3,534
Products Pipelines	3,005	2,763
Corporate and other assets (1)	246	253
Total identifiable assets	$ 14,698	$ 13,644

(1) Corporate and other assets consist of cash and cash equivalents, properties, plants and equipment and other assets.

17. Supplemental Condensed Consolidating Financial Information

The Partnership serves as guarantor of the senior notes. These guarantees are full and unconditional. For the purposes of this footnote, Sunoco Logistics Partners L.P. is referred to as "Parent Guarantor" and Sunoco Logistics Partners Operations L.P. is referred to as "Subsidiary Issuer." All other consolidated subsidiaries of the Partnership are collectively referred to as "Non-Guarantor Subsidiaries."

The following supplemental condensed consolidating financial information reflects the Parent Guarantor's separate accounts, the Subsidiary Issuer's separate accounts, the combined accounts of the Non-Guarantor Subsidiaries, the combined consolidating adjustments and eliminations, and the Parent Guarantor's consolidated accounts for the dates and periods indicated. For purposes of the following condensed consolidating information, the Parent Guarantor's investments in its subsidiaries and the Subsidiary Issuer's investments in its subsidiaries are accounted for under the equity method of accounting.

Condensed Consolidating Statement of Comprehensive Income (Loss)
Three Months Ended June 30, 2015
(in millions, unaudited)

	Parent Guarantor	Subsidiary Issuer	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Revenues					
Sales and other operating revenue:					
Unaffiliated customers	$ —	$ —	$ 2,996	$ —	$ 2,996
Affiliates	—	—	206	—	206
Total Revenues	—	—	3,202	—	3,202
Costs and Expenses					
Cost of products sold	—	—	2,821	—	2,821
Operating expenses	—	—	55	—	55
Selling, general and administrative expenses	—	—	25	—	25
Depreciation and amortization expense	—	—	94	—	94
Impairment charge and other matters	—	—	(100)	—	(100)
Total Costs and Expenses	—	—	2,895	—	2,895
Operating Income	—	—	307	—	307
Interest cost and debt expense, net	—	(51)	(1)	—	(52)
Capitalized interest	—	21	—	—	21
Other income	—	—	6	—	6
Equity in earnings of subsidiaries	276	306	—	(582)	—
Income (Loss) Before Provision for Income Taxes	276	276	312	(582)	282
Provision for income taxes	—	—	(5)	—	(5)
Net Income (Loss)	276	276	307	(582)	277
Less: Net income attributable to redeemable noncontrolling interests	—	—	(1)	—	(1)
Net Income (Loss) Attributable to Sunoco Logistics Partners L.P.	$ 276	$ 276	$ 306	$ (582)	$ 276
Comprehensive Income (Loss)	$ 276	$ 276 —	$ 307	$ (582)	$ 277
Less: Comprehensive income attributable to redeemable noncontrolling interests	—	—	(1)	—	(1)
Comprehensive Income (Loss) Attributable to Sunoco Logistics Partners L.P.	$ 276	$ 276	$ 306	$ (582)	$ 276

Condensed Consolidating Statement of Comprehensive Income (Loss)
Three Months Ended June 30, 2014
(in millions, unaudited)

	Parent Guarantor	Subsidiary Issuer	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Revenues					
Sales and other operating revenue:					
Unaffiliated customers	$ —	$ —	$ 4,412	$ —	$ 4,412
Affiliates	—	—	409	—	409
Total Revenues	—	—	4,821	—	4,821
Costs and Expenses					
Cost of products sold	—	—	4,517	—	4,517
Operating expenses	—	—	28	—	28
Selling, general and administrative expenses	—	—	22	—	22
Depreciation and amortization expense	—	—	74	—	74
Total Costs and Expenses	—	—	4,641	—	4,641
Operating Income	—	—	180	—	180
Interest cost and debt expense, net	—	(36)	(1)	—	(37)
Capitalized interest	—	16	—	—	16
Other income	—	—	7	—	7
Equity in earnings of subsidiaries	156	176	—	(332)	—
Income (Loss) Before Provision for Income Taxes	156	156	186	(332)	166
Provision for income taxes	—	—	(8)	—	(8)
Net Income (Loss)	156	156	178	(332)	158
Less: Net income attributable to noncontrolling interests	—	—	(2)	—	(2)
Net Income (Loss) Attributable to Sunoco Logistics Partners L.P.	$ 156	$ 156	$ 176	$ (332)	$ 156
Comprehensive Income (Loss)	$ 156	$ 156	$ 179	$ (332)	$ 159
Less: Comprehensive income attributable to noncontrolling interests	—	—	(2)	—	(2)
Comprehensive Income (Loss) Attributable to Sunoco Logistics Partners L.P.	$ 156	$ 156	$ 177	$ (332)	$ 157

Condensed Consolidating Statement of Comprehensive Income (Loss)
Six Months Ended June 30, 2015
(in millions, unaudited)

	Parent Guarantor	Subsidiary Issuer	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Revenues					
Sales and other operating revenue:					
Unaffiliated customers	$ —	$ —	$ 5,449	$ —	$ 5,449
Affiliates	—	—	325	—	325
Total Revenues	—	—	5,774	—	5,774
Costs and Expenses					
Cost of products sold	—	—	5,130	—	5,130
Operating expenses	—	—	104	—	104
Selling, general and administrative expenses	—	—	50	—	50
Depreciation and amortization expense	—	—	176	—	176
Impairment charge and other matters	—	—	(59)	—	(59)
Total Costs and Expenses	—	—	5,401	—	5,401
Operating Income	—	—	373	—	373
Interest cost and debt expense, net	—	(100)	(2)	—	(102)
Capitalized interest	—	42	—	—	42
Other income	—	—	12	—	12
Equity in earnings of subsidiaries	312	370	—	(682)	—
Income (Loss) Before Provision for Income Taxes	312	312	383	(682)	325
Provision for income taxes	—	—	(11)	—	(11)
Net Income (Loss)	312	312	372	(682)	314
Less: Net income attributable to noncontrolling interests	—	—	(1)	—	(1)
Less: Net income attributable to redeemable noncontrolling interests	—	—	(1)	—	(1)
Net Income (Loss) Attributable to Sunoco Logistics Partners L.P.	$ 312	$ 312	$ 370	$ (682)	$ 312
Comprehensive Income (Loss)	$ 312	$ 312	$ 371	$ (682)	$ 313
Less: Comprehensive income attributable to noncontrolling interests	—	—	(1)	—	(1)
Less: Comprehensive income attributable to redeemable noncontrolling interests	—	—	(1)	—	(1)
Comprehensive Income (Loss) Attributable to Sunoco Logistics Partners L.P.	$ 312	$ 312	$ 369	$ (682)	$ 311

Condensed Consolidating Statement of Comprehensive Income (Loss)
Six Months Ended June 30, 2014
(in millions, unaudited)

	Parent Guarantor	Subsidiary Issuer	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Revenues					
Sales and other operating revenue:					
Unaffiliated customers	$ —	$ —	$ 8,583	$ —	$ 8,583
Affiliates	—	—	715	—	715
Total Revenues	—	—	9,298	—	9,298
Costs and Expenses					
Cost of products sold	—	—	8,727	—	8,727
Operating expenses	—	—	69	—	69
Selling, general and administrative expenses	—	—	52	—	52
Depreciation and amortization expense	—	—	143	—	143
Total Costs and Expenses	—	—	8,991	—	8,991
Operating Income	—	—	307	—	307
Interest cost and debt expense, net	—	(61)	(2)	—	(63)
Capitalized interest	—	26	—	—	26
Other income	—	—	11	—	11
Equity in earnings of subsidiaries	263	298	—	(561)	—
Income (Loss) Before Provision for Income Taxes	263	263	316	(561)	281
Provision for income taxes	—	—	(13)	—	(13)
Net Income (Loss)	263	263	303	(561)	268
Less: Net income attributable to noncontrolling interests	—	—	(5)	—	(5)
Net Income (Loss) Attributable to Sunoco Logistics Partners L.P.	$ 263	$ 263	$ 298	$ (561)	$ 263
Comprehensive Income (Loss)	$ 263	$ 263	$ 304	$ (561)	$ 269
Less: Comprehensive income attributable to noncontrolling interests	—	—	(5)	—	(5)
Comprehensive Income (Loss) Attributable to Sunoco Logistics Partners L.P.	$ 263	$ 263	$ 299	$ (561)	$ 264

Condensed Consolidating Balance Sheet
June 30, 2015
(in millions, unaudited)

