

Energy Transfer Partners, L.P.
Form DEFM14A
March 24, 2017
Table of Contents

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

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

Energy Transfer Partners, L.P.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than The Registrant)

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Table of Contents

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

March 24, 2017

Dear Common 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). Additionally, the Class E units, Class G units, Class I 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 \$35.61 per unit based on the closing price of SXL common units as of March 23, 2017, the most recent practicable trading day prior to the date of this proxy statement/prospectus, representing a 0.7% premium to the closing price of ETP common units of \$35.38 on March 23, 2017, and a 1.3% premium to the volume-weighted average closing price of ETP common units for the five trading days ended March 23, 2017.

Immediately following the completion of the merger, it is expected that ETP common unitholders will own approximately 76% of the outstanding SXL common units, based on the number of SXL common units outstanding, on a fully diluted basis, as of March 23, 2017. The common units of SXL and ETP are traded on 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.

Table of Contents

ETP is holding a special meeting of its common unitholders at the Hilton Dallas Park Cities Hotel, 5954 Luther Lane, Dallas, Texas 75225, Miramar Conference Room, on April 26, 2017 at 10:00 a.m., local time, to obtain the vote of its common unitholders to adopt the merger agreement and the transactions contemplated thereby. **Your vote is very important regardless of the number of ETP common units you own.** The merger cannot be completed unless the holders of at least a majority of the outstanding ETP common units vote for the adoption of the merger agreement and the transactions contemplated thereby at the special meeting. **The ETP Board recommends that ETP common unitholders vote FOR the adoption of the merger agreement and the transactions contemplated thereby, 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 and FOR the advisory compensation proposal.** Pursuant to the merger agreement, ETE, which indirectly owns all of the incentive distribution rights, the general partner interest in ETP and approximately 3.3% of the ETP common units outstanding as of February 27, 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 March 24, 2017 and is first being mailed to the common unitholders of ETP on or about March 24, 2017.

Sincerely,

Kelcy L. Warren

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

Table of Contents

8111 Westchester Drive, Suite 600

Dallas, Texas 75225

NOTICE OF SPECIAL MEETING OF UNITHOLDERS

TO BE HELD ON APRIL 26, 2017

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

Notice is hereby given that a special meeting of common unitholders of Energy Transfer Partners, L.P. (ETP), will be held at the Hilton Dallas Park Cities Hotel, 5954 Luther Lane, Dallas, Texas 75225, Miramar Conference Room, on April 26, 2017 at 10:00 a.m., 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);

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; and

Advisory compensation proposal: To consider and vote on a proposal to approve, on an advisory (non-binding) basis, the payments that will or may be paid by ETP to its named executive officers in connection with the merger.

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 unitholders vote FOR the adoption of the merger agreement and the transactions contemplated thereby, FOR the proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such adoption and FOR the advisory compensation proposal.**

Only common unitholders of record as of the close of business on February 27, 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 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 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,

Table of Contents

which includes the merger proposal and, if necessary, the adjournment proposal. As of February 27, 2017, ETE and its subsidiaries collectively held 18,356,751 ETP common units, representing approximately 3.3% of the ETP units entitled to vote at the special meeting.

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. 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

March 24, 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 advisory (non-binding) vote on the payments that will or may be paid by ETP to its named executive officers in connection with the merger, 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, 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

Table of Contents

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 April 19, 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. 333-215183), 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 unitholders, at which ETP common 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 March 24, 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 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.

Table of Contents

TABLE OF CONTENTS

| | Page |
|---|-------------|
| <u>QUESTIONS AND ANSWERS</u> | 1 |
| <u>SUMMARY</u> | 10 |
| <u>The Parties</u> | 10 |
| <u>The Merger</u> | 10 |
| <u>The GP Merger</u> | 10 |
| <u>Merger Consideration</u> | 11 |
| <u>Treatment of Restricted Units and Cash Units</u> | 11 |
| <u>Treatment of General Partner Interest; Incentive Distribution Rights and Class H Units</u> | 11 |
| <u>The Special Meeting; Units Entitled to Vote; Required Vote</u> | 11 |
| <u>Recommendation of the ETP Board; Reasons for the Merger</u> | 12 |
| <u>Opinion of the Financial Advisor to the ETP Conflicts Committee</u> | 13 |
| <u>No SXL Unitholder Approval Required</u> | 13 |
| <u>Directors and Executive Officers of SXL After the Merger</u> | 13 |
| <u>Ownership of SXL After the Merger</u> | 14 |
| <u>Interests of Directors and Executive Officers of ETP in the Merger</u> | 14 |
| <u>Interests of ETE and ETP in the Merger</u> | 14 |
| <u>Risk Factors Relating to the Merger and Ownership of SXL Common Units</u> | 15 |
| <u>Material U.S. Federal Income Tax Consequences of the Merger</u> | 16 |
| <u>Accounting Treatment of the Merger</u> | 17 |
| <u>Listing of SXL Common Units; Delisting and Deregistration of ETP Common Units</u> | 17 |
| <u>No Dissenters' Rights or Appraisal Rights</u> | 17 |
| <u>Conditions to Consummation of the Mergers</u> | 17 |
| <u>SXL Amended and Restated Partnership Agreement</u> | 19 |
| <u>Regulatory Approvals and Clearances Required for the Merger</u> | 19 |
| <u>No Solicitation by ETP of Alternative Proposals</u> | 19 |
| <u>Change in ETP Board Recommendation</u> | 20 |
| <u>Termination of the Merger Agreement</u> | 21 |
| <u>Expenses</u> | 22 |
| <u>Termination Fee</u> | 22 |
| <u>Comparison of Rights of SXL Unitholders and ETP Unitholders</u> | 22 |
| <u>Litigation Relating to the Merger</u> | 22 |
| <u>Corporate Structure Prior to and Following the Mergers</u> | 23 |
| <u>Selected Historical Consolidated Financial Data of SXL</u> | 25 |
| <u>Selected Historical Consolidated Financial Data of ETP</u> | 26 |
| <u>Selected Unaudited Pro Forma Financial Information</u> | 26 |
| <u>Unaudited Comparative Per Unit Information</u> | 27 |
| <u>Comparative Unit Prices and Distributions</u> | 29 |
| <u>RISK FACTORS</u> | 30 |
| <u>Risk Factors Relating to the Merger</u> | 30 |
| <u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u> | 37 |
| <u>RECENT DEVELOPMENTS</u> | 40 |
| <u>THE PARTIES</u> | 41 |
| <u>EXECUTIVE COMPENSATION</u> | 43 |

| | |
|--|-----|
| <u>THE SPECIAL MEETING</u> | 59 |
| <u>THE MERGER</u> | 64 |
| <u>Effect of the Merger and the GP Merger</u> | 64 |
| <u>Background of the Merger</u> | 66 |
| <u>Recommendation of the ETP Board: Reasons for the Merger</u> | 77 |
| <u>Opinion of the Financial Advisor to the ETP Conflicts Committee</u> | 82 |
| <u>Unaudited Financial Projections of ETP</u> | 95 |
| <u>Reasons of the SXL Conflicts Committee and the SXL Board for the Merger</u> | 98 |
| <u>Unaudited Financial Projections of SXL</u> | 99 |
| <u>Interests of Directors and Executive Officers of ETP in the Merger</u> | 101 |
| <u>Interests of ETE and ETP in the Merger</u> | 106 |

Table of Contents

| | Page |
|---|-------------|
| <u>No Dissenters' Rights or Appraisal Rights</u> | 106 |
| <u>No SXL Unitholder Approval Required</u> | 106 |
| <u>Accounting Treatment of the Merger</u> | 106 |
| <u>SXL Amended and Restated Partnership Agreement</u> | 107 |
| <u>Regulatory Approvals and Clearances Required for the Merger</u> | 107 |
| <u>Directors and Executive Officers of SXL After the Merger</u> | 108 |
| <u>Listing of SXL Common Units; Delisting and Deregistration of ETP Common Units</u> | 108 |
| <u>Ownership of SXL After the Merger</u> | 108 |
| <u>Restrictions on Sales of SXL Common Units Received in the Merger</u> | 108 |
| <u>Litigation Relating to the Merger</u> | 109 |
| <u>PROPOSAL 1: THE MERGER AGREEMENT</u> | 110 |
| <u>The Merger</u> | 110 |
| <u>Effective Time; Closing</u> | 111 |
| <u>Conditions to Consummation of the Mergers</u> | 111 |
| <u>ETP Unitholder Approval</u> | 114 |
| <u>No Solicitation by ETP of Alternative Proposals</u> | 115 |
| <u>Change in ETP Board Recommendation</u> | 116 |
| <u>Merger Consideration</u> | 118 |
| <u>Treatment of Restricted Units and Cash Units</u> | 118 |
| <u>Treatment of General Partner Interest; Incentive Distribution Rights and Class H Units</u> | 118 |
| <u>Adjustments to Prevent Dilution</u> | 118 |
| <u>Withholding</u> | 119 |
| <u>Distributions</u> | 119 |
| <u>Regulatory Matters</u> | 119 |
| <u>Termination of the Merger Agreement</u> | 119 |
| <u>Termination Fee</u> | 120 |
| <u>Expenses</u> | 121 |
| <u>Conduct of Business Pending the Consummation of the Merger</u> | 122 |
| <u>Indemnification; Directors' and Officers' Insurance</u> | 125 |
| <u>Financing Matters</u> | 126 |
| <u>SXL Amended and Restated Partnership Agreement</u> | 126 |
| <u>Amendment and Waiver</u> | 126 |
| <u>Remedies; Specific Performance</u> | 127 |
| <u>Representations and Warranties</u> | 127 |
| <u>Distributions</u> | 128 |
| <u>ETP's Obligation to Vote ETP Units</u> | 129 |
| <u>Additional Agreements</u> | 129 |
| <u>SUNOCO LOGISTICS PARTNERS L.P. UNAUDITED PRO FORMA FINANCIAL INFORMATION</u> | 130 |
| <u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER</u> | 136 |
| <u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF SXL COMMON UNIT OWNERSHIP</u> | 140 |
| <u>DESCRIPTION OF SXL COMMON UNITS</u> | 157 |
| <u>Where Common Units Are Traded</u> | 157 |
| <u>Quarterly Distributions</u> | 157 |
| <u>Transfer Agent and Registrar</u> | 157 |
| <u>Summary of Partnership Agreement</u> | 157 |
| <u>COMPARISON OF RIGHTS OF SXL UNITHOLDERS AND ETP UNITHOLDERS</u> | 158 |
| <u>PROPOSAL 2: ADJOURNMENT OF THE SPECIAL MEETING</u> | 181 |

| | |
|--|-----|
| <u>PROPOSAL 3: ADVISORY VOTE ON RELATED COMPENSATION</u> | 182 |
| <u>LEGAL MATTERS</u> | 183 |
| <u>EXPERTS</u> | 183 |
| <u>WHERE YOU CAN FIND MORE INFORMATION</u> | 183 |
| <u>ANNEX A: COMPOSITE AGREEMENT AND PLAN OF MERGER</u> | A-1 |
| <u>ANNEX B: OPINION OF BARCLAYS CAPITAL INC.</u> | B-1 |
| <u>ANNEX C: FORM OF FOURTH AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF SUNOCO LOGISTICS PARTNERS L.P.</u> | C-1 |

Table of Contents

QUESTIONS AND ANSWERS

*Set forth below are questions that you, as a common unitholder of ETP, may have regarding the merger, the adjournment proposal, the advisory compensation 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 unitholders must vote to adopt the merger agreement and the transactions contemplated thereby. ETP is holding a special meeting of its common unitholders to obtain such unitholder approval. ETP common unitholders will also be asked to approve, on an advisory (non-binding) basis, the payments that will or may be paid by ETP to its named executive officers in connection with the merger.

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 \$23.74 for SXL common units on the NYSE on March 23, 2017, the most recent practicable trading day prior to the date of this proxy statement/prospectus, the merger consideration represented approximately \$35.61 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.

Table of Contents

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 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, 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) 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 unitholders holding at least a majority of the outstanding ETP common units, 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 120 of this proxy statement/prospectus.

Q: Will I continue to receive future distributions on my ETP common 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 December 31, 2016. However, SXL 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 will either receive distributions in respect of its ETP common units or distributions in respect of the SXL common units 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

Table of Contents

reduce the merger consideration you receive. After completion of the merger, you will be entitled only to distributions on any SXL common 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 December 31, 2016, SXL paid a cash distribution of \$0.52 per SXL common unit on February 14, 2017 to holders of record as of the close of business on February 7, 2017.

The current annualized distribution rate for each ETP common unit is \$4.22 (based on the quarterly distribution rate of \$1.0550 for each ETP common unit that was paid with respect to the quarter ended December 31, 2016). Based on the exchange ratio, the annualized distribution rate for each ETP common unit exchanged for 1.5 SXL common units would be approximately \$3.12 (based on the quarterly distribution rate of \$0.52 per SXL common unit that was paid with respect to the quarter ended December 31, 2016). Accordingly, based on the distribution rates for the quarter ended December 31, 2016, and the exchange ratio, an ETP common unitholder would initially receive approximately 26.0% less in quarterly cash distributions on an annualized basis after giving effect to the merger. For additional information, please read [Comparative Unit Prices and Distributions](#).

