

SUNOCO LOGISTICS PARTNERS L.P.

Form S-4

December 20, 2016

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As filed with the Securities and Exchange Commission on December 19, 2016

Registration No. 333-

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

FORM S-4  
REGISTRATION STATEMENT  
*UNDER*  
*THE SECURITIES ACT OF 1933*

SUNOCO LOGISTICS PARTNERS L.P.  
(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or other jurisdiction of  
Incorporation or Organization)

4610  
(Primary Standard Industrial  
Classification Code Number)

23-3096839  
(I.R.S. Employer  
Identification Number)

**3807 West Chester Pike  
Newtown Square, Pennsylvania 19073**

**(866) 248-4344**

**(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)**

**Kathleen Shea-Ballay  
Senior Vice President, General Counsel and Secretary**

**Sunoco Partners LLC  
3807 West Chester Pike  
Newtown Square, Pennsylvania 19073**

**(866) 248-4344**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

*Copies to:*

<b>Michael J. Swidler</b>	<b>James M. Wright, Jr.</b>	<b>William N. Finnegan IV</b>
<b>Lande A. Spottswood</b>	<b>General Counsel</b>	<b>Ryan J. Maierson</b>
<b>Mike Rosenwasser</b>	<b>Energy Transfer Partners, L.L.C.</b>	<b>Debbie P. Yee</b>
<b>Vinson &amp; Elkins L.L.P.</b>	<b>8111 Westchester Drive, Suite 600</b>	<b>Latham &amp; Watkins LLP</b>
<b>666 Fifth Avenue, 26<sup>th</sup> Floor</b>	<b>Dallas, Texas 75225</b>	<b>811 Main Street, Suite 3700</b>
<b>New York, New York 10103</b>	<b>(214) 981-0700</b>	<b>Houston, Texas 77002</b>
<b>(212) 237-0000</b>		<b>(713) 546-5400</b>

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions to the closing of the merger described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

#### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed	Proposed	Amount of Registration Fee
		Maximum Offering Price per Unit	Maximum Aggregate Offering Price(2)	
Common Units representing limited partner interests	826,220,616	N/A	\$18,846,092,250.96	\$2,184,262.09

(1) Represents the maximum number of common units representing limited partner interests in Sunoco Logistics Partners L.P. ( SXL ) estimated to be issuable upon the completion of the merger described herein.

(2) The proposed maximum aggregate offering price of the SXL common units was calculated based upon the market value of common units representing limited partner interests in Energy Transfer Partners, L.P. ( ETP ) (the securities to be cancelled in the merger) in accordance with Rules 457(c) and 457(f) under the Securities Act as follows: the product of (i) \$34.22, the average of the high and low prices per ETP common unit as reported on the New York Stock Exchange on December 14, 2016 and (ii) 550,813,744, the estimated maximum number of ETP

common units that may be exchanged for the merger consideration, including ETP common units reserved for issuance (on a net exercise basis, as applicable) under outstanding ETP equity awards.

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

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**The information in this document is not complete and may be changed. Sunoco Logistics Partners L.P. may not issue the securities described herein until the registration statement filed with the Securities and Exchange Commission is effective. This document is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION DATED DECEMBER 19, 2016**

**MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT**

, 2017

Dear Common and Series A Unitholders:

On November 20, 2016, Sunoco Logistics Partners L.P. ( SXL ), Energy Transfer Partners, L.P. ( ETP ) and certain of their affiliates entered into a merger agreement, as amended on December 16, 2016 (as so amended and as may be further amended from time to time, the merger agreement ), pursuant to which SXL Acquisition Sub LP, a wholly owned subsidiary of SXL, will merge with ETP, with ETP continuing as the surviving entity and becoming a wholly owned subsidiary of SXL (the merger ). Concurrently with the merger, Sunoco Partners LLC, the general partner of SXL ( SXL GP ), will merge with Energy Transfer Partners GP, L.P., the general partner of ETP ( ETP GP ), with ETP GP continuing as the surviving entity and becoming the general partner of SXL (the GP merger and, together with the merger, the mergers ).