	Parent Guarantor	Subsidiary Issuer	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Assets					
Cash and cash equivalents	$ —	$ 58	$ —	$ —	$ 58
Accounts receivable, affiliated companies	—	—	52	—	52
Accounts receivable, net	—	—	1,777	—	1,777
Inventories	—	—	730	—	730
Other current assets	—	—	17	—	17
Total Current Assets	—	58	2,576	—	2,634
Properties, plants and equipment, net	—	—	9,629	—	9,629
Investment in affiliates	6,402	9,498	238	(15,900)	238
Long-term note receivable, affiliated companies	—	—	26	—	26
Goodwill	—	—	1,358	—	1,358
Intangible assets, net	—	—	744	—	744
Other assets	—	31	38	—	69
Total Assets	$ 6,402	$ 9,587	$ 14,609	$ (15,900)	$ 14,698
Liabilities and Equity					
Accounts payable	$ —	$ —	$ 1,888	$ —	$ 1,888
Accounts payable, affiliated companies	—	—	15	—	15
Accrued liabilities	1	59	106	—	166
Accrued taxes payable	—	—	48	—	48
Intercompany	(1,191)	(1,493)	2,684	—	—
Total Current Liabilities	(1,190)	(1,434)	4,741	—	2,117
Long-term debt	—	4,619	—	—	4,619
Other deferred credits and liabilities	—	—	74	—	74
Deferred income taxes	—	—	246	—	246
Total Liabilities	(1,190)	3,185	5,061	—	7,056
Redeemable noncontrolling interests	—	—	15	—	15
Total Equity	7,592	6,402	9,533	(15,900)	7,627
Total Liabilities and Equity	$ 6,402	$ 9,587	$ 14,609	$ (15,900)	$ 14,698

Condensed Consolidating Balance Sheet
December 31, 2014
(in millions)

	Parent Guarantor	Subsidiary Issuer	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Assets					
Cash and cash equivalents	$ —	$ 101	$ —	$ —	$ 101
Accounts receivable, affiliated companies	—	3	6	—	9
Accounts receivable, net	—	—	1,766	—	1,766
Inventories	—	—	470	—	470
Other current assets	—	—	3	—	3
Total Current Assets	—	104	2,245	—	2,349
Properties, plants and equipment, net	—	—	8,849	—	8,849
Investment in affiliates	6,189	9,168	226	(15,357)	226
Long-term note receivable, affiliated companies	—	—	17	—	17
Goodwill	—	—	1,358	—	1,358
Intangible assets, net	—	—	770	—	770
Other assets	—	28	47	—	75
Total Assets	$ 6,189	$ 9,300	$ 13,512	$ (15,357)	$ 13,644
Liabilities and Equity					
Accounts payable	$ —	$ —	$ 1,934	$ —	$ 1,934
Accounts payable, affiliated companies	—	—	21	—	21
Accrued liabilities	—	58	246	—	304
Accrued taxes payable	—	—	52	—	52
Intercompany	(489)	(1,172)	1,661	—	—
Total Current Liabilities	(489)	(1,114)	3,914	—	2,311
Long-term debt	—	4,225	35	—	4,260
Other deferred credits and liabilities	—	—	71	—	71
Deferred income taxes	—	—	249	—	249
Total Liabilities	(489)	3,111	4,269	—	6,891
Redeemable noncontrolling interests	—	—	15	—	15
Total Equity	6,678	6,189	9,228	(15,357)	6,738
Total Liabilities and Equity	$ 6,189	$ 9,300	$ 13,512	$ (15,357)	$ 13,644

Condensed Consolidating Statement of Cash Flows
Six Months Ended June 30, 2015
(in millions, unaudited)

	Parent Guarantor	Subsidiary Issuer	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Net Cash Flows provided by (used in) Operating Activities	$ 312	$ 308	$ 174	$ (682)	$ 112
Cash Flows provided by (used in) Investing Activities:					
Capital expenditures	—	—	(1,074)	—	(1,074)
Acquisitions, net of cash received	—	—	(131)	—	(131)
Change in long-term note receivable, affiliated companies	—	—	(9)	—	(9)
Intercompany	(1,014)	(711)	1,043	682	—
Net cash provided by (used in) investing activities	(1,014)	(711)	(171)	682	(1,214)
Cash Flows provided by (used in) Financing Activities:					
Distributions paid to limited and general partners	(311)	—	—	—	(311)
Net proceeds from issuance of limited partner units	1,013	—	—	—	1,013
Payments of statutory withholding on net issuance of limited partner units under LTIP	—	—	(9)	—	(9)
Repayments under credit facilities	—	(1,160)	—	—	(1,160)
Borrowings under credit facilities	—	1,525	—	—	1,525
Contributions attributable to acquisition from affiliate	—	—	6	—	6
Other	—	(5)	—	—	(5)
Net cash provided by (used in) financing activities	702	360	(3)	—	1,059
Net change in cash and cash equivalents	—	(43)	—	—	(43)
Cash and cash equivalents at beginning of period	—	101	—	—	101
Cash and cash equivalents at end of period	$ —	$ 58	$ —	$ —	$ 58

Condensed Consolidating Statement of Cash Flows
Six Months Ended June 30, 2014
(in millions, unaudited)

	Parent Guarantor	Subsidiary Issuer	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Net Cash Flows provided by (used in) Operating Activities	$ 260	$ 254	$ 268	$ (561)	$ 221
Cash Flows provided by (used in) Investing Activities:					
Capital expenditures	—	—	(1,019)	—	(1,019)
Investment in joint venture interests	—	—	(42)	—	(42)
Acquisitions, net of cash received	—	—	(65)	—	(65)
Change in long-term note receivable, affiliated companies	—	—	(4)	—	(4)
Intercompany	(360)	(1,093)	892	561	—
Net cash provided by (used in) investing activities	(360)	(1,093)	(238)	561	(1,130)
Cash Flows provided by (used in) Financing Activities:					
Distributions paid to limited and general partners	(215)	—	—	—	(215)
Distributions paid to noncontrolling interests	(4)	—	—	—	(4)
Net proceeds from issuance of limited partner units	102	—	—	—	102
Payments of statutory withholding on net issuance of limited partner units under LTIP	—	—	(6)	—	(6)
Repayments under credit facilities	—	(1,220)	—	—	(1,220)
Borrowings under credit facilities	—	1,270	—	—	1,270
Net proceeds from issuance of long-term debt	—	989	—	—	989
Repayment of senior notes	—	(175)	—	—	(175)
Advances to affiliated companies, net	217	79	(57)	—	239
Contributions attributable to acquisition from affiliate	—	—	6	—	6
Net cash provided by financing activities	100	943	(57)	—	986
Net change in cash and cash equivalents	—	104	(27)	—	77
Cash and cash equivalents at beginning of period	—	12	27	—	39
Cash and cash equivalents at end of period	$ —	$ 116	$ —	$ —	$ 116

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

Results of Operations

The following table summarizes our consolidated operating results for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(in millions, except per unit data)		(in millions, except per unit data)	
Revenues				
Sales and other operating revenue:				
Unaffiliated customers	$ 2,996	$ 4,412	$ 5,449	$ 8,583
Affiliates	206	409	325	715
Total Revenues	3,202	4,821	5,774	9,298
Costs and Expenses				
Cost of products sold	2,821	4,517	5,130	8,727
Operating expenses	55	28	104	69
Selling, general and administrative expenses	25	22	50	52
Depreciation and amortization expense	94	74	176	143
Impairment charge and other matters	(100)	—	(59)	—
Total Costs and Expenses	2,895	4,641	5,401	8,991
Operating Income	307	180	373	307
Interest cost and debt expense, net	(52)	(37)	(102)	(63)
Capitalized interest	21	16	42	26
Other income	6	7	12	11
Income Before Provision for Income Taxes	282	166	325	281
Provision for income taxes	(5)	(8)	(11)	(13)
Net Income	277	158	314	268
Less: Net income attributable to noncontrolling interests	—	(2)	(1)	(5)
Less: Net income attributable to redeemable noncontrolling interests	(1)	—	(1)	—
Net Income Attributable to Sunoco Logistics Partners L.P.	$ 276	$ 156	$ 312	$ 263
Net Income Attributable to Sunoco Logistics Partners L.P. per Limited Partner unit:				
Basic	$ 0.83	$ 0.54	$ 0.76	$ 0.87
Diluted	$ 0.83	$ 0.53	$ 0.75	$ 0.86

Non-GAAP Financial Measures

To supplement our financial information presented in accordance with United States generally accepted accounting principles ("GAAP"), management uses additional measures that are known as "non-GAAP financial measures" in its evaluation of past performance and prospects for the future. The primary measures used by management are earnings before interest, taxes, depreciation and amortization expenses and other non-cash items ("Adjusted EBITDA"), and distributable cash flow ("DCF"). Adjusted EBITDA and DCF do not represent and should not be considered alternatives to net income or cash flows from operating activities as determined under GAAP and may not be comparable to similarly titled measures of other businesses.

Our management believes that Adjusted EBITDA and DCF information enhances an investor's understanding of a business's ability to generate cash for payment of distributions and other purposes. Adjusted EBITDA calculations are also defined and used as a measure in determining our compliance with certain revolving credit facility covenants. However, despite compliance with our credit facility covenants, there may be contractual, legal, economic or other factors which may prevent us from satisfying principal and interest obligations with respect to indebtedness and may require us to allocate funds for other purposes.