The ETP partnership agreement (defined below) provides that, within 45 days following the end of each calendar quarter, ETP will make distributions to its partners as of the record date selected by ETP GP in its reasonable discretion. We expect the merger to be completed prior to the record date for distributions for ETP common units for the quarter ended March 31, 2017. In that event, you will be entitled to distributions on any SXL common units you receive in the merger and hold through the SXL distribution record date. In the event that, for any reason, the merger is completed after the record date for the ETP distribution for the first quarter, you will be entitled to distributions from ETP with respect to your ETP common units if you hold ETP common units through the distribution record date. SXL has been advised by ETP GP that, if the merger is completed after the record date for the ETP distribution for the first quarter, ETP GP expects to reduce the distribution to the equivalent level that would replicate the SXL distribution if the merger had occurred prior to the record date.

Q: What am I being asked to vote on?

A: ETP's common 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;

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; and

Advisory compensation proposal: To approve, on an advisory (non-binding) basis, the payments that will or may be paid by ETP to its named executive officers in connection with the merger.

The approval of the merger proposal by ETP common unitholders holding at least a majority of the outstanding ETP common units is a condition to the obligations of SXL and ETP to complete the merger. Neither the adjournment proposal nor the advisory compensation proposal is a condition to the obligations of SXL or ETP to complete the

merger.

Q: Does the ETP Board recommend that ETP common 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

Table of Contents

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 77 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 101 of this proxy statement/prospectus.

Q: What are the related compensation payments to ETP named executive officers and why am I being asked to vote on them?

A: The SEC has adopted rules that require ETP to seek an advisory (non-binding) vote on the compensation payments related to the merger. The related compensation payments are certain compensation payments that are tied to or based on the merger and that will or may be paid by ETP to its named executive officers in connection with the merger. This proposal is referred to as the advisory compensation proposal.

Q: Does the ETP Board recommend that unitholders approve the advisory compensation proposal?

A: Yes. The ETP Board unanimously recommends that you vote **FOR** the advisory compensation proposal. See **Proposal 3: Advisory Vote on Related Compensation** beginning on page 182 of this proxy statement/prospectus.

Q: What happens if the advisory compensation proposal is not approved?

A: Approval of the advisory compensation proposal is not a condition to completion of the merger. The vote is an advisory vote and is not binding. If the merger is completed, ETP will or may pay the related compensation to its named executive officers in connection with the merger even if ETP unitholders fail to approve the advisory compensation proposal.

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. Accordingly, abstentions, broker non-votes and an ETP common unitholder's failure to vote will have the same effect as votes **AGAINST** the proposal.

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. If a quorum is not present at the meeting, the affirmative vote of holders of a majority of the outstanding ETP common units, 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 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 unitholder's failure to vote will have no

effect on the adoption of the proposal.

Advisory compensation proposal. The affirmative vote of a majority of the votes cast on the advisory compensation proposal by the holders of the ETP common units. Accordingly, voting against the advisory compensation proposal increases the number of votes required to approve the proposal, but abstentions or failures to vote do not.

Table of Contents

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 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 February 27, 2017, ETE and its subsidiaries collectively held 18,356,751 ETP common units, representing approximately 3.3% 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 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 unitholders on or about March 24, 2017.

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

A: Holders of outstanding ETP common units outstanding as of the close of business on February 27, 2017, the record date, are entitled to one vote per unit at the special meeting.

As of the record date, there were approximately 551,551,441 ETP common 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 the Hilton Dallas Park Cities Hotel, 5954 Luther Lane, Dallas, Texas 75225, Miramar Conference Room, on April 26, 2017, at 10:00 a.m., local time.

Q: How do I vote my common 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 unitholder of record, you may vote in person at the special meeting. Common 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 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 unitholder of record) or vote instruction card (if your common units are held by a bank, broker or other nominee);

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By Telephone. You may cause your common 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 unitholder of record) or vote instruction card (if your common units are held by a bank, broker or other nominee); or

By Mail. You may cause your common 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 unitholder of record) or vote instruction card (if your common units are held by a bank, broker or other nominee) and returning it by mail in the prepaid envelope provided.

Table of Contents

Even if you plan to attend the special meeting in person, you are encouraged to submit your proxy as described above so that your vote will be counted if you later decide not to attend the special meeting.

If your common units are held by a bank, broker or other nominee, also known as holding units in street name, you should receive instructions from the bank, broker or other nominee that you must follow in order to have your common units voted. Please review such instructions to determine whether you will be able to submit your proxy via Internet or by telephone. The deadline for submitting your proxy by telephone or electronically through the Internet is 11:59 p.m., Eastern Time, on April 25, 2017 (the telephone/internet deadline).

Q: If my common units are held in street name by my broker, will my broker automatically vote my common units for me?

A: No. If your common units are held in an account at a broker or through another nominee, you must instruct the broker or other nominee on how to vote your common units by following the instructions that the broker or other nominee provides to you with these materials. Most brokers offer the ability for unitholders to submit voting instructions by mail by completing a voting instruction card, by telephone and via the Internet.

If you do not provide voting instructions to your broker, your common units will not be voted on any proposal on which your broker does not have discretionary authority to vote. This is referred to in this proxy statement/prospectus and in general as a broker non-vote. In these cases, the broker can register your common units as being present at the special meeting for purposes of determining a quorum, but will not be able to vote on those matters for which specific authorization is required. Under the current rules of the NYSE, brokers do not have discretionary authority to vote on any of the proposals, at the special meeting, including the merger proposal. A broker non-vote will have the same effect as a vote AGAINST the merger proposal and the adjournment proposal.

Q: How will my ETP common units be represented at the special meeting?

A: If you submit your proxy by telephone, the Internet website or by signing and returning your proxy card, the officers named in your proxy card will vote your common units in the manner you requested if you correctly submitted your proxy. If you sign your proxy card and return it without indicating how you would like to vote your common units, your proxy will be voted as the ETP Board recommends, which is:

Merger proposal: FOR the adoption of the merger agreement and the transactions contemplated thereby;

Adjournment proposal: FOR the approval of 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; and

Advisory compensation proposal: FOR the approval, on an advisory (non-binding) basis, of the payments that will or may be paid by ETP to its named executive officers in connection with the merger.

Q: Who may attend the special meeting?

A: ETP common unitholders (or their authorized representatives) and ETP's invited guests may attend the special meeting. All attendees at the special meeting should be prepared to present government-issued photo identification

(such as a driver's license or passport) for admittance.

Q: Is my vote important?

A: Yes, your vote is very important. If you do not submit a proxy or vote in person at the special meeting, it will be more difficult for ETP to obtain the necessary quorum to hold the special meeting. In addition, an

Table of Contents

abstention or your failure to submit a proxy or to vote in person will have the same effect as a vote **AGAINST** the adoption of the merger agreement and the transactions contemplated thereby. If you hold your common units through a bank, broker or other nominee, your bank, broker or other nominee will not be able to cast a vote on such adoption without instructions from you. The ETP Board recommends that ETP common unitholders vote **FOR** the ETP merger proposal.

Q: Can I revoke my proxy or change my voting instructions?

A: Yes. If you are a common unitholder of record, you may revoke or change your vote at any time before the telephone/internet deadline or before the polls close at the special meeting by:

 sending a signed, written notice to Energy Transfer Partners, L.P. at 8111 Westchester Drive, Suite 600, Dallas, Texas 75225, Attention: Corporate Secretary, that bears a date later than the date of the proxy and is received prior to the special meeting and states that you revoke your proxy;

 submitting a valid proxy by telephone or internet that bears a date later than the date of the proxy, but no later than the telephone/internet deadline and is received prior to the special meeting; or

 attending the special meeting and voting by ballot in person (your attendance at the special meeting will not, by itself, revoke any proxy that you have previously given).

If you hold your ETP common units through a bank, broker or other nominee, you must follow the directions you receive from your bank, broker or other nominee in order to revoke your proxy or change your voting instructions.

Q: What happens if I sell my common units after the record date but before the special meeting?

A: The record date for the special meeting is earlier than the date of the special meeting and earlier than the date that the merger is expected to be completed. If you sell or otherwise transfer your ETP common units after the record date but before the date of the special meeting, you will retain your right to vote at the special meeting. However, you will not have the right to receive the merger consideration to be received by ETP's common unitholders in the merger. In order to receive the merger consideration, you must hold your ETP common units through completion of the merger.

Q: What does it mean if I receive more than one proxy card or vote instruction card?

A: Your receipt of more than one proxy card or vote instruction card may mean that you have multiple accounts with ETP's transfer agent or with a bank, brokerage firm or other nominee. If voting by mail, please sign and return all proxy cards or vote instruction cards to ensure that all of your ETP common units are voted. Each proxy card or vote instruction card represents a distinct number of units and it is the only means by which those particular units may be voted by proxy.

Q: Is completion of the merger subject to any conditions?

A: Yes. In addition to the adoption of the merger agreement by the holders of at least a majority of the outstanding ETP common units, completion of the merger requires the receipt of the necessary governmental clearances and the satisfaction or, to the extent permitted by applicable law, waiver of the other conditions specified in the merger

agreement.

Q: When do you expect to complete the merger?

A: SXL and ETP are working towards completing the merger promptly. SXL and ETP currently expect to complete the merger shortly following the conclusion of the meeting, subject to receipt of ETP unitholder approval, regulatory approvals and clearances and other usual and customary closing conditions. However, no assurance can be given as to when, or if, the merger will occur.

Table of Contents

Q: What are the expected U.S. federal income tax consequences to an ETP unitholder as a result of the transactions contemplated by the merger agreement?

A: Although for state law purposes ETP will become a wholly owned subsidiary of SXL in the merger, for U.S. federal income tax purposes, ETP (rather than SXL) will be treated as the continuing partnership following the merger. As a result, for U.S. federal income tax purposes, SXL will be deemed to contribute all of its assets to ETP in exchange for ETP units and the assumption of SXL's liabilities, followed by a liquidation of SXL in which ETP units are distributed to SXL unitholders. In addition, as a result of the merger, SXL unitholders immediately prior to the merger, who will be deemed to have received ETP units in the merger, will be deemed to become limited partners of ETP for U.S. federal income tax purposes and will be allocated a share of ETP's nonrecourse liabilities.

It is anticipated that no gain or loss should be recognized by an ETP unitholder solely as a result of the merger, except to the extent any net decrease in such unitholder's share of partnership liabilities pursuant to Section 752 of the Internal Revenue Code of 1986, as amended (the Code), exceeds such unitholder's adjusted tax basis in its ETP units at the closing of the merger. Each ETP common unitholder's share of ETP's nonrecourse liabilities will be recalculated following the merger. Any resulting increase or decrease in an ETP common unitholder's nonrecourse liabilities will result in a corresponding increase or decrease in such unitholder's adjusted tax basis in its ETP common units. A reduction in a common unitholder's share of nonrecourse liabilities would, if such reduction exceeds the unitholder's tax basis in his or her ETP common units, under certain circumstances, result in the recognition of taxable gain by an ETP common unitholder. In addition, an ETP unitholder would recognize such unitholder's distributive share of any gain recognized by ETP as a result of the merger. However, it is not anticipated that gain or loss should be recognized by ETP solely as a result of the merger. For additional information, please read Material U.S. Federal Income Tax Consequences of the Merger Tax Consequences of the Merger to ETP and ETP Common Unitholders and Risk Factors Risk Factors Relating to the Merger.

Q: What are the expected U.S. federal income tax consequences for an ETP common unitholder of the ownership of SXL common units after the merger is completed?

A: Each ETP common unitholder who becomes a holder of SXL common units as a result of the merger will, as is the case for existing SXL common unitholders, be allocated such unitholder's distributive share of SXL's income, gains, losses, deductions and credits. In addition to U.S. federal income taxes, such a holder will be subject to other taxes, including state and local income taxes, unincorporated business taxes, and estate, inheritance or intangibles taxes that may be imposed by the various jurisdictions in which SXL conducts business or owns property following the merger, or in which the unitholder is a resident. Please read Material U.S. Federal Income Tax Consequences of SXL Common Unit Ownership.

Q: What do I need to do now?

A: Carefully read and consider the information contained in and incorporated by reference into this proxy statement/prospectus, including its annexes. Then, please vote your ETP common units in accordance with the instructions described above.

If you hold ETP common units through a bank, broker or other nominee, please instruct your bank, broker or nominee to vote your common units by following the instructions that the bank, broker or nominee provides to you with these materials.

Q: Should I send in my unit certificates now?

A: No. ETP common unitholders should not send in their unit certificates at this time. After completion of the merger, SXL's exchange agent will send you a letter of transmittal and instructions for exchanging your ETP common units for the merger consideration.

Table of Contents

Q: Are holders of ETP common units entitled to dissenters' rights or appraisal rights?

A: No. Neither dissenters' rights nor appraisal rights are available in connection with the merger under the Delaware Revised Uniform Limited Partnership Act (the Delaware LP Act), the merger agreement or the Second Amended and Restated Agreement of Limited Partnership of Energy Transfer Partners, L.P., as amended (the ETP partnership agreement).

Q: Whom should I call with questions?

A: ETP common unitholders who have questions about the merger or the special meeting, or desire additional copies of this proxy statement/prospectus or additional proxy cards or voting instruction forms should contact MacKenzie Partners, Inc., ETP's proxy solicitor, at:

MacKenzie Partners, Inc.
105 Madison Avenue
New York, New York 10016
Toll free: (800) 322-2855
Collect: (212) 929-5500

Table of Contents

SUMMARY

This summary highlights selected information from this proxy statement/prospectus. You are urged to read carefully the entire proxy statement/prospectus and the other documents referred to in this proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger agreement, the merger and the other matters being considered at the special meeting. See Where You Can Find More Information. Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.