The board of directors (the ETP Board ) of Energy Transfer Partners, L.L.C., the general partner of ETP GP, approved and agreed to submit the merger to a vote of ETP unitholders following the recommendation of the conflicts committee of the ETP Board (the ETP Conflicts Committee ). The ETP Board and the ETP Conflicts Committee have determined that the merger agreement and the merger are advisable, fair and reasonable to and in the best interests of ETP and its common unitholders other than Energy Transfer Equity, L.P. ( ETE ), SXL and their affiliates, and have approved the merger agreement and the merger.

Under the terms of the merger agreement, subject to certain adjustments, holders of common units representing limited partner interests in ETP ( ETP common units or common units ) will receive, for each ETP common unit held, 1.5 common units representing limited partner interests in SXL ( SXL common units ). Holders of ETP's Series A Cumulative Convertible Preferred Units (the Series A units ) will receive an equal number of SXL preferred units, with the same rights, preferences, privileges, duties and obligations that such Series A units had immediately prior to the closing of the merger, subject to certain adjustments in accordance with the ETP partnership agreement. Additionally, the Class E units, Class G units, Class I units, Class J units and Class K units of ETP issued and outstanding immediately prior to the effective time will be cancelled and converted automatically into an equal number of newly created classes of units representing limited partner interests in SXL, with the same rights, preferences, privileges, duties and obligations as such classes of ETP units had immediately prior to the closing of the merger. Under the terms of the merger agreement, ETP's Class H units and incentive distribution rights will be cancelled for no consideration.

The merger consideration to be received by holders of ETP common units is valued at \$39.29 per unit based on the closing price of SXL common units as of November 18, 2016, the last trading day before the public announcement of the merger, representing approximately a 0.2% discount to the closing price of ETP common units of \$39.37 on November 18, 2016, a 5% premium to the volume-weighted average closing price of ETP common units for the five trading days ended November 18, 2016 and a 10% premium to the volume-weighted average closing price of ETP common units for the 30 trading days ended November 18, 2016. The merger consideration is valued at \$      per unit based on the closing price of SXL common units as of      , 2017, the most recent practicable trading day prior to the date of this proxy statement/prospectus, representing a      % premium to the closing price of ETP common units of \$      on      , 2017, and a      % premium to the volume-weighted average closing price of ETP common units for the five trading days ended      , 2017.

Immediately following the completion of the merger, it is expected that ETP common unitholders will own approximately      % of the outstanding SXL common units, based on the number of SXL common units outstanding, on a fully diluted basis, as of      , 2017. The common units of SXL and ETP are traded on

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the New York Stock Exchange ( NYSE ) under the symbols SXL and ETP, respectively. Following the consummation of the merger, it is expected that SXL will change its name to Energy Transfer Partners, L.P. and apply to continue the listing of its common units on the NYSE under the symbol ETP, and that ETP will change its name to Energy Transfer, LP.

ETP is holding a special meeting of its common and Series A unitholders at \_\_\_\_\_, on \_\_\_\_\_ at \_\_\_\_\_, local time, to obtain the vote of its common and Series A unitholders to adopt the merger agreement and the transactions contemplated thereby. **Your vote is very important regardless of the number of ETP common units or Series A units you own.** The merger cannot be completed unless the holders of at least a majority of the outstanding ETP common units and Series A units, voting together as a single class, vote for the adoption of the merger agreement and the transactions contemplated thereby at the special meeting. **The ETP Board recommends that ETP common and Series A unitholders vote FOR the adoption of the merger agreement and the transactions contemplated thereby and FOR the proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the special meeting.** Pursuant to the merger agreement, ETE, which indirectly owns all of the incentive distribution rights, the general partner interest in ETP and approximately % of the ETP common units outstanding as of \_\_\_\_\_, 2017, has agreed to vote all of the ETP common units owned beneficially or of record by ETE or its subsidiaries in favor of the approval of the merger agreement and the merger and the approval of any actions required in furtherance thereof. Whether or not you expect to attend the special meeting in person, we urge you to submit your proxy as promptly as possible through one of the delivery methods described in the accompanying proxy statement/prospectus.