The following table reconciles the differences between net income, as determined under GAAP, and Adjusted EBITDA and DCF.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(in millions)		(in millions)	
Net Income	$ 277	$ 158	$ 314	$ 268
Interest expense, net	31	21	60	37
Depreciation and amortization expense	94	74	176	143
Impairment charge and other matters	(100)	—	(59)	—
Provision for income taxes	5	8	11	13
Non-cash compensation expense	4	3	8	8
Unrealized (gains) losses on commodity risk management activities	8	8	23	7
Amortization of excess investment in joint venture interests	—	1	1	1
Proportionate share of unconsolidated affiliates' interest, depreciation and provision for income taxes	7	7	13	11
Adjusted EBITDA	326	280	547	488
Interest expense, net	(31)	(21)	(60)	(37)
Provision for current income taxes [(1)]	(6)	(9)	(14)	(16)
Amortization of fair value adjustments on long-term debt	(3)	(4)	(6)	(8)
Distributions versus Adjusted EBITDA of unconsolidated affiliates	(8)	(10)	(16)	(16)
Maintenance capital expenditures	(16)	(13)	(31)	(31)
Distributable cash flow attributable to noncontrolling interests [(1)]	(1)	(4)	(2)	(7)
Contributions attributable to acquisition from affiliate	3	3	6	6
Distributable Cash Flow [(1)]	$ 264	$ 222	$ 424	$ 379

(1) During the third quarter 2014, we changed our definition of distributable cash flow to conform to the presentation utilized by Energy Transfer Partners, L.P., ("ETP") the controlling member of our general partner. This change did not have a material impact on our distributable cash flows. Prior period amounts have been recast to conform to current presentation.

Analysis of Consolidated Operating Results

Net income attributable to Sunoco Logistics Partners L.P. ("net income attributable to SXL") was $276 and $156 million for the three months ended June 30, 2015 and 2014, respectively. Results for the three months ended June 30, 2015 included a $100 million inventory adjustment primarily attributable to the increase in crude oil prices during the quarter. Excluding this non-cash item, net income attributable to SXL increased $20 million compared to the prior year period. The increase was primarily attributable to higher operating results from our Terminal Facilities and Products Pipelines segments. These positive impacts were partially offset by lower operating results from our Crude Oil Pipelines and Crude Oil Acquisition and Marketing segments, higher depreciation and amortization expense, and higher net interest expense.

Net income attributable to SXL was $312 and $263 million for the six months ended June 30, 2015 and 2014, respectively. Results for the six months ended June 30, 2015 included an $59 million inventory adjustment attributable to the increase in commodity prices in 2015. Excluding this non-cash item, net income attributable to SXL decreased $10 million compared to the prior year period. The decrease was primarily attributable to higher net interest expense, higher depreciation and amortization expense, and lower operating results from our Crude Oil Pipelines segment. These impacts were partially offset by improved operating results from our Products Pipelines, Terminal Facilities, and Crude Oil Acquisition and Marketing segments.

See "Analysis of Operating Segments" and "Liquidity and Capital Resources" below for additional details on operating results.

Analysis of Operating Segments

We manage our operations through four operating segments: Crude Oil Pipelines, Crude Oil Acquisition and Marketing, Terminal Facilities and Products Pipelines.

Crude Oil Pipelines

Our Crude Oil Pipelines segment consists of crude oil trunk and gathering pipelines in the southwest and midwest United States, including those owned by our joint venture interests. Revenues are generated from tariffs and the associated fees paid by shippers utilizing our transportation services to deliver crude oil and other feedstocks to refineries within those regions. Rates for shipments on these pipelines are regulated by the Federal Energy Regulatory Commission ("FERC") and the Railroad Commission of Texas.

The following table summarizes the operating results and key operating measures for our Crude Oil Pipelines segment for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(in millions, except for barrel amounts)		(in millions, except for barrel amounts)	
Sales and other operating revenue:				
Unaffiliated customers	$ 80	$ 81	$ 159	$ 156
Intersegment revenue	55	57	111	113
Total sales and other operating revenue	$ 135	$ 138	$ 270	$ 269
Depreciation and amortization expense	$ 27	$ 24	$ 54	$ 48
Adjusted EBITDA	$ 89	$ 104	$ 184	$ 197
Pipeline throughput (thousands of barrels per day ("bpd"))	2,174	2,130	2,149	2,086
Pipeline revenue per barrel (cents)	68.1	71.2	69.4	71.4

Adjusted EBITDA for the Crude Oil Pipelines segment decreased $15 million to $89 million for the three months ended June 30, 2015, as compared to $104 million for the three months ended June 30, 2014. The decrease was largely due to lower average pipeline revenue per barrel ($6 million) primarily driven by reduced volumes on higher-priced tariff movements. Increased operating expenses ($8 million), which included lower pipeline operating gains and higher line testing costs, and selling, general and administrative expenses ($2 million) on growth also contributed to the decrease. These impacts were partially offset by additional throughput volumes ($3 million) largely attributable to expansion projects placed into service in 2014.

Adjusted EBITDA for the Crude Oil Pipelines segment decreased $13 million to $184 million for the six months ended June 30, 2015, as compared to $197 million for the six months ended June 30, 2014. The decrease was largely due to lower average pipeline revenue per barrel ($8 million) primarily driven by reduced volumes on higher-priced tariff movements. Increased operating expenses ($10 million), which included lower pipeline operating gains and higher line testing costs, and selling, general and administrative expenses ($3 million) on growth also contributed to the decrease. These impacts were partially offset by additional throughput volumes ($8 million) largely attributable to expansion projects placed into service in 2014.

Crude Oil Acquisition and Marketing

Our Crude Oil Acquisition and Marketing segment reflects the sale of gathered and bulk purchased crude oil. The crude oil acquisition and marketing operations generate substantial revenue and cost of products sold as a result of the significant volume of crude oil bought and sold. The absolute price levels of crude oil normally do not bear a relationship to gross profit, although the price levels significantly impact revenue and costs of products sold. As a result, period-to-period variations in revenue and cost of products sold are not generally meaningful in analyzing the variation in gross profit for the Crude Oil Acquisition and Marketing segment. The operating results of the Crude Oil Acquisition and Marketing segment are affected by overall levels of supply and demand for crude oil and relative fluctuations in market related indices. To the extent there are periods of sustained crude oil price declines, drilling activity could decline, impacting the volume of crude oil we buy and sell. Generally, we expect a base level of earnings from our Crude Oil Acquisition and Marketing segment that may be optimized and enhanced when there is a high level of market volatility, favorable basis differentials and/or a steep contango or backwardated structure. Our management believes gross profit, which is equal to sales and other operating revenue less cost of products sold and operating expenses, is a key measure of financial performance for the Crude Oil Acquisition and Marketing segment. Although we implement risk management activities to provide general stability in our margins, these margins are not fixed and will vary from period to period.

The following table summarizes the operating results and key operating measures for our Crude Oil Acquisition and Marketing segment for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(in millions, except for barrel amounts)		(in millions, except for barrel amounts)	
Sales and other operating revenue:				
Unaffiliated customers	$ 2,571	$ 4,090	$ 4,722	$ 7,914
Affiliates	108	342	165	611
Intersegment revenue	1	—	1	1
Total sales and other operating revenue	$ 2,680	$ 4,432	$ 4,888	$ 8,526
Depreciation and amortization expense	$ 14	$ 14	$ 26	$ 26
Impairment charge and other matters (1)	$ (105)	$ —	$ (37)	$ —
Adjusted EBITDA	$ 41	$ 53	$ 72	$ 65
Crude oil purchases (thousands of bpd)	925	854	912	847
Gross profit per barrel purchased (cents) (2)	54.2	76.3	50.2	51.4
Average crude oil price (per barrel)	$ 57.96	$ 102.98	$ 53.29	$ 100.81

(1) Represents non-cash inventory adjustments related to changes in commodity prices.

(2) Represents total segment sales and other operating revenue less cost of products sold and operating expenses, divided by total crude oil purchases.

Adjusted EBITDA for the Crude Oil Acquisition and Marketing segment decreased $12 million to $41 million for the three months ended June 30, 2015, as compared to $53 million for the three months ended June 30, 2014. The decrease was primarily attributable to lower realized crude oil margins ($19 million), which were negatively impacted by narrowing crude oil differentials compared to the prior year period. This impact was partially offset by increased crude oil volumes ($5 million) resulting from 2014 acquisitions and the expansion of our crude oil trucking fleet.

Adjusted EBITDA for the Crude Oil Acquisition and Marketing segment increased $7 million to $72 million for the six months ended June 30, 2015, as compared to $65 million for the six months ended June 30, 2014. The increase was primarily attributable to higher crude oil volumes ($6 million) resulting from 2014 acquisitions and the expansion of our crude oil trucking fleet.

Terminal Facilities

Our Terminal Facilities segment consists of crude oil, refined products and natural gas liquids ("NGL") terminals, as well as a products acquisition and marketing business. The Terminal Facilities segment earns revenue by providing storage, terminalling, blending and other ancillary services to our customers, as well as through the sale of refined products and NGLs.