The Parties (See page 41)

Sunoco Logistics Partners L.P. is a Delaware limited partnership with common units traded on the NYSE under the symbol SXL. SXL owns and operates a logistics business consisting of a geographically diverse portfolio of complementary pipeline, terminalling, and acquisition and marketing assets which are used to facilitate the purchase and sale of crude oil, natural gas liquids (NGLs) and refined products. Sunoco Partners LLC, a Pennsylvania limited liability company, is SXL's general partner, and SXL Acquisition Sub LLC, a Delaware limited liability company, and SXL Acquisition Sub LP, a Delaware limited partnership, are each a wholly owned subsidiary of SXL.

Energy Transfer Partners, L.P., is a Delaware limited partnership with common units traded on the NYSE under the symbol ETP. ETP is engaged in the transportation and storage of natural gas, NGLs and crude oil, and terminalling services and acquisition and marketing activities through SXL. ETP holds a controlling ownership interest in SXL through its ownership of a 99.9% membership interest in SXL GP, which owns 100% of the general partner interest and incentive distribution rights in SXL. Energy Transfer Partners GP, L.P., a Delaware limited partnership, is ETP's general partner.

Energy Transfer Equity, L.P. is a Delaware limited partnership with common units traded on the NYSE under the symbol ETE. ETE indirectly owns all of the incentive distribution rights and general partner interest in ETP. Additionally, ETE directly owns approximately 3.3% of the outstanding ETP common units and indirectly owns a 0.1% membership interest in SXL GP, which owns 100% of the general partner interest and incentive distribution rights in SXL, as well as all of the ETP Class H units, which entitle ETE to receive 90.05% of the distributions paid to ETP with respect to SXL's incentive distribution rights and general partner interest. ETE is a party to the merger agreement solely for purposes of certain provisions therein.

The Merger (See page 64)

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, the merger agreement provides for the merger of SXL Merger Sub LP with ETP (the merger). ETP will survive the merger and 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.

The GP Merger (See page 64)

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law and Pennsylvania law, and concurrently with the merger, SXL GP will merge with ETP GP (the GP merger and, together with the merger, the mergers). ETP GP will survive the GP merger and become the general partner of SXL, owning the general partner interest and incentive distribution rights in SXL, which will remain unchanged following the mergers.

Table of Contents

Merger Consideration (See page 118)

Common Units. The merger agreement provides that, at the effective time, each ETP common unit issued and outstanding or deemed issued and outstanding as of immediately prior to the effective time will be converted into the right to receive 1.5 SXL common units.

Other Classes of ETP Units. The merger agreement provides that, at the effective time, each Class E unit, Class G unit, Class I unit and Class K unit of ETP issued and outstanding immediately prior to the effective time will be converted into an equal number of newly created classes of SXL units, with the same rights, preferences, privileges, duties and obligations as such classes of ETP units had immediately prior to the closing of the merger.

Treatment of Restricted Units and Cash Units (See page 118)

Restricted Units. At the effective time, each outstanding award of ETP restricted units will, by virtue of the merger and without any action on the part of the holder of any such ETP restricted units, cease to relate to or represent a right to receive ETP common units and will be converted into the right to receive an award of SXL restricted units, on the same terms 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 each such award will be equal to the number of ETP common units subject to the corresponding award of ETP restricted units multiplied by the exchange ratio, rounded up to the nearest whole unit.

Cash Units. At the effective time, each outstanding award of ETP cash units will, automatically and without any action on the part of the holder of such ETP cash units, 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 related 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.

Treatment of General Partner Interest; Incentive Distribution Rights and Class H Units (See page 118)

In connection with the mergers, ETP GP will transfer the 0.6% general partner interest in ETP to SXL Merger Sub and SXL Merger Sub will assume the rights and duties of the general partner of ETP. As a result of the merger and the related transactions, the 100% limited partner interest in SXL Merger Sub LP will convert into a 99.4% limited partner interest in ETP, the non-economic general partner interest in SXL Merger Sub LP will be cancelled and SXL Merger Sub will become the general partner of ETP, holding a 0.6% general partner interest. In addition, the incentive distribution rights in ETP and the Class H units outstanding immediately prior to the effective time will be cancelled.

The Special Meeting; Units Entitled to Vote; Required Vote (See page 59)

Meeting. The special meeting will be held at the Hilton Dallas Park Cities Hotel, 5954 Luther Lane, Dallas, Texas 75225, Miramar Conference Room, on April 26, 2017, at 10:00 a.m., local time. At the special meeting, ETP common unitholders will be 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;

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; and

Table of Contents

Advisory compensation proposal: To approve, on an advisory (non-binding) basis, the payments that will or may be paid by ETP to its named executive officers in connection with the merger.

Record Date. Only ETP common unitholders of record at the close of business on February 27, 2017 will be entitled to receive notice of and to vote at the special meeting. As of the close of business on the record date of February 27, 2017, there were approximately 551,551,441 ETP common units outstanding and entitled to vote at the meeting. Each holder of ETP common units is entitled to one vote for each common unit owned as of the record date.

Required Vote. To adopt the merger agreement and the transactions contemplated thereby, holders of at least a majority of the outstanding ETP common units must vote in favor of such adoption. **ETP cannot complete the merger unless its common unitholders adopt the merger agreement and the transactions contemplated thereby.** Because approval is based on the affirmative vote of at least a majority of the outstanding ETP common units, **an ETP common unitholder's failure to vote, an abstention from voting or the failure of an ETP common unitholder who holds his or her units in street name through a broker or other nominee to give voting instructions to such broker or other nominee, which we refer to as a broker non-vote, will have the same effect as a vote AGAINST adoption of the merger agreement.**

If a quorum is present at the special meeting, to approve the adjournment of the 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, holders of at least a majority of the outstanding ETP common units must vote in favor of the proposal. Therefore, if a quorum is present at the meeting, abstentions, broker non-votes and an ETP common unitholder's failure to vote will have the same effect as a vote AGAINST approval of this proposal. If a quorum is not present at the special meeting, to approve the adjournment of the meeting, holders of at least a majority of the outstanding ETP common units represented thereat either in person or by proxy must vote in favor of the proposal. Therefore, if a quorum is not present, abstentions and broker non-votes will have the same effect as a vote AGAINST approval of the adjournment proposal, but an ETP common unitholder's failure to vote will have no effect on the outcome of the proposal.

To approve, on an advisory (non-binding) basis, the payments that will or may be paid by ETP to its named executive officers in connection with the merger, the affirmative vote of a majority of the votes cast on the advisory compensation proposal by the holders of ETP common units is required. Because approval of this proposal is based on the affirmative vote of at least a majority of the votes cast by the holders of the ETP common units, an ETP common unitholder's failure to vote, an abstention from voting or a broker non-vote will have no effect on the outcome of the proposal.

Unit Ownership of and Voting by ETP's Directors, Executive Officers and Affiliates. As of February 27, 2017, ETP's directors and executive officers and their affiliates (including ETE and its subsidiaries) beneficially owned and had the right to vote 18,957,402 ETP common units at the special meeting, which represent 3.4% of the ETP common units entitled to vote at the special meeting. It is expected that ETP's directors and executive officers will vote their units FOR the adoption of the merger agreement and the transactions contemplated thereby, although none of them has entered into any agreement requiring them to do so. Additionally, under the terms of the merger agreement, ETE 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.

Recommendation of the ETP Board; Reasons for the Merger (See page 77)

The ETP Board recommends that ETP common unitholders vote FOR the adoption of the merger agreement and the transactions contemplated thereby.

Table of Contents

In the course of reaching their decisions to approve the merger agreement and the transactions contemplated by the merger agreement, the ETP Conflicts Committee and the ETP Board considered a number of factors in its deliberations. For a more complete discussion of these factors, see *The Merger Recommendation of the ETP Board; Reasons for the Merger*.

Opinion of the Financial Advisor to the ETP Conflicts Committee (See page 82)

In connection with the proposed transaction, the ETP Conflicts Committee received, on November 20, 2016, an oral opinion from Barclays Capital Inc. (*Barclays*), which was subsequently confirmed in a written opinion, dated November 20, 2016, from Barclays, as to the fairness, as of the date of the opinion and based upon and subject to the qualifications, limitations and assumptions stated therein, from a financial point of view, to the holders of the ETP common units, other than ETE, SXL and their Affiliates (as defined in the merger agreement) (the *unaffiliated ETP unitholders*), of the exchange ratio to be offered to such unaffiliated ETP unitholders in the proposed transaction.

The full text of Barclays' written opinion, which is attached to this proxy statement/prospectus as Annex B, sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully and in its entirety. Barclays' opinion was provided for the information of the ETP Conflicts Committee in connection with its evaluation of the exchange ratio to be offered to unaffiliated ETP unitholders from a financial point of view and did not address any other aspects or implications of the proposed transaction. Barclays expressed no view as to, and its opinion does not in any manner address, the underlying business decision to proceed with or effect the proposed transaction, the likelihood of consummation of the proposed transaction or the relative merits of the proposed transaction as compared to any other transaction or business strategy in which ETP might engage. In addition, Barclays expressed no view as to, and its opinion does not in any manner address, the fairness of the amount or the nature of (i) any compensation to any officers, directors or employees of any parties to the proposed transaction, or any class of such persons, relative to the exchange ratio in the proposed transaction or otherwise; (ii) the fairness of any portion or aspect of the proposed transaction to the holders of any class of securities, creditors or other constituencies of ETP or any other person, or to any other person, other than the fairness, from a financial point of view, of the exchange ratio to be offered to the unaffiliated ETP unitholders; or (iii) any portion or aspect of the proposed transaction to any one class or group of ETP's or any other person's equity security holders vis a vis any other class or group of ETP's security holders or any other person's security holders (including, without limitation, the allocation of any consideration amongst or within such classes or groups of security holders). The summary of Barclays' opinion provided in this proxy statement/prospectus is qualified in its entirety by reference to the full opinion. Barclays' opinion is not intended to be and does not constitute a recommendation to any unaffiliated ETP unitholder as to how such unaffiliated ETP unitholder should vote or act with respect to the proposed transaction or any other matter.

No SXL Unitholder Approval Required (See page 106)

SXL unitholders are not required to adopt the merger agreement or approve the merger or the issuance of SXL common units in connection with the merger.

Directors and Executive Officers of SXL After the Merger (See page 108)

Following the consummation of the GP merger, ETP GP, as the general partner of SXL, will have direct responsibility for conducting SXL's business and for managing its operations. Therefore, after the closing of the mergers, the board of directors and officers of ETP GP will make decisions on SXL's behalf. SXL expects that

Table of Contents

the directors and executive officers of SXL GP immediately prior to the merger will continue in management roles of ETP GP after the merger, except that (i) Kelcy L. Warren, Chief Executive Officer of ETP, is expected to become the Chief Executive Officer of SXL, (ii) Marshall S. (Mackie) McCrea, III, Group Chief Operating Officer and Chief Commercial Officer of ETE, is expected to become the Chief Commercial Officer of SXL, (iii) Matthew S. Ramsey, President and Chief Operating Officer of ETP, is expected to become the President of SXL, and (iv) Thomas E. Long, Chief Financial Officer of ETP, is expected to become the Chief Financial Officer of SXL. SXL also expects that Michael J. Hennigan, the current President and Chief Executive Officer of SXL, and other members of the SXL management team will continue in management roles of the combined company with the current SXL business operations continuing to be headquartered in Philadelphia. Specifically, Mr. Hennigan is expected to serve as President, Crude, NGL and Refined Products following the merger.

Ownership of SXL After the Merger (See page 108)

SXL will issue approximately 829.3 million SXL common units to former ETP common unitholders pursuant to the merger agreement. Based on the number of SXL common units outstanding as of the date of this proxy statement/prospectus, immediately following the completion of the merger, SXL expects to have approximately 1,084.6 million common units outstanding. ETP unitholders are therefore expected to hold approximately 76% of the aggregate number of SXL common units outstanding immediately after the merger and approximately 80% of SXL's total units of all classes. Holders of SXL common units (similarly to holders of ETP common units) are not entitled to elect SXL's general partner or the directors of the board of directors (the SXL Board) of SXL's general partner and have only limited voting rights on matters affecting SXL's business.

Interests of Directors and Executive Officers of ETP in the Merger (See page 101)

ETP's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of ETP unitholders generally. The members of the ETP Board were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending to ETP's unitholders that the merger agreement be adopted.

These interests include:

Certain members of the ETP Board are also members of the ETE board of directors and/or the SXL Board and are executives of ETE and/or ETP.

The members of the ETP Board are expected to serve as members of the ETP Board following the merger, when the ETP Board becomes responsible for managing ETP GP as the general partner of SXL.

Certain executive officers of ETP have been offered roles at SXL following the completion of the merger.

As with all holders of ETP restricted units, the ETP restricted units held by executive officers and directors of ETP will be converted into the right to receive an award of restricted units relating to SXL common units on the same terms and conditions as were applicable to the ETP restricted units, except that the number of SXL common units covered by the award will be equal to the number of ETP common units multiplied by

the exchange ratio, rounded up to the nearest whole unit.