**In addition, we urge you to read carefully the accompanying proxy statement/prospectus (and the documents incorporated by reference into the accompanying proxy statement/prospectus), which includes important information about the merger agreement, the proposed mergers and the special meeting. Please pay particular attention to the section titled Risk Factors beginning on page 30 of the accompanying proxy statement/prospectus.**

On behalf of the ETP Board, we thank you for your continued support.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the accompanying proxy statement/prospectus or determined that the accompanying proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

The accompanying proxy statement/prospectus is dated \_\_\_\_\_, 2017 and is first being mailed to the common and Series A unitholders of ETP on or about \_\_\_\_\_, 2017.

Sincerely,

Kelcy L. Warren

*Chief Executive Officer of Energy Transfer  
Partners, L.L.C., on behalf of Energy Transfer  
Partners, L.P.*



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8111 Westchester Drive, Suite 600

Dallas, Texas 75225

**NOTICE OF SPECIAL MEETING OF UNITHOLDERS**

**TO BE HELD ON \_\_\_\_\_, 2017**

To the Common and Series A Unitholders of Energy Transfer Partners, L.P.:

Notice is hereby given that a special meeting of common and Series A unitholders of Energy Transfer Partners, L.P. ( ETP ), will be held at \_\_\_\_\_, on \_\_\_\_\_, 2017 at \_\_\_\_\_, local time, solely for the following purposes:

*Merger proposal:* To consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of November 20, 2016, as amended by Amendment No. 1 thereto (the amendment ), dated as of December 16, 2016 (as so amended and as may be further amended from time to time, the merger agreement ), by and among Sunoco Logistics Partners L.P. ( SXL ), Sunoco Partners LLC, the general partner of SXL ( SXL GP ), SXL Acquisition Sub LLC, a wholly owned subsidiary of SXL ( SXL Merger Sub ), SXL Acquisition Sub LP, a wholly owned subsidiary of SXL ( SXL Merger Sub LP ), ETP, Energy Transfer Partners GP, L.P., the general partner of ETP ( ETP GP ), and, solely for purposes of certain provisions therein, Energy Transfer Equity, L.P. ( ETE ), a composite copy of which, incorporating the amendment into the text of the initial agreement, is attached as Annex A to the proxy statement/prospectus accompanying this notice, and the transactions contemplated thereby, including the merger of SXL Merger Sub LP with and into ETP (the merger ); and

*Adjournment proposal:* To consider and vote on a proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and the transactions contemplated thereby at the time of the special meeting.

These items of business, including the merger agreement and the proposed merger, are described in detail in the accompanying proxy statement/prospectus. **The board of directors (the ETP Board ) of Energy Transfer Partners, L.L.C., the general partner of ETP GP ( ETP GP LLC ), and the conflicts committee of the ETP Board (the ETP Conflicts Committee ) have determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and fair and reasonable to and in the best interests of ETP and its common unitholders other than ETE, SXL and their affiliates and the ETP Board recommends that ETP common and Series A unitholders vote FOR the adoption of the merger agreement and the transactions contemplated thereby and FOR the proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such adoption.**

Only common and Series A unitholders of record as of the close of business on \_\_\_\_\_, 2017 are entitled to notice of the special meeting and to vote at the special meeting or at any adjournment or postponement thereof. A list of common and Series A unitholders entitled to vote at the special meeting will be available in our offices located at 8111 Westchester Drive, Suite 600, Dallas, Texas 75225 during regular business hours for a period of 10 days before the special meeting, and at the place of the special meeting during the special meeting. Pursuant to the merger agreement, ETE has agreed to vote all of the Series A units representing limited partner interests and all of the

common units representing limited partner interests in ETP ( ETP common units or common units ) owned beneficially or of record by ETE or its subsidiaries in favor of the approval of the merger agreement and the merger and the approval of any actions required in furtherance thereof, which includes the merger proposal and, if necessary, the adjournment proposal. As of \_\_\_\_\_, 2017, ETE and its subsidiaries collectively held \_\_\_\_\_ ETP common units, representing approximately \_\_\_\_\_ % of the ETP units entitled to vote at the special meeting.

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Adoption of the merger agreement and the transactions contemplated thereby by the ETP unitholders is a condition to the consummation of the merger and requires the affirmative vote of holders of at least a majority of the outstanding ETP common units and ETP Series A Cumulative Convertible Preferred Units ( Series A units ), voting together as a single class. Therefore, your vote is very important. **Your failure to vote your units will have the same effect as a vote AGAINST the adoption of the merger agreement and the transactions contemplated thereby.**

By order of the board of directors,

James M. Wright, Jr.