The following table summarizes the operating results and key operating measures for our Terminal Facilities segment for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(in millions, except for barrel amounts)		(in millions, except for barrel amounts)	
Sales and other operating revenue:				
Unaffiliated customers	$ 293	$ 207	$ 473	$ 444
Affiliates	88	61	140	93
Intersegment revenue	12	15	24	33
Total sales and other operating revenue	$ 393	$ 283	$ 637	$ 570
Depreciation and amortization expense	$ 38	$ 28	$ 69	$ 54
Impairment charge and other matters [(1)]	$ 5	$ —	$ (22)	$ —
Adjusted EBITDA	$ 140	$ 97	$ 192	$ 183
Terminal throughput (thousands of bpd):				
Refined products terminals	425	420	424	416
Nederland terminal	1,311	1,216	1,305	1,269
Refinery terminals	281	345	229	286

(1) Represents non-cash inventory adjustments related to changes in commodity prices.

Adjusted EBITDA for the Terminal Facilities segment increased $43 million to $140 million for the three months ended June 30, 2015, as compared to $97 million for the three months ended June 30, 2014. The increase was primarily attributable to higher results from our products acquisition and marketing activities ($22 million), which were positively impacted by inventory accounting resulting from the liquidation of certain inventories that were stored during the first quarter to capture the contango market structure. Improved operating results from our Marcus Hook and Nederland terminals ($24 million) also contributed to the increase. These positive impacts were partially offset by lower results from our refined products terminals ($3 million).

Adjusted EBITDA for the Terminal Facilities segment increased $9 million to $192 million for the six months ended June 30, 2015, as compared to $183 million for the six months ended June 30, 2014. The increase was primarily attributable to improved operating results from our Marcus Hook, Nederland and Eagle Point terminals ($29 million), which was largely offset by lower results from our products acquisition and marketing activities ($23 million).

Products Pipelines

Our Products Pipelines segment consists of refined products and NGL pipelines, including a two-thirds undivided interest in the Harbor pipeline and joint venture interests in four refined products pipelines in selected areas of the United States. The Products Pipeline System primarily earns revenues by transporting refined products and NGLs from refineries in the northeast, midwest and southwest United States to markets in six states and Canada. Rates for shipments on these pipelines are regulated by the FERC and the Pennsylvania Public Utility Commission ("PA PUC").

The following table summarizes the operating results and key operating measures for our Products Pipelines segment for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(in millions, except for barrel amounts)		(in millions, except for barrel amounts)	
Sales and other operating revenue:				
Unaffiliated customers	$ 52	$ 34	$ 95	$ 69
Affiliates	10	6	20	11
Intersegment revenue	15	—	25	1
Total sales and other operating revenue	$ 77	$ 40	$ 140	$ 81
Depreciation and amortization expense	$ 15	$ 8	$ 27	$ 15
Adjusted EBITDA	$ 56	$ 26	$ 99	$ 43
Pipeline throughput (thousands of bpd) (1) (2)	686	497	638	477
Pipeline revenue per barrel (cents)(1)	124.5	88.2	121.9	94.2

(1) Excludes amounts attributable to equity interests which are not consolidated.

(2) Prior period throughput volumes have been recast to exclude certain pipeline movements which result in revenues that are not material.

Adjusted EBITDA for the Products Pipelines segment increased $30 million to $56 million for the three months ended June 30, 2015, as compared to $26 million for the three months ended June 30, 2014. The increase was due primarily to higher throughput volumes and higher average pipeline revenue per barrel associated with the Mariner NGL pipeline projects ($33 million). These positive impacts were partially offset by lower contributions from joint venture interests ($2 million).

Adjusted EBITDA for the Products Pipelines segment increased $56 million to $99 million for the six months ended June 30, 2015, as compared to $43 million for the six months ended June 30, 2014. The increase was due primarily to higher throughput volumes and higher average pipeline revenue per barrel associated with the Mariner NGL pipeline projects ($52 million) and improved contributions from joint venture interests ($4 million).

Liquidity and Capital Resources

Liquidity

Cash generated from operations and borrowings under our $2.50 billion Credit Facility are our primary sources of liquidity. At June 30, 2015, we had a net working capital surplus of $517 million and available borrowing capacity of $1.95 billion under our revolving credit facility. We supplement our cash flows from operations with proceeds from our at-the-market equity offering program ("ATM program") and periodically with debt and equity financing activities.

Credit Facilities

We maintain a $2.50 billion unsecured revolving credit agreement (the "$2.50 billion Credit Facility"), which matures in March 2020, to fund our working capital requirements, finance acquisitions and capital projects, and for general partnership purposes. The $2.50 billion Credit Facility contains an "accordion" feature, under which the total aggregate commitment may be extended to $3.25 billion under certain conditions. Outstanding borrowings under this credit facility were $550 and $150 million at June 30, 2015 and December 31, 2014, respectively. In June 2015, the $2.5 billion Credit Facility was amended to create a segregated tranche of borrowings that will be guaranteed by ETP. The amendment did not modify the outstanding borrowings, total capacity or terms of the facility.

The $2.50 billion Credit Facility contains various covenants including limitations on the creation of indebtedness and liens, and related to the operation and conduct of our business. The credit facility also limits us, on a rolling four quarter basis, to a maximum total consolidated debt to consolidated Adjusted EBITDA ratio, as defined in the underlying credit agreement, of 5.0 to 1, which can generally be increased to 5.5 to 1 during an acquisition period. Our ratio of total consolidated debt, excluding net unamortized fair value adjustments, to consolidated Adjusted EBITDA was 3.3 to 1 at June 30, 2015, as calculated in accordance with the credit agreement.

The West Texas Gulf $35 million revolving credit facility matured in April 2015 and was repaid with borrowings from the $2.50 billion Credit Facility.

Senior Notes

In April 2014, we issued $300 million of 4.25 percent Senior Notes and $700 million of 5.30 percent Senior Notes (the "2024 and 2044 Senior Notes"), due April 2024 and April 2044, respectively. The terms and conditions of the 2024 and 2044 Senior Notes are comparable to those of our other outstanding senior notes. The net proceeds from these offerings were used to repay outstanding borrowings under the existing Credit Facility and for general partnership purposes.

Equity Offerings

In the first quarter 2014, we filed a registration statement and established a $250 million ATM program. The program allows us to issue common units directly to the public and raise capital in a timely and efficient manner to finance our growth capital program, while supporting our investment grade credit ratings. In the third quarter 2014, we filed a registration statement which will allow issuance of up to an additional $1.0 billion of common units directly to the public under the ATM program. For the three and six months ended June 30, 2015, we issued 6.2 and 9.6 million common units under this program, for net proceeds of $242 and $384 million, respectively. For the three and six months ended June 30, 2014, we issued 2.2 million common units under the program for net proceeds of $102 million.

In March 2015, we completed an overnight public offering of 13.5 million common units for net proceeds of $547 million. The net proceeds from this offering were used to repay outstanding borrowings under the $2.50 billion Credit Facility and for general partnership purposes. In April 2015, an additional 2.0 million common units were issued for net proceeds of $82 million related to the exercise of an option in connection with the March 2015 offering.

Cash Flows and Capital Expenditures

Operating Activities

Cash flows from operating activities are primarily driven by earnings, excluding the impact of non-cash items, the timing of cash receipts and disbursements related to accounts receivable and payable, and the timing of inventory transactions and changes in other working capital amounts. Non-cash items include depreciation, amortization, and impairment charges and related matters. See the Analysis of Consolidated Operating Results, above, for more information on changes in our consolidated earnings.

Net cash provided by operating activities for the six months ended June 30, 2015 of $112 million was primarily related to net income of $314 million, adjusted for non-cash charges for depreciation and amortization totaling $176 million. These sources of cash were partially offset by a $314 million increase in working capital largely attributable to an increase in inventory volumes and a $59 million non-cash inventory adjustment related to changes in commodity prices.

Net cash provided by operating activities for the six months ended June 30, 2014 of $221 million was primarily related to net income of $268 million and non-cash charges for depreciation and amortization of $143 million, partially offset by a $176 million increase in working capital due to an increase in net receivables.

Investing Activities

Cash flows used in investing activities relate primarily to our capital expenditures, including maintenance and expansion capital expenditures, acquisitions and investments in joint venture interests. See "Capital Requirements" below for additional details on our investing activities.

In addition to $1.1 billion of cash used for expansion and maintenance capital expenditures, net cash used in investing activities for the six months ended June 30, 2015 included the $131 million acquisition of the remaining noncontrolling interest in West Texas Gulf.

Net cash used in investing activities of $1.1 billion for the six months ended June 30, 2014 related to $1.0 billion of expansion and maintenance capital expenditures, $65 million of acquisitions completed in the Crude Oil Acquisition and Marketing segment and a $42 million investment in a joint venture interest.

Financing Activities

Cash flows from financing activities relate primarily to the payment of distributions to partners; proceeds from senior note offerings, as well as overnight equity and ATM offerings; borrowings and repayments under our credit facilities; and the cash impacts of debt and equity activities.

Net cash provided by financing activities for the six months ended June 30, 2015 of $1.1 billion resulted primarily from $1.0 billion of net proceeds from the overnight public equity offering and our ATM program, and the $365 million of net borrowings under our $2.50 billion Credit Facility. These sources of cash were partially offset by $311 million in distributions paid to limited partners and the general partner.