Interests of ETE and ETP in the Merger (See page 106)

ETE holds a controlling ownership interest in ETP. ETE controls ETP through ETE's ownership of ETP GP LLC, which is the general partner of ETP GP. ETE also owns all of the limited partner interests of ETP GP. ETP GP owns 100% of the general partner interest and incentive distribution rights in ETP. ETE also owns all of the

Table of Contents

Class H units and Class I units in ETP, as well as approximately 3.3% of the outstanding ETP common units. In addition, ETE indirectly owns a 0.1% membership interest in SXL GP, which owns 100% of the general partner interest and incentive distribution rights in SXL. ETE has different economic interests in the merger than ETP common unitholders generally due to, among other things, ETE's ownership of economic interests in ETP other than ETP common units and ETE's ongoing ownership of the general partner interest and incentive distribution rights in SXL following the merger.

ETP holds a controlling ownership interest in SXL through its ownership of a 99.9% membership interest in SXL GP, which owns 100% of the general partner interest and incentive distribution rights in SXL. ETP also owns all of the Class B units in SXL and approximately 21% of the outstanding SXL common units.

Under the terms of the merger agreement, ETE has agreed to vote all of the ETP common units owned beneficially or of record by ETE and its subsidiaries in favor of the approval of the merger agreement and the merger and the approval of any actions required in furtherance thereof.

Risk Factors Relating to the Merger and Ownership of SXL Common Units (See page 30)

ETP unitholders should consider carefully all the risk factors together with all of the other information included or incorporated by reference in this proxy statement/prospectus before deciding how to vote. Risks relating to the merger and ownership of SXL common units are described in the section titled "Risk Factors." Some of these risks include, but are not limited to, those described below:

Because the market price of SXL common units will fluctuate prior to the consummation of the merger, ETP unitholders cannot be sure of the market value of the SXL common units they will receive as merger consideration relative to the value of ETP common units they exchange.

SXL and ETP may be unable to obtain the regulatory clearances required to complete the merger or, in order to do so, SXL and ETP may be required to comply with material restrictions or satisfy material conditions.

The merger agreement contains provisions that limit ETP's ability to pursue alternatives to the merger, which could discourage a potential competing acquirer of ETP from making a favorable alternative transaction proposal and, in specified circumstances, including if unitholder approval is not obtained or if the merger agreement is terminated due to an adverse recommendation change having occurred, could require ETP to reimburse up to \$30.0 million of SXL's out-of-pocket expenses and pay a termination fee to SXL of \$630.0 million, less any previous expense reimbursements by ETP. Following payment of the termination fee, ETP will not be obligated to pay any additional expenses incurred by SXL or its affiliates.

Directors and officers of ETP have certain interests that are different from those of ETP unitholders generally.

ETP unitholders will have a reduced ownership in the combined organization after the merger.

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SXL common units to be received by ETP unitholders as a result of the merger have different rights from ETP common units.

No ruling has been requested with respect to the U.S. federal income tax consequences of the merger.

The intended U.S. federal income tax consequences of the merger are dependent upon SXL and ETP being treated as partnerships for U.S. federal income tax purposes.

ETP GP is owned by ETE and SXL GP is owned by ETP and ETE. This may result in conflicts of interest.

Table of Contents

SXL common unitholders have limited voting rights and are not entitled to elect SXL's general partner or the directors of SXL's general partner.

SXL's tax treatment following the merger will depend on its status as a partnership for U.S. federal income tax purposes, as well as it not being subject to a material amount of entity-level taxation by individual states or local entities. If the IRS were to treat SXL as a corporation or SXL were to become subject to a material amount of entity-level taxation for state or local tax purposes, the amount of cash available for payment for distributions on the SXL common units would be substantially reduced.

Material U.S. Federal Income Tax Consequences of the Merger (See page 136)

Tax matters associated with the merger are complicated. The U.S. federal income tax consequences of the merger to an ETP common unitholder will depend, in part, on such unitholder's own personal tax situation. The tax discussions contained herein focus on the U.S. federal income tax consequences generally applicable to individuals who are residents or citizens of the United States that hold their ETP common units as capital assets, and these discussions have only limited application to other unitholders, including those subject to special tax treatment. ETP common unitholders are urged to consult their tax advisors for a full understanding of the U.S. federal, state, local and foreign tax consequences of the merger that will be applicable to them.

The expected U.S. federal income tax consequences of the merger are dependent upon SXL and ETP being treated as partnerships for U.S. federal income tax purposes at the time of the merger. Whether each of SXL and ETP will be treated as partnerships for U.S. federal income tax purposes at the time of the merger will depend, in part, on whether at least 90% of the gross income of each of them for the calendar year that immediately proceeds the merger and the calendar year that includes the closing date of the merger is from sources treated as "qualifying income" within the meaning of Section 7704(d) of the Code.

In connection with the merger, ETP expects to receive an opinion from Latham & Watkins LLP to the effect that (i) ETP should not recognize any income or gain as a result of the merger; (ii) no gain or loss should be recognized by holders of ETP common units as a result of the merger (other than any gain resulting from the distribution of cash or from any decrease in partnership liabilities pursuant to Section 752 of the Code); and (iii) at least 90% of the gross income of ETP for all of the calendar year that immediately precedes the calendar year that includes the closing date and each calendar quarter of the calendar year that includes the closing date for which the necessary financial information is available is from sources treated as "qualifying income" within the meaning of Section 7704(d) of the Code. The requirement to deliver such opinion may be waived.

In connection with the merger, SXL expects to receive an opinion from Vinson & Elkins L.L.P. to the effect that (i) for U.S. federal income tax purposes SXL should not recognize any income or gain as a result of the merger (other than any gain resulting from a disguised sale attributable to contributions of cash or other property to SXL after the date of the merger agreement and prior to the effective time of the merger); (ii) for U.S. federal income tax purposes no gain or loss should be recognized by holders of SXL common units as a result of the merger (other than any gain resulting from (A) any decrease in partnership liabilities pursuant to Section 752 of the Code and (B) a disguised sale attributable to contributions of cash or other property to SXL after the date of the merger agreement and prior to the effective time of the merger); (iii) at least 90% of the gross income of SXL for all of the calendar year that immediately precedes the calendar year that includes the closing date and each calendar quarter of the calendar year that includes the closing date for which the necessary financial information is available is from sources treated as "qualifying income" within the meaning of Section 7704(d) of the Code; and (iv) at least 90% of the combined gross income of each of SXL and ETP for all of the calendar year that immediately precedes the calendar year that includes the closing date and each calendar quarter of the calendar year that includes the closing date for which the necessary

financial information is available is from sources treated as qualifying income within the meaning of Section 7704(d) of the Code. The requirement to deliver such opinion may be waived.

Table of Contents

Opinions of counsel, however, are subject to certain limitations and are not binding on the Internal Revenue Service (IRS) and no assurance can be given that the IRS would not successfully assert a contrary position regarding the merger and the opinions of counsel. In addition, such opinions will be based upon certain factual assumptions and representations made by the officers of SXL, SXL GP, ETP, ETP GP and any of their respective affiliates. If either SXL or ETP waives the receipt of the requisite tax opinion as a condition to closing and the changes to the tax consequences would be material, then this proxy statement/prospectus will be amended and recirculated and unitholder approval will be resolicited. Please read Material U.S. Federal Income Tax Consequences of the Merger for a more complete discussion of the U.S. federal income tax consequences of the merger.

Accounting Treatment of the Merger (See page 106)

ETP controls SXL through its ownership of SXL GP and therefore currently consolidates the operations of SXL into ETP's financial statements. For accounting purposes, the merger will result in ETP being considered the surviving consolidated entity, rather than SXL, which is the surviving consolidated entity for legal and reporting purposes. Subsequent to the merger, SXL will present consolidated financial statements that reflect the historical consolidated financial statements of ETP. The merger will be accounted for as an equity transaction and will be reflected in the consolidated financial statements as ETP's acquisition of SXL's noncontrolling interest. The carrying amounts of SXL's and ETP's assets and liabilities will not be adjusted, nor will a gain or loss be recognized as a result of the merger.

Listing of SXL Common Units; Delisting and Deregistration of ETP Common Units (See page 108)

SXL common units are currently listed on the NYSE under the ticker symbol SXL. It is a condition to closing that the SXL common units to be issued in the merger to ETP unitholders be approved for listing on the NYSE, subject to official notice of issuance. 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.

ETP common units are currently listed on the NYSE under the ticker symbol ETP. If the merger is completed, ETP common units will cease to be listed on the NYSE and will be deregistered under the Exchange Act. Following the consummation of the merger, it is expected that ETP will change its name to Energy Transfer, LP.

No Dissenters' Rights or Appraisal Rights (See page 106)

Neither dissenters' rights nor appraisal rights are available in connection with the merger under the Delaware LP Act, the merger agreement or the ETP partnership agreement.

Conditions to Consummation of the Mergers (See page 111)

SXL and ETP currently expect to complete the merger shortly following the conclusion of the meeting, subject to receipt of required ETP unitholder approval and regulatory approvals and clearances and to the satisfaction or waiver of the other conditions to the transactions contemplated by the merger agreement described below.

As more fully described in this proxy statement/prospectus, each party's obligation to complete the transactions contemplated by the merger agreement depends on a number of customary closing conditions being satisfied or, where legally permissible, waived, including the following:

the merger agreement and the transactions contemplated thereby must have been adopted by the affirmative vote or consent of the holders of at least a majority of the outstanding ETP common units;

Table of Contents

any waiting period applicable to the merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act) must have been terminated or expired, and any approval or consent under any other applicable antitrust law must have been obtained;

no law, injunction, judgment or ruling enacted, promulgated, issued, entered, amended or enforced by any governmental authority will be in effect enjoining, restraining, preventing or prohibiting the consummation of the transactions contemplated by the merger agreement or making the consummation of such transactions illegal;

the registration statement of which this proxy statement/prospectus forms a part must have been declared effective by the SEC and must not be subject to any stop order or proceedings initiated or threatened by the SEC;

the SXL common units to be issued in the merger must have been approved for listing on the NYSE, subject to official notice of issuance;

ETP having received from Latham & Watkins LLP, tax counsel to ETP, a written opinion regarding certain U.S. federal income tax matters, as described under Proposal 1: The Merger Agreement Conditions to Consummation of the Mergers ; and

SXL having received from Vinson & Elkins L.L.P., tax counsel to SXL, a written opinion regarding certain U.S. federal income tax matters, as described under Proposal 1: The Merger Agreement Conditions to Consummation of the Mergers.

The obligations of SXL, SXL Merger Sub and SXL Merger Sub LP to effect the merger are subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of ETP and ETP GP in the merger agreement being true and correct in all respects both when made and at and as of the date of the closing of the merger, subject to certain standards, including materiality and material adverse effect qualifications, as described under Proposal 1: The Merger Agreement Conditions to Consummation of the Mergers ;

ETP and ETP GP having performed, in all material respects, all obligations required to be performed by them under the merger agreement;

the receipt of an officer s certificate executed by an executive officer of ETP GP certifying that the two preceding conditions have been satisfied

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SXL having received from Vinson & Elkins L.L.P., tax counsel to SXL, a written opinion regarding certain U.S. federal income tax matters, as described under Proposal 1: The Merger Agreement Conditions to Consummation of the Mergers ; and

ETP GP, as the GP surviving entity and the successor to SXL GP as general partner of SXL, having executed and delivered to SXL a joinder agreement by which ETP GP agrees to assume the rights and duties of the general partner of SXL under the Fourth Amended and Restated Agreement of Limited Partnership of Sunoco Logistics Partners L.P., a form of which is attached to this proxy statement/prospectus as Annex C (the SXL partnership agreement), and to be bound by the provisions therein.

The obligations of ETP and ETP GP to effect the merger are subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of SXL, SXL GP, SXL Merger Sub and SXL Merger Sub LP in the merger agreement being true and correct in all respects both when made and at and as of the date of the closing of the merger, subject to certain standards, including materiality and material adverse effect qualifications, as described under Proposal 1: The Merger Agreement Conditions to Consummation of the Mergers ;

Table of Contents

SXL, SXL GP, SXL Merger Sub and SXL Merger Sub LP having performed, in all material respects, all obligations required to be performed by them under the merger agreement;

the receipt of an officer's certificate executed by an executive officer of SXL GP and an authorized signatory of SXL Merger Sub certifying that the two preceding conditions have been satisfied;

ETP having received from Latham & Watkins LLP, tax counsel to ETP, a written opinion regarding certain U.S. federal income tax matters, as described under Proposal 1: The Merger Agreement Conditions to Consummation of the Mergers; and

SXL GP having executed and delivered to ETP the SXL partnership agreement, as described under Proposal 1: The Merger Agreement Conditions to Consummation of the Mergers.