General Counsel

Dallas, Texas

, 2017

**YOUR VOTE IS IMPORTANT!**

**WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING IN PERSON, WE URGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) BY TELEPHONE, (2) VIA THE INTERNET OR (3) BY MARKING, SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE PREPAID ENVELOPE PROVIDED.** You may revoke your proxy or change your vote at any time before the special meeting. If your ETP common units are held in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction card furnished to you by such record holder.

We urge you to read the accompanying proxy statement/prospectus, including all documents incorporated by reference into the accompanying proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions concerning the merger, the adjournment vote, the special meeting or the accompanying proxy statement/prospectus or would like additional copies of the accompanying proxy statement/prospectus or need help voting your ETP common units or Series A units, please contact ETP's proxy solicitor:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York 10016

Toll free: (800) 322-2855

Collect: (212) 929-5500

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**ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates by reference important business and financial information about SXL and ETP from other documents filed with the Securities and Exchange Commission (the SEC), that are not included in or delivered with this proxy statement/prospectus.

Documents incorporated by reference are available to you without charge upon written or oral request. You can obtain any of these documents by requesting them in writing or by telephone from the appropriate party at the following addresses and telephone numbers.

Sunoco Logistics Partners L.P.	Energy Transfer Partners, L.P.
Investor Relations	Investor Relations
3807 West Chester Pike	8111 Westchester Drive, Suite 600
Newtown Square, Pennsylvania 19073	Dallas, Texas 75225
(866) 248-4344	(214) 981-0795

**To receive timely delivery of the requested documents in advance of the special meeting, you should make your request no later than [redacted], 2017.**

For a more detailed description of the information incorporated by reference in this proxy statement/prospectus and how you may obtain it, see [Where You Can Find More Information](#).

**ABOUT THIS DOCUMENT**

This document, which forms part of a registration statement on Form S-4 filed with the SEC by SXL (File No. 333-[redacted]), constitutes a prospectus of SXL under Section 5 of the Securities Act of 1933, as amended (the Securities Act), with respect to the common units representing limited partner interests in SXL (SXL common units) to be issued pursuant to the merger agreement. This document also constitutes a notice of meeting and a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), with respect to the special meeting of ETP common and Series A unitholders, at which ETP common and Series A unitholders will be asked to consider and vote on, among other matters, a proposal to adopt the merger agreement and the transactions contemplated thereby.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated [redacted], 2017. The information contained in this proxy statement/prospectus is accurate only as of that date or, in the case of information in a document incorporated by reference, as of the date of such document, unless the information specifically indicates that another date applies. Neither the mailing of this proxy statement/prospectus to ETP common and Series A unitholders nor the issuance by SXL of its common units pursuant to the merger agreement will create any implication to the contrary.

This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

The information concerning SXL contained in this proxy statement/prospectus or incorporated by reference has been provided by SXL, and the information concerning ETP contained in this proxy statement/prospectus or incorporated by reference has been provided by ETP.

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**QUESTIONS AND ANSWERS**

*Set forth below are questions that you, as a common or Series A unitholder of ETP, may have regarding the merger, the adjournment proposal and the special meeting, and brief answers to those questions. You are urged to read carefully this proxy statement/prospectus and the other documents referred to in this proxy statement/prospectus in their entirety, including the composite merger agreement, which incorporates the text of the amendment into the text of the initial agreement and is attached as Annex A to this proxy statement/prospectus, and the documents incorporated by reference into this proxy statement/prospectus, because this section may not provide all of the information that is important to you with respect to the merger and the special meeting. You may obtain a list of the documents incorporated by reference into this proxy statement/prospectus in the section titled *Where You Can Find More Information*.*

**Q: Why am I receiving this proxy statement/prospectus?**

A: SXL and ETP have agreed to a merger, pursuant to which SXL Merger Sub LP, a wholly owned subsidiary of SXL, will merge with ETP. ETP will continue its existence as the surviving entity and become a wholly owned subsidiary of SXL, but will cease to be a publicly traded limited partnership. In order to complete the merger, ETP common and Series A unitholders must vote to adopt the merger agreement and the transactions contemplated thereby. ETP is holding a special meeting of its common and Series A unitholders to obtain such unitholder approval.