Net cash provided by financing activities in 2014 of $986 million resulted primarily from $989 million of net proceeds related to the April 2014 issuance of senior notes; $50 million of net borrowings under our credit facilities; $239 million decrease in advances to affiliates, which represented our cash held by Sunoco in accordance with our participation in Sunoco's cash management program; and $102 million of net proceeds from our ATM program. These sources of cash were partially offset by $215 million in distributions paid to limited partners and the general partner, and the $175 million repayment of the 8.75 percent Senior Notes in February 2014.

Capital Requirements

Our operations are capital intensive, requiring significant investment to maintain, upgrade and enhance existing assets and to comply with environmental and operational regulations. The capital requirements have consisted, and are expected to continue to consist, primarily of:

- Expansion capital expenditures to acquire and integrate complementary assets to improve operational efficiencies or reduce costs and to expand existing and construct new facilities, such as projects that increase storage or throughput volume,
- Maintenance capital expenditures that extend the usefulness of existing assets, such as those required to maintain equipment reliability, tankage and pipeline integrity and safety, and to address environmental regulations, and
- Acquisitions to acquire and integrate complementary assets to grow the business, to improve operational efficiencies or reduce costs.

The following table summarizes our capital expenditures for the periods presented:

	Six Months Ended June 30,	
	2015	2014
	(in millions)	
Expansion	$ 909	$ 1,108
Maintenance	31	31
Acquisitions	131	80
Investment in joint venture interests	—	42
Total	$ 1,071	$ 1,261

Expansion capital expenditures for the six months ended June 30, 2015 and 2014 included projects to: invest in the announced Mariner and Allegheny Access projects; invest in our crude oil infrastructure by increasing our pipeline capabilities through announced expansion capital projects in Texas and Oklahoma; expand the service capabilities of our products and NGLs acquisition and marketing business; and upgrade the service capabilities at our bulk marine terminals. We expect total expansion capital spending, excluding acquisitions and investment in joint venture interests, to be approximately $2.5 billion in 2015, which includes spending on our previously announced growth projects and to capture more value from existing assets such as the Marcus Hook Industrial Complex, our bulk marine terminals, our pipeline assets and our patented blending technology.

Maintenance capital expenditures for both periods presented primarily included recurring expenditures such as pipeline integrity costs; pipeline relocations; repair and upgrade of field instrumentation, including measurement devices; repair and replacement of tank floors and roofs; upgrades of cathodic protection systems; crude trucks and related equipment; and the upgrade of pump stations. We continue to estimate our maintenance capital spending to be approximately $70 million in 2015.

Our capital expenditures, including any acquisitions, are expected to be funded from cash provided by operations, borrowings under the credit facilities, and with proceeds from debt and equity offerings, as necessary.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to various risks, including volatility in the interest rates associated with our variable-rate debt and in the prices of the products that we market. In order to manage such exposure, debt levels, interest rates, inventory levels and expectations of future commodity prices are monitored when making decisions with respect to risk management.

Interest Rate Risk

We have interest rate risk exposure for changes in interest rates relating to our outstanding borrowings. We manage our exposure to changing interest rates through the use of a combination of fixed-rate and variable-rate debt. At June 30, 2015, we had $550 million of variable-rate borrowings under the revolving credit facilities. Outstanding borrowings bear interest cost at LIBOR plus an applicable margin. An increase in short-term interest rates will have a negative impact on funds borrowed under variable-rate debt arrangements. Our weighted average interest rate on our variable-rate borrowings was approximately 1 percent at June 30, 2015. A one-percent movement in the weighted average rate would have impacted interest expense by approximately $3 million for the six months ended June 30, 2015.

At June 30, 2015, we had $3.98 billion of fixed-rate borrowings which was comprised of our outstanding senior notes. This amount excludes the $100 million of unamortized fair value adjustments resulting from the application of push-down accounting in connection with the acquisition of our general partner by ETP. The estimated fair value of our senior notes was $3.80 billion at June 30, 2015. A hypothetical one-percent movement in interest rates would have impacted the fair value of our fixed-rate borrowings by approximately $429 million.

Commodity Market Risk

We are exposed to volatility in the prices of the products we market. To manage such exposures, inventory levels and expectations regarding future commodity prices are monitored when making decisions with respect to risk management and inventory carried. Our policy is to purchase only commodity products for which we have a market, and to structure our sales contracts so that price fluctuations for those products do not materially affect the margins we receive. We also seek to maintain a position that is substantially balanced within our various commodity purchase and sale activities. We may experience net unbalanced positions for short periods of time as a result of production, transportation and delivery variances, as well as logistical issues associated with inclement weather conditions. When unscheduled physical inventory builds or draws occur, they are monitored and managed to a balanced position over a reasonable period of time.

We do not use futures or other derivative instruments to speculate on crude oil, refined products or natural gas liquids ("NGL") prices, as these activities could expose us to significant losses. We do use derivative contracts as economic hedges against price changes related to our forecasted refined products and NGLs purchase and sale activities. These derivatives are intended to have equal and opposite effects of the related physical purchase and sale activities. At June 30, 2015, the fair market value of our open derivative positions resulted in a net liability of $7 million on 15.2 million barrels of refined products and NGLs. These derivative positions vary in length but do not extend beyond one year.

For additional information concerning our commodity market risk activities, see Note 14 to the condensed consolidated financial statements.

Forward-Looking Statements

Some of the information in this quarterly report on Form 10-Q discusses our goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or states other information relating to us, based on the current beliefs of our management as well as assumptions made by, and information currently available to, our management.

Words such as "may," "anticipates," "believes," "expects," "estimates," "planned," "scheduled" or similar phrases or expressions identify forward-looking statements. Although we believe these forward-looking statements are reasonable, they are based upon a number of assumptions, any or all of which may ultimately prove to be inaccurate. These statements are subject to numerous assumptions, uncertainties and risks that may cause future results to be materially different from the 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 the supply of, or demand for crude oil, refined products and NGLs that impact demand for our pipeline, terminalling and storage services;*
- *Changes in the short-term and long-term demand for crude oil, refined products and NGLs we buy and sell;*
- *An increase in the competition encountered by our terminals, pipelines and products 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 the products that we transport, terminal and store;*
- *Improvements in energy efficiency and development of technology resulting in reduced demand for refined petroleum products;*
- *Our ability to manage growth and/or control costs;*
- *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, refined petroleum products and NGL markets, from terrorist activities, international hostilities and other events, and the government's response thereto;*
- *Changes in the level of operating expenses and hazards related to operating our facilities (including equipment malfunction, explosions, fires, spills and the effects of severe weather conditions);*
- *The occurrence of operational hazards or unforeseen interruptions for which we may not be adequately insured;*
- *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;*
- *Changes in insurance markets resulting in increased costs and reductions in the level and types of coverage available;*
- *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 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;*
- *Restrictive covenants in our credit agreements;*
- *Changes in our or our general partner'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;*
- *The effectiveness of our risk management activities, including the use of derivative financial instruments to hedge commodity risks;*
- *Changes in interest rates on our outstanding debt, which could increase the costs of borrowing; 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, are 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.

Item 4. Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in the Partnership's 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 the Partnership's reports under the Exchange Act is accumulated and communicated to management, including the President and Chief Executive Officer and Chief Financial Officer and Treasurer of Sunoco Partners LLC (the Partnership's general partner), as appropriate, to allow timely decisions regarding required disclosure.

As of June 30, 2015, the Partnership carried out an evaluation, under the supervision and with the participation of the management of the general partner (including the President and Chief Executive Officer and the Chief Financial Officer and Treasurer), 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 general partner's President and Chief Executive Officer and its Chief Financial Officer and Treasurer, concluded that the Partnership's disclosure controls and procedures were effective.

No change in the Partnership's internal control over financial reporting has occurred during the fiscal quarter ended June 30, 2015 that has materially affected, or that is reasonably likely to materially affect, the Partnership's internal control over financial reporting.

PART II.

OTHER INFORMATION

Item 1. Legal Proceedings

There are certain proceedings arising prior to the February 2002 initial public offering ("IPO") pending against our Sunoco, Inc. ("Sunoco") affiliated predecessors and us (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 100 percent of all losses from environmental liabilities related to the transferred assets arising prior to, and asserted within 21 years of February 8, 2002. There is no monetary cap on this indemnification from Sunoco. Sunoco's share of liability for claims asserted thereafter will decrease by 10 percent each year through the thirtieth year following the February 8, 2002 date. Any remediation liabilities not covered by this indemnity will be our responsibility. In addition, Sunoco is obligated to indemnify us under certain other agreements executed after the IPO.

In April 2015, the Pipeline and Hazardous Materials Safety Administration ("PHMSA") issued two separate Notices of Probable Violation (“NOPV”) related to the Partnership’s West Texas Gulf pipeline in connection with repairs being carried out on the pipeline. The NOPVs propose penalties in excess of $0.1 million, and is currently in discussions with PHMSA to resolve these matters. The timing or outcome of these matters cannot be reasonable determined at this time, however, the Partnership does not expect there to be a material impact to its results of operations, cash flows, or financial position.

There are certain pending legal proceedings related to matters arising after the IPO that are not indemnified by Sunoco. Our management believes that any liabilities that may arise from these legal proceedings will not be material to our results of operations, financial position or cash flows at June 30, 2015.