SXL Amended and Restated Partnership Agreement (See page 107)

In conjunction with the merger, SXL GP will execute and deliver to ETP the SXL partnership agreement, and ETP GP will execute and deliver to SXL a joinder agreement by which ETP GP will agree to assume the rights and duties of the general partner of SXL under the SXL partnership agreement. The amendments to the current SXL partnership agreement contained within the SXL partnership agreement will provide for, among other things, (i) the reduction by ETE, as the indirect holder of SXL's incentive distribution rights following the consummation of the merger, in quarterly distributions in respect of such rights equal to the amount of the reduction in quarterly distributions in respect of ETP's incentive distribution rights set forth in the ETP partnership agreement prior to the date of the merger agreement, (ii) the creation of new, unissued Class J units representing limited partner interests in SXL (the SXL Class J units), with the same rights, preferences, privileges, duties and obligations that the Class J units representing limited partner interests in ETP (the Class J units) had immediately prior to the merger, (iii) the creation and issuance of the Class E, Class G, Class I and Class K units and (iv) a change in the definition of Operating Surplus in the SXL partnership agreement to provide that such term will include an amount equal to the accumulated and undistributed operating surplus of ETP as of the closing of the merger. See The Merger SXL Amended and Restated Partnership Agreement.

Regulatory Approvals and Clearances Required for the Merger (See page 107)

Consummation of the merger is subject to the expiration or termination of the applicable waiting period under the HSR Act, if any, and obtaining any approval or consent under any other applicable antitrust law. There is no filing requirement under the HSR Act for the merger, and therefore no waiting period applies. Further, no approvals or consents are required under any other antitrust law. Therefore, there are no regulatory approvals or clearances required to consummate the merger. See The Merger Regulatory Approvals and Clearances Required for the Merger.

No Solicitation by ETP of Alternative Proposals (See page 115)

The merger agreement contains detailed provisions prohibiting ETP from seeking an alternative proposal to the merger. Under these no solicitation provisions, ETP has agreed that it will not, and will cause its subsidiaries not to, and use its reasonable best efforts to cause its and its subsidiaries' directors, officers, employees, investment bankers, financial advisors, attorneys, accountants, agents and other representatives not to, directly or indirectly:

solicit, initiate, knowingly facilitate, knowingly encourage (including by way of furnishing confidential information) or knowingly induce or take any other action intended to lead to any inquiries or any proposals that constitute or could reasonably be expected to lead to an alternative proposal;

grant any waiver or release of any standstill or similar agreement with respect to any units of ETP or of any of its subsidiaries; or

Table of Contents

except as permitted by the merger agreement, enter into any confidentiality agreement, merger agreement, letter of intent, agreement in principle, unit purchase agreement, asset purchase agreement or unit exchange agreement, option agreement or other similar agreement relating to an alternative proposal.

In addition, the merger agreement requires ETP and its subsidiaries to (i) cease and cause to be terminated any discussions or negotiations with any persons conducted prior to the execution of the merger agreement regarding an alternative proposal, (ii) request the return or destruction of all confidential information previously provided to any such persons and (iii) immediately prohibit any access by any persons (other than SXL and its representatives) to any physical or electronic data room relating to a possible alternative proposal.

Notwithstanding these restrictions, the merger agreement provides that, under specified circumstances at any time prior to ETP unitholders voting in favor of adopting the merger agreement, ETP may furnish information, including confidential information, with respect to it and its subsidiaries to, and participate in discussions or negotiations with, any third party that makes a written alternative proposal that the ETP Board (upon the recommendation of the ETP Conflicts Committee) believes is bona fide so long as (after consultation with its financial advisors and outside legal counsel) the ETP Board (upon the recommendation of the ETP Conflicts Committee) determines in good faith that (i) such alternative proposal constitutes or could reasonably be expected to lead to or result in a superior proposal, (ii) failure to furnish such information or participate in such discussions would be inconsistent with the ETP Board's duties under the ETP partnership agreement or applicable law and (iii) such alternative proposal did not result from a material breach of the no solicitation provisions in the merger agreement.

ETP has also agreed in the merger agreement that it (i) will promptly, and in any event within 24 hours after receipt, notify SXL of any alternative proposal or any request for information or inquiry with regard to any alternative proposal and the identity of the person making any such alternative proposal, request or inquiry (including providing SXL with copies of any written materials received from or on behalf of such person relating to such proposal, offer, request or inquiry) and (ii) will provide SXL with the terms, conditions and nature of any such alternative proposal, request or inquiry. In addition, ETP agrees to keep SXL reasonably informed of all material developments affecting the status and terms of any such alternative proposals, offers, inquiries or requests (and promptly provide SXL with copies of any written materials received by it or that it has delivered to any third party making an alternative proposal that relate to such proposals, offers, requests or inquiries) and of the status of any such discussions or negotiations.

Change in ETP Board Recommendation (See page 116)

The merger agreement provides that ETP will not, and will cause its subsidiaries and use reasonable best efforts to cause its representatives not to, directly or indirectly, withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in a manner adverse to SXL, the recommendation of the ETP Board that its unitholders adopt the merger agreement or publicly recommend the approval or adoption of, or publicly approve or adopt, or propose to publicly recommend, approve or adopt, any alternative proposal, or fail to recommend against acceptance of any tender offer or exchange offer for ETP units within ten business days after commencement of such offer, or resolve or agree to take any of the foregoing actions. In addition, subject to certain limitations, if ETP receives an alternative proposal it will, within five business days of receipt of a written request from SXL, publicly reconfirm the recommendation of the ETP Board that its unitholders adopt the merger agreement and ETP may not unreasonably withhold, delay (beyond the five business day period) or condition such public reconfirmation.

ETP's taking or failing to take, as applicable, any of the actions described above is referred to as an adverse recommendation change.

Table of Contents

Subject to the satisfaction of specified conditions in the merger agreement described under Proposal 1: The Merger Agreement Change in ETP Board Recommendation, the ETP Board and the ETP Conflicts Committee may, at any time prior to the adoption of the merger agreement by the ETP unitholders, effect an adverse recommendation change in response to either (i) an alternative proposal constituting a superior proposal or (ii) a changed circumstance that was not known to or reasonably foreseeable by the ETP Board prior to the date of the merger agreement, in each case if the ETP Board, upon the recommendation of the ETP Conflicts Committee and after consultation with its outside legal counsel and financial advisors, determines in good faith that the failure to take such action would be inconsistent with its duties under the ETP partnership agreement or applicable law.

Termination of the Merger Agreement (See page 119)

The merger agreement may be terminated at any time prior to the effective time:

by mutual written consent of SXL and ETP;

by either SXL or ETP:

if the merger has not been consummated on or before May 20, 2017 (the outside date); *provided*, that the right to terminate is not available to a party if the inability to satisfy such condition was due to the failure of such party to perform any of its obligations under the merger agreement or if the other party has filed and is pursuing an action seeking specific performance pursuant to the terms of the merger agreement;

if any governmental authority has issued a final and nonappealable law, injunction, judgment or ruling that enjoins or otherwise prohibits the consummation of the transactions contemplated by the merger agreement or makes the transactions contemplated by the merger agreement illegal; *provided*, *however*, that the right to terminate is not available to a party if such final law, injunction, judgment or rule was due to the failure of such party to perform any of its obligations under the merger agreement; or

if the ETP unitholders do not adopt the merger agreement at the special meeting or any adjournment or postponement of such meeting;

by SXL:

if an adverse recommendation change by the ETP Board shall have occurred;

if prior to the adoption of the merger agreement by ETP unitholders, ETP is in willful breach of its obligations to (i) duly call, give notice of, convene and hold a special meeting of ETP unitholders for

the purpose of obtaining unitholder approval of the merger agreement, use its reasonable best efforts to solicit proxies from the ETP unitholders in favor of such adoption and, through the ETP Board, recommend the adoption of the merger agreement to ETP unitholders or (ii) comply with the requirements described under Proposal 1: The Merger Agreement No Solicitation by ETP of Alternative Proposals, in each case, subject to certain exceptions discussed in Proposal 1: The Merger Agreement Termination of the Merger Agreement ; or

if there is a breach by ETP of any of its representations, warranties, covenants or agreements in the merger agreement such that certain closing conditions would not be satisfied, or if capable of being cured, such breach has not been cured within 30 days following delivery of written notice from SXL of such breach, subject to certain exceptions discussed in Proposal 1: The Merger Agreement Termination of the Merger Agreement ;

by ETP:

if there is a breach by SXL of any of its representations, warranties, covenants or agreements in the merger agreement such that certain closing conditions would not be satisfied, or if capable of

Table of Contents

being cured, such breach has not been cured within 30 days following delivery of written notice from ETP of such breach, subject to certain exceptions discussed in Proposal 1: The Merger Agreement Termination of the Merger Agreement ; or

prior to the adoption of the merger agreement by ETP's unitholders, in order to enter into (concurrently with such termination) any agreement, understanding or arrangement providing for a superior proposal in accordance with the requirements described under Proposal 1: The Merger Agreement No Solicitation by ETP of Alternative Proposals, including payment of the termination fee.

Expenses (See page 121)

Generally, all fees and expenses incurred in connection with the transactions contemplated by the merger agreement will be the obligation of the party incurring such fees and expenses.

In addition, following a termination of the merger agreement in 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. Following payment of the termination fee, ETP will not be obligated to pay any additional expenses incurred by SXL or its affiliates.

Termination Fee (See page 120)

Following termination of the merger agreement under specified circumstances, including due to an adverse recommendation change having occurred, ETP will be required to pay SXL a termination fee of \$630.0 million, less any expenses of SXL and its affiliates previously reimbursed by ETP to SXL pursuant to the merger agreement. Following payment of the termination fee, ETP will not be obligated to pay any additional expenses incurred by SXL or its affiliates.

Comparison of Rights of SXL Unitholders and ETP Unitholders (See page 158)

ETP unitholders will own SXL common units following the completion of the merger, and their rights associated with those SXL common units will be governed by the SXL partnership agreement, which differs in a number of respects from the ETP partnership agreement, and the Delaware LP Act.

Litigation Relating to the Merger (See page 109)

Between January 6, 2017 and February 8, 2017, seven purported ETP common unitholders (Plaintiffs) separately filed seven putative unitholder class action lawsuits challenging the merger and the disclosures made in connection with the merger. Two of these lawsuits have been voluntarily dismissed. With respect to the five remaining lawsuits, Plaintiffs allege causes of action challenging the preliminary joint proxy statement/prospectus filed in connection with the merger. According to Plaintiffs, the preliminary joint proxy statement/prospectus is allegedly misleading because, among other things, it fails to disclose certain information concerning, in general, (a) the background and process that led to the merger; (b) ETE's, ETP's, and SXL's financial projections; (c) the financial analysis and fairness opinion provided by Barclays; and (d) alleged conflicts of interest concerning Barclays, ETE, and certain officers and directors of ETP and ETE. Plaintiffs also assert, in general, that the terms of the merger (including, among other terms, the merger consideration) are unfair to ETP common unitholders and resulted from an unfair and conflicted process. Based on these assertions, one Plaintiff also alleges causes of action for (a) breaches of the covenant of good faith and/or fiduciary duties, and (b) aiding and abetting those alleged breaches. Defendants cannot predict the outcome of

these or any other lawsuits that might be filed subsequent to the date of the filing of this joint proxy statement/prospectus, nor can

Table of Contents

Defendants predict the amount of time and expense that will be required to resolve such litigation. Defendants believe the lawsuits are without merit and intend to defend vigorously against the lawsuits and any other actions challenging the merger.

Corporate Structure Prior to and Following the Mergers

The following represents the simplified corporate structure of ETE, SXL and ETP prior to the mergers:

Table of Contents

The following represents the simplified corporate structure of ETE, SXL and ETP following the completion of the mergers:

- (1) 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.
- (2) Following the consummation of the merger, it is expected that ETP will change its name to Energy Transfer, LP.

Table of Contents**Selected Historical Consolidated Financial Data of SXL**

The following table shows SXL's selected historical consolidated financial data for each of the years ended December 31, 2016, 2015, 2014, and 2013, the period from acquisition, October 5, 2012 to December 31, 2012, and the period from January 1, 2012 to October 4, 2012, are derived from SXL's audited historical consolidated financial statements.

You should read the following historical financial data in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the related notes thereto set forth in SXL's Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information.

| | Successor | | | | Period from | Predecessor |
|--|--------------------------------|------------------|------------------|------------------|---------------------|--------------------|
| | Year Ended December 31, | | | | Acquisition, | Period |
| | | | | | October | from |
| | | | | | 5, | January 1, |
| | | | | | 2012 to | 2012 to |
| | | | | | December 31, | October |
| | | | | | 2012 | 4, |
| | | | | | | 2012 |
| <i>(Dollars in millions, except per unit data)</i> | 2016 | 2015 | 2014 | 2013 | | |
| <i>Income Statement Data:</i> | | | | | | |
| Revenues: | | | | | | |
| Sales and other operating revenue: | | | | | | |
| Unaffiliated customers | \$ 8,715 | \$ 9,971 | \$ 17,018 | \$ 15,073 | \$ 2,989 | \$ 9,460 |
| Affiliates | 436 | 515 | 1,070 | 1,566 | 200 | 461 |
| Gain on divestment and related matters | | | | | | 11 |
| Total revenues | \$ 9,151 | \$ 10,486 | \$ 18,088 | \$ 16,639 | \$ 3,189 | \$ 9,932 |
| Operating income | \$ 815 | \$ 530 | \$ 367 | \$ 560 | \$ 159 | \$ 460 |
| Other income | \$ 37 | \$ 22 | \$ 25 | \$ 21 | \$ 5 | \$ 18 |
| Income before income tax expense | \$ 736 | \$ 418 | \$ 325 | \$ 504 | \$ 150 | \$ 413 |
| Net Income | \$ 709 | \$ 397 | \$ 300 | \$ 474 | \$ 142 | \$ 389 |
| Net income attributable to noncontrolling interests | (3) | (3) | (9) | (11) | (3) | (8) |
| Net income attributable to redeemable noncontrolling interests | (1) | (1) | | | | |
| Net Income Attributable to Sunoco Logistics Partners L.P. | \$ 705 | \$ 393 | \$ 291 | \$ 463 | \$ 139 | \$ 381 |
| Net Income Attributable to Sunoco Logistics Partners L.P. per Limited Partner unit: | | | | | | |
| Basic | \$ 0.98 | \$ 0.42 | \$ 0.52 | \$ 1.63 | \$ 0.55 | \$ 1.57 |
| Diluted | \$ 0.98 | \$ 0.42 | \$ 0.51 | \$ 1.63 | \$ 0.55 | \$ 1.57 |
| <i>Cash distributions per unit to Limited Partners:</i> | | | | | | |

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| | | | | | | |
|----------|---------|----------|----------|----------|----------|----------|
| Paid | \$ 1.98 | \$ 1.715 | \$ 1.426 | \$ 1.174 | \$ 0.259 | \$ 0.659 |
| Declared | \$ 2.02 | \$ 1.794 | \$ 1.495 | \$ 1.232 | \$ 0.273 | \$ 0.707 |

Table of Contents**Selected Historical Consolidated Financial Data of ETP**

The following summary historical consolidated balance sheet data as of December 31, 2016, 2015, 2014, 2013, and 2012 and the summary historical consolidated statement of operations for the years ended December 31, 2016, 2015, 2014, 2013, and 2012 are derived from ETP's audited historical consolidated financial statements.