In the merger, SXL will issue SXL common units as the consideration to be paid to holders of ETP common units. This document is being delivered to you as both a proxy statement of ETP and a prospectus of SXL in connection with the merger. It is the proxy statement by which the ETP Board is soliciting proxies from you to vote on the adoption of the merger agreement and the transactions contemplated thereby at the special meeting or at any adjournment or postponement of the special meeting. It is also the prospectus by which SXL will issue SXL common units to you in the merger.

**Q: What will happen in the merger?**

A: In the merger, SXL Merger Sub LP will merge with ETP. ETP will be the surviving limited partnership in the merger and will become a wholly owned subsidiary of SXL, but ETP will cease to be a publicly traded limited partnership. Following the consummation of the merger, it is expected that SXL will change its name to Energy Transfer Partners, L.P. and ETP will change its name to Energy Transfer, LP.

**Q: What will I receive in the merger?**

A: If the merger is completed, each of your ETP common units will be cancelled and converted automatically into the right to receive 1.5 (the exchange ratio) SXL common units (the merger consideration). ETP common unitholders will not receive any fractional SXL common units in the merger. Instead, each holder of ETP common units that are converted pursuant to the merger agreement who otherwise would have received a fraction of an SXL common unit will instead be entitled to receive a whole SXL common unit. Based on the closing price of SXL common units on the New York Stock Exchange (the NYSE) on November 18, 2016, the last trading day prior to the public announcement of the merger, the merger consideration represented approximately \$39.29 in value for each ETP common unit. Based on the closing price of \$ for SXL common units on the NYSE on , 2017, the most recent practicable trading day prior to the date of this proxy statement/prospectus, the merger consideration represented approximately \$ in value for each ETP common unit. The market price of SXL common units will fluctuate prior to the merger, and the market price of SXL common units when received by ETP common unitholders after the merger is completed could be greater or less than the current market price of SXL common units. See Risk Factors.

**Q: What will happen to my ETP restricted units and cash units in the merger?**

A: If the merger is completed, each outstanding restricted unit of ETP (an ETP restricted unit) will be converted into the right to receive an award of restricted units relating to SXL common units on the same terms

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and conditions as were applicable to the corresponding award of ETP restricted units (including the right to receive distribution equivalents with respect to such award), except that the number of SXL common units covered by the award will be equal to the number of ETP common units covered by the corresponding award of ETP restricted units multiplied by the exchange ratio, rounded up to the nearest whole unit. In addition, each outstanding award of cash units issued under the Energy Transfer Partners, L.P. Long-Term Incentive Cash Restricted Unit Plan (the ETP cash unit plan ) representing the right to a cash payment based on the value of ETP common units ( ETP cash units ) will be converted into the right to receive an award of restricted cash units relating to SXL common units on the same terms and conditions as were applicable to the award of ETP cash units, except that the number of notional SXL common units relating to the award will be equal to the number of notional ETP common units relating to the corresponding award of ETP cash units multiplied by the exchange ratio, rounded up to the nearest whole unit.

**Q: What will happen to the other series and classes of ETP units in the merger?**

A: If the merger is completed, each outstanding Series A unit will be cancelled and converted automatically into the right to receive a new preferred unit of SXL (an SXL preferred unit ), with the same rights, preferences, privileges, duties and obligations that the Series A units had immediately prior to the closing of the merger, subject to certain adjustments in accordance with the Second Amended and Restated Agreement of Limited Partnership of Energy Transfer Partners, L.P., as amended (the ETP partnership agreement ). Additionally, the outstanding Class E units representing limited partner interests in ETP (the Class E units ), Class G units representing limited partner interests in ETP (the Class G units ), Class I units representing limited partner interests in ETP (the Class I units ), Class J units representing limited partner interests in ETP (the Class J units ) and Class K units representing limited partner interests in ETP (the Class K units ) will be cancelled and converted automatically into an equal number of newly created classes of units representing limited partner interests in SXL, with the same rights, preferences, privileges, duties and obligations as such classes of ETP units had immediately prior to the closing of the merger.