Item 1A. Risk Factors

There have been no material changes from the risk factors described previously in Part I, Item 1A. of the Partnership's Annual Report on Form 10-K for the year ended December 31, 2014, filed on February 26, 2015.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

Item 6. Exhibits

10.1	Amendment No. 1 to the $2,500,000,000 Amended and Restated Credit Agreement, dated as of June 29, 2015, among Sunoco Logistics Partners Operations L.P., as the Borrower; Sunoco Logistics Partners L.P., as the Guarantor; Citibank, N.A., as Administrative Agent, Swing Line Lender and a L/C Issuer; and the other LC Issuers and Lenders party thereto.
12.1	Statement of Computation of Ratio of Earnings to Fixed Charges
31.1	Chief Executive Officer Certification of Periodic Report Pursuant to Exchange Act Rule 13a-14(a)
31.2	Chief Financial Officer Certification of Periodic Report Pursuant to Exchange Act Rule 13a-14(a)
32.1	Chief Executive Officer Certification of Periodic Report Pursuant to Exchange Act Rule 13a-14(b) and U.S.C. § 1350
32.2	Chief Financial Officer Certification of Periodic Report Pursuant to Exchange Act Rule 13a-14(b) and U.S.C. § 1350
101.1	The following financial information from Sunoco Logistics Partners L.P.'s Quarterly Report on Form 10-Q for the six months ended June 30, 2015 formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Statements of Comprehensive Income; (ii) the Condensed Consolidated Balance Sheets; (iii) the Condensed Consolidated Statements of Cash Flows; (iv) the Condensed Consolidated Statements of Equity; and (v) the Notes to Condensed Consolidated Financial Statements.

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

Sunoco Logistics Partners L.P.
Investor Relations
1818 Market Street
Suite 1500
Philadelphia, PA 19103

or through our website at www.sunocologistics.com.

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/ PETER J. GVAZDAUSKAS

Peter J. Gvazdauskas
Chief Financial Officer and Treasurer
Sunoco Partners LLC

Date: August 6, 2015

Exhibit 10.1

AMENDMENT NO. 1
TO
AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDMENT NO. 1 TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment"), dated as of June 29, 2015, is among Sunoco Logistics Partners Operations L.P., a Delaware limited partnership (the "Borrower"), Sunoco Logistics Partners L.P., a Delaware limited partnership (the "MLP" or the "Guarantor", and together with the Borrower, the "Loan Parties"), the several banks and other financial institutions or entities signatories hereto, and Citibank, N.A., as Administrative Agent for the Lenders (in such capacity, together with its successors and permitted assigns in such capacity, the "Administrative Agent") and as Swingline Lender and an LC Issuer.

RECITALS

A. The Borrower, the MLP, the Administrative Agent and the Lenders and LC Issuers from time to time party thereto are parties to that certain Amended and Restated Credit Agreement, dated as of March 20, 2015 (the "Credit Agreement").

B. The Loan Parties have requested that the Credit Agreement be amended in the manner set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower, the MLP, the Administrative Agent and each Lender party hereto hereby agree as follows:

Section 1. Definitions. Capitalized terms used and not defined in this Amendment shall have the respective meanings given them in the Credit Agreement.

Section 2. Amendments to Credit Agreement. The Credit Agreement is amended, as of the Amendment Effective Date (as defined below), as follows:

(a) The definition of "Applicable Rate" in Section 1.01 (Defined Terms) of the Credit Agreement is hereby amended by adding the following proviso immediately after the word "date" at the end of the first sentence thereof:

"; provided, that the Applicable Rate with respect to calculating Base Rate Margin and Eurodollar Margin for any Revolving Tranche B Loans will be the percent per annum so determined *plus* 0.01%."

(b) Section 1.01 (Defined Terms) of the Credit Agreement is hereby amended by adding the following new definitions in the appropriate alphabetic order:

""Amendment No. 1 Effective Date" means June 29, 2015."

""Revolving Tranche A" has the meaning specified in Section 2.01."

"“Revolving Tranche B” has the meaning specified in Section 2.01."

"“Revolving Tranche A Loan” means a Loan made by a Lender pursuant to that portion of its Commitment that has been allocated to Revolving Tranche A pursuant to Section 2.01."

"“Revolving Tranche B Loan” or “Specified Revolving Loan” means a Loan made by a Lender pursuant to that portion of its Commitment that has been allocated to Revolving Tranche B pursuant to Section 2.01."

"“Tranche” means each of Revolving Tranche A and Revolving Tranche B.

(c) Section 2.01 (Loans) of the Credit Agreement is hereby amended by adding the following new paragraph immediately after the end thereof:

"On the Amendment No. 1 Effective Date, the Aggregate Commitments are allocated as follows: (a) $2,500,000,000 to Revolving Tranche A (“Revolving Tranche A”), and (b) $0 to Revolving Tranche B (“Revolving Tranche B”). The Borrower may from time to time reallocate all or a portion of the Aggregate Commitments from one Tranche to the other Tranche by providing written notice to the Administrative Agent; provided that (i) Borrower may reallocate not more than fifteen (15) times during the term of this Agreement; (ii) the Aggregate Commitments allocated to Revolving Tranche B may not at any time exceed $1,000,000,000, (iii) the outstanding principal balance of Revolving Tranche A Loans may not at any time exceed the amount of Aggregate Commitments that have been allocated to Revolving Tranche A; (iv) the outstanding principal balance of Revolving Tranche B Loans may not at any time exceed the amount of Aggregate Commitments that have been allocated to Revolving Tranche B; (v) both before and after giving effect to such reallocation, no Default or Event of Default exists and any notice of reallocation shall constitute a representation and warranty by the Borrower to that effect; (vi) such notice shall be received by the Administrative Agent not less than three (3) Business Days prior to the requested effective date of such reallocation, and (vii) such notice shall (I) state that it is a “Notice of Reallocation” pursuant to this Agreement, (II) indicate the dollar amount of the Aggregate Commitments that are allocated to Revolving Tranche A and to Revolving Tranche B before giving effect to the requested reallocation, and (III) indicate the dollar amount of the Aggregate Commitments that will be allocated to Revolving Tranche A and to Revolving Tranche B after giving effect to the requested reallocation."

(d) Section 2.03 (Requests for New Loans) of the Credit Agreement is hereby amended by deleting the word “and” from the end of paragraph (a) and adding the following new paragraph (b) after the end thereof (and whereupon existing paragraph (b) shall be re-numbered accordingly as paragraph (c)):

"(b) specify whether such Loans being requested (if Revolving Credit Loans) are Revolving Tranche A Loans or Revolving Tranche B Loans; and"

(e) Section 2.06 (Repayment and Prepayments of Loans) of the Credit Agreement is hereby amended by adding the following sentence immediately after the third sentence thereof:

"Any notice of prepayment given pursuant to this Section 2.06 shall specify whether the prepayment is of Revolving Tranche A Loans or Revolving Tranche B Loans."

(f) Exhibit C (Forms of Loan Notice) of the Credit Agreement is hereby replaced in its entirety with Annex 1 hereto. Each reference in the Credit Agreement to the term "Exhibit C" when used in connection with Revolving Tranche A Loans means Exhibit C-1, and each reference in the Credit Agreement to the term "Exhibit C" when used in connection with Revolving Tranche B Loans means Exhibit C-2.

Section 3. Amendment Effectiveness. The effectiveness of this Amendment is subject to the satisfaction of the following conditions precedent:

(a) The Administrative Agent shall have received:

(i) counterparts of this Amendment, duly executed by the Borrower, the MLP, the Administrative Agent and Required Lenders; and

(ii) a certificate signed by a Responsible Officer of each Loan Party certifying that, before and after giving effect to this Amendment:

(A) each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents (other than the representation and warranty contained in Section 5.06(b) of the Credit Agreement) are true and correct in all material respects on and as of the Amendment Effective Date as if made on and as of such date, except that (x) the representations and warranties contained in Section 5.06(a) of the Credit Agreement shall be deemed to refer to the most recent financial statements furnished to the Administrative Agent pursuant to Section 6.01 of the Credit Agreement, (y) to the extent any such representations and warranties relate, by their terms, to a specific date, such representations and warranties shall be true and correct in all material respects on and as of such specific date, and (z) to the extent any such representations and warranties are qualified by materiality, such representations and warranties shall be true and correct in all respects; and

(B) no Default or Event of Default has occurred and is continuing on the Amendment Effective Date.

(b) The Borrower shall have paid (i) all fees, charges and disbursements of counsel to the Administrative Agent to the extent invoiced at least one (1) day prior to the Amendment Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the date upon which the Amendment shall be effective (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

The date on which such conditions have been satisfied or waived in accordance with Section 10.01 of the Credit Agreement is referred to herein as the "Amendment Effective Date".

The Administrative Agent shall notify the Borrower and the Lenders of the Amendment Effective Date, and such notice shall be conclusive and binding.

Section 4. Representations and Warranties. Each of the Borrower and the MLP hereby represents and warrants to the Administrative Agent and each of the Lenders as follows:

(a) Each Loan Party has duly taken all action necessary to authorize the execution and delivery by it of this Amendment and to authorize the consummation of the transactions contemplated hereby and the performance of its obligations hereunder.