You should read the following historical consolidated financial data in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the related notes thereto set forth in ETP's Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference into this proxy statement/prospectus. See [Where You Can Find More Information](#).

| <i>(Dollars in millions, except per unit data)</i> | Historical | | | | |
|--|-------------------|--------------------------------|-------------|-----------|-------------|
| | 2016 | Year Ended December 31, | | | 2012 |
| | 2015 | 2014 | 2013 | | |
| Statement of Operations Data: | | | | | |
| Total revenues | \$ 21,827 | \$ 34,292 | \$ 55,475 | \$ 48,335 | \$ 16,964 |
| Operating income | 1,802 | 2,259 | 2,443 | 1,619 | 1,425 |
| Income from continuing operations | 624 | 1,521 | 1,235 | 713 | 1,754 |
| Basic net income (loss) per limited partner unit | (2.06) | (0.09) | 1.58 | (0.23) | 4.93 |
| Diluted net income (loss) per limited partner unit | (2.06) | (0.10) | 1.58 | (0.23) | 4.91 |
| Cash distributions per unit | 4.22 | 4.16 | 3.86 | 3.61 | 3.58 |
| Balance Sheet Data (at period end): | | | | | |
| Total assets | 70,191 | 65,173 | 62,518 | 49,900 | 48,394 |
| Long-term debt, less current maturities | 31,741 | 28,553 | 24,831 | 19,761 | 17,599 |
| Total equity | 26,527 | 27,031 | 25,311 | 18,694 | 19,982 |
| Other Financial Data: | | | | | |
| Capital expenditures: | | | | | |
| Maintenance (accrual basis) | 368 | 485 | 444 | 391 | 347 |
| Growth (accrual basis) | 5,442 | 7,682 | 5,050 | 2,936 | 3,186 |
| Cash paid for acquisitions | 1,227 | 804 | 2,367 | 1,737 | 1,364 |

Selected Unaudited Pro Forma Financial Information

The following selected unaudited pro forma condensed consolidated balance sheet data as of December 31, 2016 reflects the merger as if it occurred on December 31, 2016. The unaudited pro forma condensed consolidated statement of continuing operations data for the year ended December 31, 2016 reflects the merger as if it occurred on January 1, 2016.

The following selected unaudited pro forma combined financial information has been prepared for illustrative purposes only and is not necessarily indicative of what the combined organization's condensed financial position or results of operations actually would have been had the merger been completed as of the dates indicated. In addition, the unaudited pro forma combined financial information does not purport to project the future financial position or operating results of the combined organization. Future results may vary significantly from the results reflected because of various factors. The following selected unaudited pro forma combined financial information should be read in conjunction with the section entitled [Sunoco Logistics Partners L.P. Unaudited Pro Forma Financial Information](#) and related notes included in this proxy statement/prospectus.

Table of Contents**Unaudited Pro Forma Condensed Consolidated Balance Sheet Data as of December 31, 2016 (in millions)**

| | ETP Historical | Pro Forma Adjustments | SXL Pro Forma for Merger |
|------------------------------|---------------------------|--------------------------------------|---|
| Total assets | \$ 70,191 | \$ (25) | \$ 70,166 |
| Total equity | 26,527 | (25) | 26,502 |
| Total liabilities and equity | \$ 70,191 | \$ (25) | \$ 70,166 |

Unaudited Pro Forma Condensed Consolidated Statement of Continuing Operations for the Year Ended December 31, 2016

| | ETP Historical | Pro Forma Adjustments | SXL Pro Forma for Merger |
|--|---------------------------|--------------------------------------|---|
| Net income (in millions) | \$ 624 | \$ | \$ 624 |
| Net income (loss) per common unit: | | | |
| Basic | \$ (2.06) | | \$ (0.41) |
| Diluted | \$ (2.06) | | \$ (0.41) |
| Weighted average number of common units (in millions): | | | |
| Basic | 505.5 | | 986.3 |
| Diluted | 505.5 | | 986.3 |

Unaudited Comparative Per Unit Information

The table below sets forth historical and unaudited pro forma combined per unit information of SXL and ETP.

Historical Per Unit Information of SXL and ETP

The historical per unit information of SXL and ETP set forth in the table below is derived from the audited consolidated financial statements as of and for the year ended December 31, 2016 for each of SXL and ETP.

Pro Forma Combined Per Unit Information of SXL

The unaudited pro forma combined per unit information of SXL set forth in the table below gives effect to the merger under the purchase method of accounting, as if the merger had been effective on January 1, 2016, in the case of income from continuing operations per unit and cash distributions data, and December 31, 2016, in the case of book

value per unit data, and, in each case, assuming that a number of SXL common units equal to 1.5 have been issued in exchange for each outstanding ETP common unit, after giving effect to the settlement of outstanding ETP restricted units and ETP cash units in accordance with the merger agreement. The unaudited pro forma combined per unit information of SXL is derived from the audited consolidated financial statements as of and for the year ended December 31, 2016 for each of SXL and ETP.

Equivalent Pro Forma Combined Per Unit Information of ETP

The unaudited ETP equivalent pro forma per unit amounts set forth in the table below are calculated by multiplying the unaudited pro forma combined per unit amounts of SXL by the sum of the exchange ratio of 1.5.

Table of Contents***General***

You should read the information set forth below in conjunction with the selected historical financial information of SXL and ETP included elsewhere in this proxy statement/prospectus and the historical financial statements and related notes of SXL and ETP that are incorporated into this proxy statement/prospectus by reference. See Selected Historical Consolidated Financial Data of SXL, Selected Historical Consolidated Financial Data of ETP and Where You Can Find More Information.

The unaudited pro forma per unit information of SXL does not purport to represent the actual results of operations that SXL would have achieved or distributions that would have been declared had the companies been combined during these periods or to project the future results of operations that SXL may achieve or the distributions it may pay after the merger.

| | As of and for the Year Ended December 31, 2016 | |
|--|---|-------|
| | (in millions, except per unit data) | |
| <u>Historical SXL</u> | | |
| Income from continuing operations | \$ | 709 |
| Distribution per common unit declared for the period | \$ | 2.019 |
| Book value per limited partner unit | \$ | 24 |

| | As of and for the Year Ended December 31, 2016 | |
|--|---|------|
| | (in millions, except per unit data) | |
| <u>Historical ETP</u> | | |
| Income from continuing operations | \$ | 624 |
| Distribution per common unit declared for the period | \$ | 4.22 |
| Book value per limited partner unit | \$ | 36 |

| | As of and for the Year Ended December 31, 2016 | |
|---|---|-------|
| | (in millions, except per unit data) | |
| <u>Pro Forma Combined</u> | | |
| Income from continuing operations | \$ | 624 |
| Distribution per common unit declared for the period(1) | \$ | 2.019 |
| Book value per limited partner unit | \$ | 23 |

- (1) Pro forma combined distributions per common unit are assumed to be consistent with the historical distributions per common unit declared by SXL.

Table of Contents**Comparative Unit Prices and Distributions**

SXL common units are currently listed on the NYSE under the ticker symbol SXL. ETP common units are currently listed on the NYSE under the ticker symbol ETP. The table below sets forth, for the calendar quarters indicated, the high and low sale prices per SXL common unit on the NYSE and per ETP common unit on the NYSE. The table also shows the amount of cash distributions declared on SXL common units and ETP common units, respectively, for the calendar quarters indicated.

| | SXL Common Units | | | ETP Common Units | | |
|---|------------------|----------|--------------------|------------------|----------|--------------------|
| | High | Low | Cash Distributions | High | Low | Cash Distributions |
| 2017 | | | | | | |
| First quarter (through March 23, 2017)(1) | \$ 26.73 | \$ 22.90 | \$ | \$ 39.71 | \$ 34.08 | \$ |
| 2016 | | | | | | |
| Fourth quarter | \$ 28.61 | \$ 22.07 | \$ 0.5200 | \$ 40.70 | \$ 32.67 | \$ 1.0550 |
| Third quarter | 31.49 | 26.88 | 0.5100 | 43.50 | 35.02 | 1.0550 |
| Second quarter | 29.77 | 22.63 | 0.5000 | 41.29 | 29.86 | 1.0550 |
| First quarter | 28.72 | 15.43 | 0.4890 | 35.39 | 18.62 | 1.0550 |
| 2015 | | | | | | |
| Fourth quarter | \$ 32.89 | \$ 21.41 | \$ 0.4790 | \$ 47.53 | \$ 27.44 | \$ 1.0550 |
| Third quarter | 38.65 | 25.44 | 0.4580 | 54.64 | 36.84 | 1.0550 |
| Second quarter | 44.90 | 37.10 | 0.4380 | 59.37 | 51.73 | 1.0350 |
| First quarter | 46.72 | 36.62 | 0.4190 | 66.58 | 53.25 | 1.0150 |

(1) Cash distributions in respect of the first quarter of 2017 have not been declared or paid.

The following table presents per unit closing prices of SXL common units and ETP common units on (i) November 18, 2016, the last trading day before the public announcement of the merger, and (ii) on March 23, 2017, the most recent practicable trading day before the date of this proxy statement/prospectus. This table also presents the equivalent market value per ETP common unit on such dates. The equivalent market value per ETP common unit has been determined by multiplying the closing price of SXL common units on those dates by the exchange ratio if the merger had been effective on such date.

| | SXL Common Units | ETP Common Units | Equivalent Market Value per ETP Common Unit |
|-------------------|---------------------|---------------------|---|
| November 18, 2016 | \$ 26.19 | \$ 39.37 | \$ 39.29 |
| March 23, 2017 | \$ 23.74 | \$ 35.38 | \$ 35.61 |

Although the exchange ratio is fixed, the market prices of SXL common units and ETP common units will fluctuate prior to the consummation of the merger and the market value of the merger consideration ultimately received by ETP common unitholders will depend on the closing price of SXL common units on the day the merger is consummated. Thus, ETP common unitholders will not know the exact market value of the merger consideration they will receive until the closing of the merger.

Table of Contents

RISK FACTORS

*In addition to the other information included and incorporated by reference into this proxy statement/prospectus, including the matters addressed in the section titled **Cautionary Statement Regarding Forward-Looking Statements**, you should carefully consider the following risks before deciding whether to vote for the adoption of the merger agreement and the transactions contemplated thereby. You should also read and carefully consider the risks associated with each of SXL and ETP and their respective businesses. These risks can be found in SXL's and ETP's respective Annual Reports on Form 10-K for the year ended December 31, 2016 as updated by any subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, which are filed with the SEC and incorporated by reference into this proxy statement/prospectus. For further information regarding the documents incorporated into this proxy statement/prospectus by reference, please see the section titled **Where You Can Find More Information**. Realization of any of the risks described below, any of the events described under **Cautionary Statement Regarding Forward-Looking Statements** or any of the risks or events described in the documents incorporated by reference could have a material adverse effect on SXL's, ETP's or the combined organization's businesses, financial condition, cash flows and results of operations and could result in a decline in the trading prices of their respective common units.*

Risk Factors Relating to the Merger

Because the market price of SXL common units will fluctuate prior to the consummation of the merger, ETP common unitholders cannot be sure of the market value of the SXL common units they will receive as merger consideration relative to the value of ETP common units they exchange.

The market value of the merger consideration that ETP common unitholders will receive in the merger will depend on the trading price of SXL's common units at the closing of the merger. The exchange ratio that determines the number of SXL common units that ETP common unitholders will receive as consideration in the merger is fixed. This means that there is no mechanism contained in the merger agreement that would adjust the number of SXL common units that ETP common unitholders will receive as the merger consideration based on any decreases in the trading price of SXL common units. Unit price changes may result from a variety of factors (many of which are beyond SXL's or ETP's control), including:

changes in SXL's business, operations and prospects;

changes in market assessments of SXL's business, operations and prospects;

interest rates, general market, industry and economic conditions and other factors generally affecting the price of SXL common units; and

federal, state and local legislation, governmental regulation and legal developments in the businesses in which SXL operates.