If the merger is completed, each outstanding Class H unit representing a limited partner interest in ETP (a Class H unit ) and the incentive distribution rights in ETP will be cancelled for no consideration.

**Q: What happens if the merger is not completed?**

A: If the merger agreement and the transactions contemplated thereby are not adopted by ETP common and Series A unitholders holding at least a majority of the outstanding ETP common units and Series A units, voting together as a single class, or if the merger is not completed for any other reason, you will not receive any form of consideration for your ETP units in connection with the merger. Instead, ETP will remain an independent publicly traded limited partnership and its common units will continue to be listed and traded on the NYSE. If the merger agreement is terminated under specified circumstances, including if ETP unitholder approval is not obtained, ETP will be required to pay all of the reasonably documented out-of-pocket expenses incurred by SXL and its affiliates in connection with the merger agreement and the transactions contemplated thereby, up to a maximum amount of \$30.0 million. In addition, if the merger agreement is terminated under specified circumstances, including due to an adverse recommendation change having occurred, ETP may be required to pay SXL a termination fee of \$630.0 million, less any expenses previously paid by ETP to SXL. Following payment of the termination fee, ETP will not be obligated to pay any additional expenses incurred by SXL or its affiliates. Please read Proposal 1: The Merger Agreement Expenses and Termination Fee beginning on page 100 of this proxy statement/prospectus.

**Q: Will I continue to receive future distributions on my ETP common units and Series A units?**

A: Before completion of the merger, ETP expects to continue to pay its regular quarterly cash distribution on its common units, which was \$1.0550 per ETP common unit for the quarter ended September 30, 2016, and the required

cash distribution on its Series A units, which currently is \$0.445 per Series A unit. However, SXL

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and ETP will coordinate the timing of distribution declarations leading up to the merger so that, in any quarter, a holder of ETP common units or Series A units will either receive distributions in respect of its ETP common units or Series A units or distributions in respect of the SXL common units or SXL preferred units, as applicable, that such holder will receive in the merger (but will not receive distributions in respect of both in any quarter). Receipt of the regular quarterly distribution will not reduce the merger consideration you receive. After completion of the merger, you will be entitled only to distributions on any SXL common units or SXL preferred units you receive in the merger and hold through the applicable distribution record date. While SXL provides no assurances as to the level or payment of any future distributions on its common units, and SXL determines the amount of its distributions each quarter, for the quarter ended September 30, 2016, SXL paid a cash distribution of \$0.51 per SXL common unit on November 14, 2016 to holders of record as of the close of business on November 9, 2016.

**Q: What am I being asked to vote on?**

A: ETP's common and Series A unitholders are being asked to vote on the following proposals:

***Merger proposal:*** To adopt the merger agreement, a composite copy of which, incorporating the amendment into the text of the initial agreement, is attached as Annex A to this proxy statement/prospectus, and the transactions contemplated thereby, including the merger; and

***Adjournment proposal:*** To approve the adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the special meeting.

The approval of the merger proposal by ETP common and Series A unitholders holding at least a majority of the outstanding ETP common units and Series A units, voting together as a single class, is a condition to the obligations of SXL and ETP to complete the merger. The adjournment proposal is not a condition to the obligations of SXL or ETP to complete the merger.

**Q: Does the ETP Board recommend that ETP common and Series A unitholders adopt the merger agreement and the transactions contemplated thereby?**

A: Yes. The ETP Board and the ETP Conflicts Committee have approved the merger agreement and the transactions contemplated thereby, including the merger, and determined that these transactions are advisable and fair and reasonable to, and in the best interests of, ETP and the unaffiliated ETP unitholders. Therefore, the ETP Board recommends that you vote **FOR** the adoption of the merger agreement and the transactions contemplated thereby at the special meeting. See **The Merger Recommendation of the ETP Board; Reasons for the Merger** beginning on page 58 of this proxy statement/prospectus. In considering the recommendation of the ETP Board with respect to the merger agreement and the transactions contemplated thereby, including the merger, you should be aware that directors and executive officers of ETP are parties to agreements or participants in other arrangements that give them interests in the merger that may be different from, or in addition to, your interests as a unitholder of ETP. You should consider these interests in voting on the merger proposal. These different interests are described under **The Merger Interests of Directors and Executive Officers of ETP in the Merger** beginning on page 83 of this proxy statement/prospectus.