(b) No permit, consent, approval, authorization or order of, and no notice to or filing, registration or qualification with, any Tribunal or third party is required in connection with the execution, delivery or performance by any Loan Party of this Amendment or to consummate any transactions contemplated hereby.

(c) This Amendment constitutes a legal, valid and binding obligation of each Loan Party enforceable in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency or similar Laws of general application relating to the enforcement of creditors' rights.

(d) The execution and delivery by each Loan Party of this Amendment and the performance of its obligations hereunder, and the consummation of the transactions contemplated hereby, do not and will not (i) conflict with any provision of (1) any Law, (2) the organizational documents of such Loan Party or any General Partner, or (3) any material Contractual Obligation, judgment, license, order or permit applicable to or binding upon such Loan Party, any Subsidiary or any General Partner, (ii) result in the acceleration of any Indebtedness owed by any Loan Party, any of its Subsidiaries, any of its Unrestricted Subsidiaries or any General Partner or (iii) result in or require the creation of any Lien upon any assets or properties of any Loan Party, any of its Subsidiaries or any General Partner, except, in each case with respect to the preceding clauses (i) through (iii), as could not reasonably be expected to have a Material Adverse Effect.

(e) Before and after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

Section 5. Limited Effect. Except as expressly provided hereby, all of the terms and provisions of the Credit Agreement and the other Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed by the Loan Parties. The amendments contained herein shall not be construed as a waiver or amendment of any other provision of the Credit Agreement or the other Loan Documents or for any purpose except as expressly set forth herein or a consent to any further or future action on the part of the Loan Parties that would require the waiver or consent of the Administrative Agent or the Lenders. Without limiting the foregoing and without limiting any provisions of the Guaranty, Guarantor hereby (a) waives any defense of a surety or guarantor or any other obligor arising in connection with, in respect of or by reason of the ETP Guaranty, (b) acknowledges and agrees that none of its obligations or liabilities under and pursuant to the Guaranty are released, diminished, impaired or otherwise affected by this Amendment or by the ETP Guaranty, and (c) acknowledges and agrees that all obligations and liabilities under and pursuant to the Guaranty are, and shall continue to be, in full force and effect. As used herein, "ETP Guaranty" means the Support Agreement dated June 29, 2015 executed by and among Energy Transfer Partners, L.P., a Delaware limited partnership, the Borrower and the Guarantor.

Section 6. Effect of Amendment. On and after the Amendment Effective Date, each reference to the Credit Agreement in any Loan Document shall be deemed to be a reference to the Credit Agreement, as amended by this Amendment. On and after the Amendment Effective Date, this Amendment shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents. On and after the Amendment Effective Date, the terms "Agreement", "this Agreement", "herein", "hereinafter", "hereto", "hereof", and words of similar import, as used in the Credit Agreement, shall, unless the context otherwise requires, mean the Credit Agreement as amended hereby.

Section 7. Counterparts. This Amendment may be executed by all parties hereto in any number of separate counterparts each of which may be delivered in original, facsimile or electronic (e.g., ".pdf") form, and all of such counterparts taken together constitute one instrument.

Section 8. References. The words "hereby," "herein," "hereinabove," "hereinafter," "hereinbelow," "hereof," "hereunder" and words of similar import when used in this Amendment refer to this Amendment as a whole and not to any particular article, section or provision of this Amendment.

Section 9. Headings Descriptive. The headings of the several sections of this Amendment are inserted for convenience only and do not in any way affect the meaning or construction of any provision of this Amendment.

Section 10. Governing Law. This Amendment is governed by and will be construed in accordance with the law of the State of New York.

Section 11. Final Agreement of the Parties. THIS AMENDMENT, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

[*Signatures on following pages.*]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

SUNOCO LOGISTICS PARTNERS OPERATIONS L.P., as Borrower

By: SUNOCO LOGISTICS PARTNERS GP LLC, its General Partner

By: /s/ Peter J. Gvazdauskas
Peter Gvazdauskas
Chief Financial Officer and Treasurer

SUNOCO LOGISTICS PARTNERS L.P., as Guarantor

By: SUNOCO PARTNERS LLC, its General Partner

By: /s/ Peter J.Gvazdauskas
Peter Gvazdauskas
Chief Financial Officer and Treasurer

CITIBANK, N.A., as Administrative Agent,
a LC Issuer, Swingline Lender and a Lender

By: /s/ Maureen P. Maroney
Name: Maureen P. Maroney
Title: Vice President

BARCLAYS BANK PLC, as a LC Issuer
and a Lender

By: /s/ Christopher Lee
Name: Christopher Lee
Title: Vice President

MIZUHO BANK, LTD.
as a Lender

By: /s/ Leon Mo
Name: Leon Mo
Title: Authorized Signatory

PNC BANK, NATIONAL ASSOCIATION,
as a LC Issuer and a Lender

By: /s/ M. Colin Warman
Name: M. Colin Warman
Title: Vice President

TD BANK, N.A.,
as a LC Issuer and a Lender

By: /s/ Shannon Batchman
Name: Shannon Batchman
Title: Executive Director

THE BANK OF TOKYO MITSUBISHI UFJ, LTD., a LC Issuer and a Lender

By: /s/ Sherwin Brandford

Name: Sherwin Brandford

Title: Director

Signature Page to Amendment No. 1
to SXL Amended and Restated Credit Agreement

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a LC Issuer and a Lender

By: /s/ Nathan Starr
Name: Nathan Starr
Title: Assistant Vice President

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Adam H. Fey
Name: Adam H. Fey
Title: Director

THE BANK OF NOVA SCOTIA,
as a Lender

By: /s/ A. Dawson

Name: A. Dawson

Title: Director

BNP PARIBAS,
as a Lender

By: /s/ Joseph Onischuk
Name: Joseph Onischuk
Title: Managing Director

By: /s/ Mark Renaud
Name: Mark Renaud
Title: Managing Director

COMPASS BANK,
as a Lender

By: /s/ Blake Kirshman
Name: Blake Kirshman
Title: Senior Vice President

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Lender

By: /s/ Nupur Kumar
Name: Nupur Kumar
Title: Authorized Signatory

By: /s/ Franziska Schoch
Name: Franziska Schoch
Title: Authorized Signatory

DNB CAPITAL LLC,
as a Lender

By: /s/ Robert Dupree
Name: Robert Dupree
Title: Senior Vice President

By: /s/ Asulv Tveit
Name: Asulv Tveit
Title: Vice President

ROYAL BANK OF CANADA,
as a Lender

By: /s/ Caleb Allen
Name: Caleb Allen
Title: Authorized Signatory

SUNTRUST BANK,
as a Lender

By: /s/ Carmen Malizia
Name: Carmen Malizia
Title: Director

Signature Page to Amendment No. 1
to SXL Amended and Restated Credit Agreement

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Patrick Jeffrey
Name: Patrick Jeffrey
Title: Vice President

UBS AG, STAMFORD BRANCH,
as a Lender

By: /s/ Darlene Arias
Name: Darlene Arias
Title: Director

By: /s/ Craig Pearson
Name: Craig Pearson
Title: Associate Director

CITIZENS BANK OF PENNSYLVANIA,
as a Lender

By: /s/ A. Paul Dawley

Name: A. Paul Dawley

Title: Vice President

COMERICA BANK,
as a Lender

By: /s/ Brandon M. White
Name: Brandon M. White
Title: Vice President

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Michelle Latzoni
Name: Michelle Latzoni
Title: Authorized Signatory

MORGAN STANLEY SENIOR FUNDING, INC., as a Lender

By: /s/ Dmitriy Barskiy
Name: Dmitriy Barskiy
Title: Vice President

EXHIBIT C

FORMS OF LOAN NOTICE

EXHIBIT C-1

FORM OF LOAN NOTICE (REVOLVING TRANCHE A LOANS AND SWINGLINE LOANS)

Date:_______________, ____

To: Citibank, N.A., as the Administrative Agent [Citibank, N.A., as the Swingline Lender]

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of March 20, 2015 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement"), among Sunoco Logistics Partners Operations L.P., a Delaware limited partnership (the "Borrower"), Sunoco Logistics Partners L.P., a Delaware limited Partnership (the "Guarantor"), Citibank, N.A., as Administrative Agent, Swingline Lender and an LC Issuer, and the Lenders and other agents from time to time parties thereto. Terms that are defined in the Agreement are used herein with the meanings given them in the Agreement.

[Pursuant to the terms of the Agreement, the Borrower hereby requests the [Lenders/Swingline Lender] to make [Revolving Tranche A/Swingline] Loans to Borrower in the aggregate principal amount of $ __________ and specifies ____________________, 20____, as the date Borrower desires for the [Lenders/Swingline Lender] to make such [Revolving Tranche A/Swingline] Loans and for the Administrative Agent to deliver to the Borrower the proceeds thereof. Such [Revolving Tranche A/Swingline] Loans are hereby designated as follows:

Type of Loans:

[Fixed Period Eurodollar Loans][Base Rate Loans] [***for Revolving Tranche A Loans***]
[Daily Floating Eurodollar Loans][Base Rate Loans] [***for Swingline Loans***]

Length of Interest Period for the requested Fixed Period Eurodollar Loans: __ months.