Because the merger will be completed after the special meeting, at the time of the meeting, you will not know the exact market value of the SXL common units that you will receive upon completion of the merger. If SXL's common unit price at the closing of the merger is less than SXL's common unit price on the date that the merger agreement was

signed, then the market value of the merger consideration received by ETP unitholders will be less than contemplated at the time the merger agreement was signed.

Table of Contents

The fairness opinion rendered to the ETP Conflicts Committee by Barclays was based on Barclays' financial analysis and considered factors such as market and other conditions then in effect, and financial forecasts and other information made available to Barclays, as of the date of the opinion. As a result, the opinion does not reflect changes in events or circumstances after the date of such opinion, including the amendment to the merger agreement. The ETP Conflicts Committee has not obtained, and does not expect to obtain, an updated fairness opinion from Barclays reflecting changes in circumstances that may have occurred since the signing of the merger agreement.

The fairness opinion rendered to the ETP Conflicts Committee by Barclays was provided in connection with, and at the time of, the evaluation of the merger and the merger agreement by the ETP Conflicts Committee. The opinion was based on the financial analyses performed, which considered market and other conditions then in effect, and financial forecasts and other information made available to Barclays, as of the date of the opinion, which may have changed, or may change, after the date of the opinion. The ETP Conflicts Committee has not obtained an updated opinion as of the date of the amendment to the merger agreement or as of the date of this proxy statement/prospectus from Barclays and does not expect to obtain an updated opinion prior to completion of the merger. Changes in the operations and prospects of SXL or ETP, general market and economic conditions and other factors that may be beyond the control of SXL and ETP, and on which the fairness opinion was based, may have altered the value of SXL or ETP or the prices of SXL common units or ETP common units since the date of such opinion, or may alter such values and prices by the time the merger is completed. The opinion does not speak as of any date other than the date of the opinion. For a description of the opinion that Barclays rendered to the ETP Conflicts Committee, please refer to "The Merger Opinion of the Financial Advisor to the ETP Conflicts Committee."

ETP is subject to provisions that limit its ability to pursue alternatives to the merger, which could discourage a potential competing acquirer of ETP from making a favorable alternative transaction proposal and, in specified circumstances under the merger agreement, would require ETP to reimburse up to \$30.0 million of SXL's out-of-pocket expenses and pay a termination fee to SXL of \$630.0 million less any previous expense reimbursements.

Under the merger agreement, ETP is restricted from entering into alternative transactions. Unless and until the merger agreement is terminated, subject to specified exceptions (which are discussed in more detail in "Proposal 1: The Merger Agreement - No Solicitation by ETP of Alternative Proposals"), ETP is restricted from soliciting, initiating, knowingly facilitating, knowingly encouraging or knowingly inducing or negotiating, any inquiry, proposal or offer for a competing acquisition proposal with any person. In addition, ETP may not grant any waiver or release any standstill or similar agreement with respect to any units of ETP or any of its subsidiaries. Under the merger agreement, in the event of a potential change by the ETP Board of its recommendation with respect to the proposed merger in light of a superior proposal, ETP must provide SXL with five days' notice to allow SXL to propose an adjustment to the terms and conditions of the merger agreement. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of ETP from considering or proposing that acquisition, even if such third party were prepared to pay consideration with a higher per unit market value than the merger consideration, or might result in a potential competing acquirer of ETP proposing to pay a lower price than it would otherwise have proposed to pay because of the added expense of the termination fee that may become payable in specified circumstances.

If the merger agreement is terminated under specified circumstances, including if the ETP unitholder approval is not obtained, then 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 will be required to pay SXL a termination fee of \$630.0 million, less any expenses previously paid by ETP. 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. If such a termination fee is

Table of Contents

payable, the payment of this fee could have material and adverse consequences to the financial condition and operations of ETP. For a discussion of the restrictions on soliciting or entering into an alternative transaction and the ability of the ETP Board to change its recommendation, see Proposal 1: The Merger Agreement No Solicitation by ETP of Alternative Proposals and Change in ETP Board Recommendation.

Directors and executive officers of ETP have certain interests that are different from those of ETP unitholders generally.

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. These different interests are described under The Merger Interests of Directors and Executive Officers of ETP in the Merger.

SXL or ETP may have difficulty attracting, motivating and retaining executives and other employees in light of the merger.

Uncertainty about the effect of the merger on SXL or ETP employees may have an adverse effect on the combined organization. This uncertainty may impair these companies' ability to attract, retain and motivate personnel until the merger is completed. Employee retention may be particularly challenging during the pendency of the merger, as employees may feel uncertain about their future roles with the combined organization. In addition, SXL or ETP may have to provide additional compensation in order to retain employees. If employees of SXL or ETP depart because of issues relating to the uncertainty and difficulty of integration or a desire not to become employees of the combined organization, the combined organization's ability to realize the anticipated benefits of the merger could be adversely affected.

SXL and ETP are subject to business uncertainties and contractual restrictions while the proposed merger is pending, which could adversely affect each party's business and operations.

In connection with the pending merger, it is possible that some customers, suppliers and other persons with whom SXL or ETP have business relationships may delay or defer certain business decisions, or might decide to seek to terminate, change or renegotiate their relationship with SXL or ETP as a result of the merger, which could negatively affect SXL's and ETP's respective revenues, earnings and cash available for distribution, as well as the market price of SXL common units and ETP common units, regardless of whether the merger is completed.

Under the terms of the merger agreement, each of SXL and ETP is subject to certain restrictions on the conduct of its business prior to completing the merger, which may adversely affect its ability to execute certain of its business strategies. Such limitations could negatively affect each party's businesses and operations prior to the completion of the merger. Furthermore, the process of planning to integrate two businesses and organizations for the post-merger period can divert management attention and resources and could ultimately have an adverse effect on each party. For a discussion of these restrictions, see Proposal 1: The Merger Agreement Conduct of Business Pending the Consummation of the Merger.

SXL and ETP will incur substantial transaction-related costs in connection with the merger.

SXL and ETP expect to incur a number of non-recurring transaction-related costs associated with completing the merger, combining the operations of the two organizations and achieving desired synergies. These fees and costs will be substantial. Non-recurring transaction costs include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and printing costs. Additional unanticipated costs may be incurred in the integration of

the businesses of SXL and ETP. There can be no assurance that the elimination of certain duplicative costs, as well as the realization of other efficiencies related to the integration of the two businesses, will offset the incremental transaction-related costs over time. Thus, any net benefit may not be achieved in the near term, the long term or at all.

Table of Contents

Failure to successfully combine the businesses of SXL and ETP in the expected time frame may adversely affect the future results of the combined organization, and, consequently, the value of the SXL common units that ETP common unitholders receive as part of the merger consideration.

The success of the proposed merger will depend, in part, on the ability of SXL to realize the anticipated benefits and synergies from combining the businesses of SXL and ETP. To realize these anticipated benefits, the businesses must be successfully combined. If the combined organization is not able to achieve these objectives, or is not able to achieve these objectives on a timely basis, the anticipated benefits of the merger may not be realized fully or at all. In addition, the actual integration may result in additional and unforeseen expenses, which could reduce the anticipated benefits of the merger. These integration difficulties could result in declines in the market value of SXL's common units and, consequently, result in declines in the market value of the SXL common units that ETP common unitholders receive as part of the merger consideration.

The merger is subject to conditions, including certain conditions that may not be satisfied on a timely basis, if at all. Failure to complete the merger, or significant delays in completing the merger, could negatively affect the trading prices of SXL common units and ETP common units and the future business and financial results of SXL and ETP.

The completion of the merger is subject to a number of conditions. The completion of the merger is not assured and is subject to risks, including the risk that approval of the merger by ETP common unitholders or by governmental agencies is not obtained or that other closing conditions are not satisfied. If the merger is not completed, or if there are significant delays in completing the merger, the trading prices of SXL common units and ETP common units and the respective future business and financial results of SXL and ETP could be negatively affected, and each of them will be subject to several risks, including the following:

the parties may be liable for damages to one another under the terms and conditions of the merger agreement;

negative reactions from the financial markets, including declines in the price of SXL common units or ETP common units due to the fact that current prices may reflect a market assumption that the merger will be completed;

having to pay certain significant costs relating to the merger, including, in certain circumstances, the reimbursement by ETP of up to \$30.0 million of SXL's expenses and a termination fee of \$630.0 million less any previous expense reimbursements by ETP, as described in Proposal 1: The Merger Agreement Expenses and Termination Fee ; and

the attention of management of SXL and ETP will have been diverted to the merger rather than each organization's own operations and pursuit of other opportunities that could have been beneficial to that organization.

If a governmental authority asserts objections to the merger, SXL and ETP may be unable to complete the merger or, in order to do so, SXL and ETP may be required to comply with material restrictions or satisfy material conditions.

The closing of the merger is subject to the condition that there is no law, injunction, judgment or ruling by a governmental authority in effect enjoining, restraining, preventing or prohibiting the merger contemplated by the merger agreement. If a governmental authority asserts objections to the merger, SXL or ETP may be required to divest assets or accept other remedies in order to complete the merger. There can be no assurance as to the cost, scope or impact of the actions that may be required to address any governmental authority objections to the merger. If SXL or ETP takes such actions, it could be detrimental to it or to the combined organization following the consummation of the merger. Furthermore, these actions could have the effect of delaying or preventing completion of the proposed merger or imposing additional costs on or limiting the revenues or cash available for distribution of the combined organization following the consummation of the merger. See Proposal 1: The Merger Agreement Regulatory Matters.

Table of Contents

Additionally, state attorneys general could seek to block or challenge the merger as they deem necessary or desirable in the public interest at any time, including after completion of the transaction. In addition, in some circumstances, a third party could initiate a private action under antitrust laws challenging or seeking to enjoin the merger, before or after it is completed. SXL may not prevail and may incur significant costs in defending or settling any action under the antitrust laws.

If the merger is approved by ETP common unitholders, the date that ETP unitholders will receive the merger consideration is uncertain.

As described in this proxy statement/prospectus, completing the proposed merger is subject to several conditions, not all of which are controllable or waivable by SXL or ETP. Accordingly, if the proposed merger is approved by ETP unitholders, the date that ETP common unitholders will receive the merger consideration depends on the completion date of the merger, which is uncertain.

ETP's and SXL's financial estimates are based on various assumptions that may not prove to be correct.

The financial estimates set forth in the forecast included under "The Merger Unaudited Financial Projections of ETP and Unaudited Financial Projections of SXL" are based on assumptions of, and information available to, ETP and SXL at the time they were prepared and provided to the ETP Board and SXL Board, as applicable, and the ETP Conflicts Committee and SXL Conflicts Committee, as applicable, and their respective financial advisors. Neither ETP nor SXL knows whether such assumptions will prove correct. Any or all of such estimates may turn out to be wrong. Such estimates can be adversely affected by inaccurate assumptions or by known or unknown risks and uncertainties, many of which are beyond ETP's and SXL's control. Many factors mentioned in this proxy statement/prospectus, including the risks outlined in this "Risk Factors" section and the events or circumstances described under "Cautionary Statement Regarding Forward-Looking Statements," will be important in determining ETP's and SXL's future results. As a result of these contingencies, actual future results may vary materially from ETP's and SXL's estimates. In view of these uncertainties, the inclusion of ETP's and SXL's financial estimates in this proxy statement/prospectus is not and should not be viewed as a representation that the forecast results will be achieved.

ETP's and SXL's financial estimates were not prepared with a view toward public disclosure, and such financial estimates were not prepared with a view toward compliance with published guidelines of any regulatory or professional body. Further, any forward-looking statement speaks only as of the date on which it is made, and ETP and SXL undertake no obligation, other than as required by applicable law, to update their respective financial estimates herein to reflect events or circumstances after the date those financial estimates were prepared or to reflect the occurrence of anticipated or unanticipated events or circumstances.

The financial estimates included in this proxy statement/prospectus have been prepared by, and are the responsibility of, ETP and SXL alone. Moreover, neither ETP's or SXL's independent accountants, Grant Thornton LLP, nor any other independent accountants, have compiled, examined or performed any procedures with respect to ETP's or SXL's prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and, accordingly, Grant Thornton LLP assumes no responsibility for, and disclaims any association with, ETP's or SXL's prospective financial information. The reports of Grant Thornton LLP incorporated by reference herein relate exclusively to the historical financial information of the entities named in those reports and do not cover any other information in this proxy statement/prospectus and should not be read to do so. See "The Merger Unaudited Financial Projections of ETP" for more information.

The number of outstanding SXL common units will increase as a result of the merger, which could make it more difficult for SXL to pay the current level of quarterly distributions.

As of March 23, 2017, there were more than 322 million SXL common units outstanding. SXL will issue approximately 829.3 million common units in connection with the merger. Accordingly, the aggregate dollar

Table of Contents

amount required to pay the current per unit quarterly distribution on all SXL common units will increase, which could increase the likelihood that SXL will not have sufficient funds to pay the current level of quarterly distributions to all SXL unitholders. Using a \$0.52 per SXL common unit distribution (the amount SXL paid with respect to the fourth fiscal quarter of 2016 on February 14, 2017 to holders of record as of February 7, 2017), the aggregate cash distribution paid to SXL unitholders totaled approximately \$272 million, including a distribution of \$105 million to SXL GP in respect of its general partner interest and ownership of incentive distribution rights. Using the same \$0.52 per SXL common unit distribution, the combined pro forma SXL distribution with respect to the fourth fiscal quarter of 2016, had the merger been completed prior to such distribution, would have resulted in total cash distributions of approximately \$796 million, including a distribution of \$233 million to SXL GP in respect of its general partner interest and incentive distribution rights.