**Q: What unitholder vote is required for the approval of each proposal?**

A: The following are the vote requirements for the ETP proposals:

***Merger proposal.*** The affirmative vote of the holders of at least a majority of the outstanding ETP common units and Series A units, voting together as a single class. Accordingly, abstentions, broker non-votes and an ETP common or Series A unitholder's failure to vote will have the same effect as votes AGAINST the proposal.

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**Adjournment proposal.** If a quorum is present at the special meeting, the affirmative vote of the holders of at least a majority of the outstanding ETP common units and Series A units, voting together as a single class. If a quorum is not present at the meeting, the affirmative vote of holders of a majority of the outstanding ETP common units and Series A units, voting together as a single class, represented thereat either in person or by proxy, will be required to approve the proposal. Accordingly, if a quorum is present, abstentions, broker non-votes and an ETP common or Series A unitholder's failure to vote will have the same effect as votes AGAINST the proposal. If a quorum is not present, abstentions and broker non-votes will have the same effect as votes AGAINST the proposal, but an ETP common or Series A unitholder's failure to vote will have no effect on the adoption of the proposal.

Pursuant to the merger agreement, ETE, which directly and indirectly owns all of the incentive distribution rights and the general partner interest in ETP, has agreed to vote all of the ETP common units and Series A units owned beneficially or of record by ETE or its subsidiaries in favor of the approval of the merger agreement and the merger and the approval of any actions required in furtherance thereof, which includes the merger proposal and, if necessary, the adjournment proposal. As of \_\_\_\_\_, 2017, ETE and its subsidiaries collectively held \_\_\_\_\_ ETP common units, representing approximately \_\_\_\_\_ % of the ETP units entitled to vote at the special meeting.

**Q: What constitutes a quorum for the special meeting?**

A: The holders of at least a majority of the outstanding ETP common units and Series A units, considered together as a single class, must be represented in person or by proxy at the special meeting in order to constitute a quorum.

**Q: When is this proxy statement/prospectus being mailed?**

A: This proxy statement/prospectus and the proxy card are first being sent to ETP common and Series A unitholders on or about \_\_\_\_\_, 2017.

**Q: Who is entitled to vote at the special meeting?**

A: Holders of outstanding ETP common units and Series A units outstanding as of the close of business on \_\_\_\_\_, 2017, the record date, are entitled to one vote per unit at the special meeting.

As of the record date, there were approximately \_\_\_\_\_ ETP common units outstanding and 1,912,569 Series A units outstanding, all of which are entitled to vote at the special meeting.

**Q: When and where is the special meeting?**

A: The special meeting will be held at \_\_\_\_\_, on \_\_\_\_\_, 2017, at \_\_\_\_\_, local time.

**Q: How do I vote my common units or Series A units at the special meeting?**

A: There are four ways you may cast your vote. You may vote:

*In Person.* If you are a common or Series A unitholder of record, you may vote in person at the special meeting. Common units or Series A units held by a bank, broker or other nominee may be voted in person by you only if you obtain a legal proxy from the record holder (which is your bank, broker or other nominee) giving you the right to vote the units;

*Via the Internet.* You may cause your common units or Series A units to be voted at the special meeting by submitting your proxy electronically via the Internet by accessing the Internet address provided on each proxy card (if you are a common or Series A unitholder of record) or vote instruction card (if your common units or Series A units are held by a bank, broker or other nominee);



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*By Telephone.* You may cause your common units or Series A units to be voted at the special meeting by submitting your proxy by using the toll-free telephone number listed on the enclosed proxy card (if you are a common or Series A unitholder of record) or vote instruction card (if your common units or Series A units are held by a bank, broker or other nominee); or

*By Mail.* You may cause your common or Series A units to be voted at the special meeting by submitting your proxy by filling out, signing and dating the enclosed proxy card (if you are a common or Series A unitholder of record) or vote instruction card (if your common units or Series A units are held by a bank, broker or other nominee) and returning it by mail in the prepaid envelope provided.

Even if you plan to attend the