[Borrower hereby requests a conversion or continuation of existing Loans into a new Borrowing pursuant to Section 2.04 of the Agreement as follows:

Existing Borrowing(s) of Loans to be Continued or Converted:

$____of Revolving Tranche A Loans that are Fixed Period Eurodollar Loans with Interest Period ending _______________

$__ of Revolving Tranche A Loans that are Base Rate Loans

$__ of Swingline Loans that are Daily Floating Eurodollar Loans

$__ of Swingline Loans that are Base Rate Loans

Aggregate amount of new Borrowing: $___________

Type of Loans in new Borrowing: [Fixed Period Eurodollar Loans][Base Rate Loans]

Date of Continuation or Conversion: ____________

Length of Interest Period for Fixed Period Eurodollar Loans: ____ months]

To induce the [Lenders/Swingline Lender] to [make/continue/convert] such Loans, the Borrower hereby represents, warrants, acknowledges, and agrees to and with the Administrative Agent and each Lender that:

(a) The undersigned is the duly elected, qualified and acting officer of Sunoco Logistics Partners GP LLC, the general partner of the Borrower, as indicated below such officer's signature hereto having all necessary authority to act for the Borrower in making the request herein contained.

(b) The representations and warranties made by the Loan Parties in the Agreement are true and correct in all material respects (except to the extent that any such representation or warranty is qualified by materiality) on and as of the date hereof, with the same effect as though such representations and warranties had been made on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects as of such earlier date, and except, for the purposes of this Loan Notice, that (i) the representations and warranties contained in Section 5.06(a) of the Credit Agreement shall be deemed to refer to the most recent financial statements furnished to the Lenders by the Guarantor, and (ii) no representation or warranty is made with respect to Section 5.06(b) of the Credit Agreement.

(c) There does not exist on the date hereof any condition or event that constitutes a Default or Event of Default that has not been waived in writing as provided in Section 10.01 of the Agreement; nor will any such Default or Event of Default exist upon the Borrower's receipt and application of the Loans requested hereby.

(d) The Borrowings requested herein comply with the requirements set forth in [Section 2.02 and] Section 2.03 of the Agreement.

The undersigned hereby certifies that, to the best of his knowledge after due inquiry, the above representations, warranties, acknowledgments, and agreements of the Borrower are true, correct and complete in all material respects.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, this instrument is executed as of __________ __, 20__.

SUNOCO LOGISTICS PARTNERS OPERATIONS L.P.

By: Sunoco Logistics Partners GP LLC,
its general partner

By: ________________________________
Name:
Title:

EXHIBIT C-2

FORM OF LOAN NOTICE (REVOLVING TRANCHE B LOANS)

Date:_______________, ____

To: Citibank, N.A., as the Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of March 20, 2015 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement"), among Sunoco Logistics Partners Operations L.P., a Delaware limited partnership (the "Borrower"), Sunoco Logistics Partners L.P., a Delaware limited Partnership (the "Guarantor"), Citibank, N.A., as Administrative Agent, Swingline Lender and an LC Issuer, and the Lenders and other agents from time to time parties thereto. Terms that are defined in the Agreement are used herein with the meanings given them in the Agreement.

[Pursuant to the terms of the Agreement, the Borrower hereby requests the Lenders to make Revolving Tranche B Loans to Borrower in the aggregate principal amount of $ __________ and specifies ____________________, 20____, as the date Borrower desires for the Lenders to make such Revolving Tranche B Loans and for the Administrative Agent to deliver to the Borrower the proceeds thereof. Such Revolving Tranche B Loans are hereby designated as follows:

Type of Loans:

[Fixed Period Eurodollar Loans][Base Rate Loans]

Length of Interest Period for the requested Fixed Period Eurodollar Loans: __ months.

[Borrower hereby requests a conversion or continuation of existing Loans into a new Borrowing pursuant to Section 2.04 of the Agreement as follows:

Existing Borrowing(s) of Loans to be Continued or Converted:

$__of Revolving Tranche B Loans that are Fixed Period Eurodollar Loans with Interest Period ending _______________

$__ of Revolving Tranche B Loans that are Base Rate Loans

Aggregate amount of new Borrowing: $___________

Type of Loans in new Borrowing: [Fixed Period Eurodollar Loans][Base Rate Loans]

Date of Continuation or Conversion: ____________

Length of Interest Period for Fixed Period Eurodollar Loans: ____ months]

To induce the Lenders to [make/continue/convert] such Loans, the Borrower hereby represents, warrants, acknowledges, and agrees to and with the Administrative Agent and each Lender that:

(a) The undersigned is the duly elected, qualified and acting officer of Sunoco Logistics Partners GP LLC, the general partner of the Borrower, as indicated below such officer's signature hereto having all necessary authority to act for the Borrower in making the request herein contained.

(b) The representations and warranties made by the Loan Parties in the Agreement are true and correct in all material respects (except to the extent that any such representation or warranty is qualified by materiality) on and as of the date hereof, with the same effect as though such representations and warranties had been made on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects as of such earlier date, and except, for the purposes of this Loan Notice, that (i) the representations and warranties contained in Section 5.06(a) of the Credit Agreement shall be deemed to refer to the most recent financial statements furnished to the Lenders by the Guarantor, and (ii) no representation or warranty is made with respect to Section 5.06(b) of the Credit Agreement.

(c) There does not exist on the date hereof any condition or event that constitutes a Default or Event of Default that has not been waived in writing as provided in Section 10.01 of the Agreement; nor will any such Default or Event of Default exist upon the Borrower's receipt and application of the Loans requested hereby.

(d) The Borrowings requested herein comply with the requirements set forth in Section 2.03 of the Agreement.

The undersigned hereby certifies that, to the best of his knowledge after due inquiry, the above representations, warranties, acknowledgments, and agreements of the Borrower are true, correct and complete in all material respects.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, this instrument is executed as of __________ __, 20__.

SUNOCO LOGISTICS PARTNERS OPERATIONS L.P.

By: Sunoco Logistics Partners GP LLC,
its general partner

By: ____________________________________
Name:
Title:

Exhibit 12.1

STATEMENT OF COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES (UNAUDITED)

	Six Months Ended June 30, 2015 (in millions)
Fixed Charges:	
Interest cost and debt expense	$ 102
Interest allocable to rental expense [(1)]	4
Total	$ 106
Earnings:	
Income before income tax expense [(2)]	$ 325
Income before income tax expense attributable to noncontrolling interests	(2)
Income before income tax expense attributable to redeemable noncontrolling interests	(1)
Equity in income of 50 percent or less owned affiliated companies	(13)
Dividends received from 50 percent or less owned affiliated companies [(3)]	10
Fixed charges	106
Interest capitalized	(42)
Amortization of previously capitalized interest	1
Total	$ 384
Ratio of Earnings to Fixed Charges	3.6

(1) Represents one-third of the total operating lease rental expense which is that portion deemed to be interest.

(2) Represents income before income tax expense for all consolidated entities, including Inland Corporation, Mid-Valley Pipeline Company, West Texas Gulf Pipe Line Company and Price River Terminal, LLC.

(3) Represents dividends received from equity-method investments, which excludes dividends from Inland Corporation, Mid-Valley Pipeline Company and Price River Terminal, LLC.

Exhibit 31.1

CERTIFICATION
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael J. Hennigan, President and Chief Executive Officer of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., certify that:

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

Date: August 6, 2015

/s/ MICHAEL J. HENNIGAN

Name: Michael J. Hennigan
Title: President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Peter J. Gvazdauskas, Chief Financial Officer and Treasurer of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., certify that:

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

Date: August 6, 2015

/s/ PETER J. GVAZDAUSKAS

Name: Peter J. Gvazdauskas
Title: Chief Financial Officer and Treasurer

Exhibit 32.1

Certification of President and Chief Executive Officer of Sunoco Partners LLC
18 U.S.C. Section 1350 as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with this Quarterly Report on Form 10-Q of Sunoco Logistics Partners L.P. for the quarter ended June 30, 2015, I, Michael J. Hennigan, President and Chief Executive Officer of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 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 periodic report fairly presents, in all material respects, the financial condition and results of operations of Sunoco Logistics Partners L.P.

Date: August 6, 2015

/s/ MICHAEL J. HENNIGAN

Michael J. Hennigan
President and Chief Executive Officer

Exhibit 32.2

Certification of Chief Financial Officer of Sunoco Partners LLC
18 U.S.C. Section 1350 as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with this Quarterly Report on Form 10-Q of Sunoco Logistics Partners L.P. for the quarter ended June 30, 2015, I, Peter J. Gvazdauskas, Chief Financial Officer and Treasurer of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 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 periodic report fairly presents, in all material respects, the financial condition and results of operations of Sunoco Logistics Partners L.P.

Date: August 6, 2015

/s/ PETER J. GVAZDAUSKAS

Name: Peter J. Gvazdauskas
Chief Financial Officer and Treasurer