ETP common unitholders will have a reduced ownership after the merger.

When the merger occurs, each ETP common unitholder that receives SXL common units will become a unitholder of SXL with a percentage ownership of the combined organization that is smaller than such unitholder's percentage ownership of ETP. Assuming that the merger had been completed on December 31, 2016, current ETP common unitholders would have owned approximately 75.6% of the combined entity based on the number of ETP and SXL common units outstanding at that date.

SXL common units to be received by ETP common unitholders as a result of the merger have different rights from ETP common units.

Following completion of the merger, ETP common unitholders will no longer hold ETP common units, but will instead be unitholders of SXL. There are important differences between the rights of ETP unitholders and the rights of SXL unitholders. See [Comparison of Rights of SXL Unitholders and ETP Unitholders](#) for a discussion of the different rights associated with SXL common units and ETP common units.

A downgrade in SXL's or its subsidiaries' credit ratings following the merger could impact the combined entity's access to capital and costs of doing business, and maintaining credit ratings is under the control of independent third parties.

Following the merger, SXL will be a more leveraged entity on a consolidated basis than it is prior to the merger, and the merger may cause rating agencies to reevaluate SXL and its subsidiaries' ratings. A downgrade of SXL or its subsidiaries' credit ratings might increase SXL and its subsidiaries' cost of borrowing and could require SXL to post collateral with third parties, negatively impacting its available liquidity. SXL and its subsidiaries' ability to access capital markets could also be limited by a downgrade of its credit ratings and other disruptions.

Credit rating agencies perform independent analysis when assigning credit ratings. The analysis includes a number of criteria including, but not limited to, business composition, market and operational risks, as well as various financial tests. Credit rating agencies continue to review the criteria for industry sectors and various debt ratings and may make changes to those criteria from time to time. Credit ratings are not recommendations to buy, sell or hold investments in the rated entity. Ratings are subject to revision or withdrawal at any time by the rating agencies, and SXL cannot assure you that it will maintain its current credit ratings.

No ruling has been obtained with respect to the U.S. federal income tax consequences of the merger.

No ruling has been or will be requested from the IRS with respect to the U.S. federal income tax consequences of the merger. Instead, SXL and ETP are relying on the opinions of their respective counsel as to the U.S. federal income tax

consequences of the merger, and such counsel's conclusions may not be sustained if challenged by the IRS. Please read Material U.S. Federal Income Tax Consequences of the Merger.

Table of Contents

The expected U.S. federal income tax consequences of the merger are dependent upon SXL and ETP being treated as partnerships for U.S. federal income tax purposes.

If either SXL or ETP were to be treated as a corporation for U.S. federal income tax purposes, the consequences of the merger would be materially different. If SXL were to be treated as a corporation for U.S. federal income tax purposes, the merger would likely be a fully taxable transaction to ETP common unitholders.

ETP common unitholders could recognize taxable income or gain for U.S. federal income tax purposes as a result of the merger.

Although for state law purposes ETP will become a wholly owned subsidiary of SXL in the merger, for U.S. federal income tax purposes, ETP (rather than SXL) will be treated as the continuing partnership following the merger. As a result, for U.S. federal income tax purposes, SXL will be deemed to contribute all of its assets to ETP in exchange for ETP units and the assumption of SXL's liabilities, followed by a liquidation of SXL in which ETP units are distributed to SXL unitholders. In addition, as a result of the merger, SXL unitholders will become limited partners of ETP for U.S. federal income tax purposes and will be allocated a share of ETP's nonrecourse liabilities. No ETP common unitholder should recognize any income, gain or loss, for U.S. federal income tax purposes as a result of the merger other than any gain recognized as a result of decreases in partnership liabilities pursuant to Section 752 of the Code. Each ETP common unitholder's share of ETP's nonrecourse liabilities will be recalculated following the merger. Any resulting increase or decrease in an ETP common unitholder's nonrecourse liabilities will result in a corresponding increase or decrease in such unitholder's adjusted tax basis in its ETP common units. A reduction in a common unitholder's share of nonrecourse liabilities would, if such reduction exceeds the unitholder's tax basis in his or her ETP common units, under certain circumstances, result in the recognition of taxable gain by an ETP common unitholder. While there can be no assurance, ETP does not expect any ETP common unitholders to recognize gain in this manner. For additional information, please read "Material U.S. Federal Income Tax Consequences of the Merger" "Tax Consequences of the Merger to ETP and Its Unitholders" and "Risk Factors Relating to the Merger."

Tax Risks Related to Owning Common Units in SXL Following the Merger

For U.S. federal income tax purposes, the merger is intended to be a merger of SXL and ETP within the meaning of Treasury Regulations promulgated under Section 708 of the Code. Assuming the merger is treated as such, although for state law purposes ETP will become a wholly owned subsidiary of SXL in the merger, for U.S. federal income tax purposes, ETP (rather than SXL) will be treated as the continuing partnership following the merger and SXL will be treated as the terminated partnership. As a result, each holder of SXL common units, including SXL common unitholders and the ETP common unitholders that will receive SXL common units in the merger, will be treated as a partner of ETP for U.S. federal income tax purposes following the merger.

Following the merger, in addition to the risks described above, deemed holders of ETP common units, for U.S. federal income tax purposes, will continue to be subject to the risks that holders of ETP common units are currently subject to, which are described in ETP's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 as updated by any subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information" for the location of information incorporated by reference in this proxy statement/prospectus.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the documents incorporated herein by reference contain forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. They use words such as anticipate, believe, intend, plan, projection, forecast, strategy, p continue, estimate, expect, may, or the negative of those terms or other variations of them or comparable terminology. Forward-looking statements are also found under The Merger Unaudited Financial Projections of ETP. In particular, statements, express or implied, concerning future actions, conditions or events, future operating results, the ability to generate sales, income or cash flow, to realize cost savings or other benefits associated with the merger, to service debt or to make distributions are forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future actions, conditions or events and future results of operations may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine actual results are beyond the ability of SXL or ETP to control or predict. Specific factors which could cause actual results to differ from those in the forward-looking statements include:

the ability to complete the merger;

the ability to obtain requisite regulatory and unitholder approval and the satisfaction of the other conditions to the consummation of the merger;

the potential impact of the announcement or consummation of the merger on relationships, including with employees, suppliers, customers, competitors, lenders and credit rating agencies;

SXL's ability to successfully integrate ETP's operations and employees and to realize synergies and cost savings;

any distribution increases by SXL or ETP;

the amount of natural gas, NGLs, crude oil and refined products transported in the pipelines and gathering systems of SXL or ETP;

volatility in the price of crude oil, refined products, natural gas and NGLs;

SXL's and ETP's access to capital to fund organic growth projects and acquisitions, including significant acquisitions and their ability to obtain debt or equity financing on satisfactory terms;

declines in the credit markets and the availability of credit for producers connected to SXL's and ETP's respective pipelines, ETP's gathering and processing facilities, and for customers of SXL's and ETP's contract

services business;

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

the level of creditworthiness of, and performance by, the customers and counterparties of SXL and ETP;

the use of derivative financial instruments to hedge commodity and interest rate risks;

the amount of collateral required to be posted from time to time in transactions;

changes in commodity prices and the projected demand for and supply of natural gas, crude oil, NGLs and refined products, interest rates and demand for the services of SXL and ETP;

any impairment write-downs of SXL's or ETP's assets;

changes in governmental regulation or enforcement practices with respect to the midstream sector of the natural gas industry, especially with respect to environmental, health and safety matters;

Table of Contents

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

the occurrence of unusual weather and other natural phenomena or operating conditions including force majeure events;

environmental risks affecting the production, gathering and processing of natural gas;

industry changes including the impact of consolidations and changes in competition among natural gas midstream companies;

the ability of SXL and ETP to acquire midstream assets and new sources supply and connections to third-party pipelines on satisfactory terms;

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

the ability of SXL and ETP to retain existing or acquire new natural gas midstream customers;

regulation of transportation rates on SXL's and ETP's pipelines;

risks related to labor relations and workplace safety;

the age of, and changes in the reliability and efficiency of, SXL's or ETP's operating facilities;

the ability to obtain indemnification related to cleanup liabilities and to clean up any released hazardous materials on satisfactory terms;

delays related to construction of, or work on, new or existing facilities and the ability to obtain required approvals for construction or modernization of SXL's or ETP's facilities and the timing of production from such facilities;

uncertainties relating to the effects of regulatory guidance on permitting under the Clean Water Act and the outcome of current and future litigation regarding mine permitting;

risks and uncertainties relating to general domestic and international economic (including inflation, interest rates and financial and credit markets, disruptions in the crude oil, natural gas, NGLs and refined petroleum products markets, from terrorist activities, international hostilities and other events, and the government's response thereto) and political conditions;

the occurrence of operational hazards or unforeseen interruptions for which SXL or ETP may not be adequately insured;

the amount of SXL's and ETP's debt, which could limit the ability to borrow additional funds, which could create a competitive disadvantage compared to competitors that have less debt, or have other adverse consequences;

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

unfavorable results of litigation and the fruition of contingencies referred to in the notes to the financial statements contained in the reports incorporated by reference into this proxy statement/prospectus.

Unless expressly stated otherwise, forward-looking statements are based on the expectations and beliefs of the respective managements of SXL and ETP, based on information currently available, concerning future events affecting SXL and ETP. Although SXL and ETP believe that these forward-looking statements are based on reasonable assumptions, they are subject to uncertainties and factors related to SXL's and ETP's operations and business environments, all of which are difficult to predict and many of which are beyond SXL's and ETP's control. Any or all of the forward-looking statements in this proxy statement/prospectus may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. The foregoing list of factors should not be construed to be exhaustive. Many factors mentioned in this proxy statement/prospectus, including the risks outlined under the caption "Risk Factors" contained in SXL's and

Table of Contents

ETP's Exchange Act reports incorporated herein by reference, will be important in determining future results, and actual future results may vary materially. There is no assurance that the actions, events or results of the forward-looking statements will occur, or, if any of them do, when they will occur or what effect they will have on SXL's and ETP's results of operations, financial condition, cash flows or distributions. In view of these uncertainties, SXL and ETP caution that investors should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and, except as required by law, SXL and ETP undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect new information or the occurrence of anticipated or unanticipated events or circumstances.

Table of Contents

RECENT DEVELOPMENTS

Class K Unit Issuance. On December 29, 2016, ETP GP adopted Amendment No. 15 to the ETP partnership agreement which provided for the issuance of a new class of units (the Class K units) and set forth the terms and provisions of the Class K Units, which were issued on December 29, 2016 to indirect subsidiaries of ETP, in exchange for cash contributions and the exchange of outstanding common units representing limited partner interests in ETP. Please read Comparison of Rights of SXL Unitholders and ETP Unitholders for additional information on the terms of the Class K units.

ETP Common Unit Private Placement. On January 6, 2017, ETE entered into a common unit purchase agreement with certain institutional investors to sell 32,222,225 of its common units in a private placement transaction at a purchase price of \$18.00 per unit (the ETE private placement). The ETE private placement closed on January 12, 2017, and ETE received net proceeds of approximately \$568 million, which ETE used to purchase 15,785,056 newly issued common units representing limited partner interests in ETP (the ETP private placement). ETP used the proceeds from the ETP private placement to repay existing indebtedness under its amended and restated revolving credit facility and for general partnership purposes.

Series A Unit Repurchase. On January 18, 2017, ETP entered into and completed a purchase and sale agreement with MTP Energy Master Fund Ltd., Magnetar Capital Fund II LP and MTP Energy Infrastructure Finance Special Fund, LLC pursuant to which ETP repurchased all of its 1,912,569 outstanding Series A Cumulative Convertible Preferred Units of ETP (the Series A Units) for cash in the aggregate amount of approximately \$52.5 million (the Series A unit repurchase). Following the Series A unit repurchase, ETP no longer has any Series A units outstanding. Because there are no Series A units outstanding as of the record date for the special meeting, the Series A units will not be entitled to vote on the merger agreement and the transactions contemplated thereby. Furthermore, as no Series A units will be outstanding as of the closing date of the merger, no SXL Series A preferred units will be issued in exchange for the Series A Units; therefore, the form of SXL partnership agreement attached as Annex C to this proxy statement/prospectus has been revised to remove the references to the Series A preferred units of SXL.

Table of Contents

THE PARTIES

Sunoco Logistics Partners L.P.

SXL is a publicly traded Delaware limited partnership that owns and operates a logistics business, consisting of a geographically diverse portfolio of complementary pipeline, terminalling, and acquisition and marketing assets, which are used to facilitate the purchase and sale of crude oil, NGLs and refined products. SXL conducts business activities in 37 states located throughout the United States. SXL GP, a Pennsylvania limited liability company and the general partner of SXL, is a consolidated subsidiary of ETP. SXL GP holds no assets other than its investment in SXL and notes receivable and other amounts receivable from affiliates of ETP.

SXL's reporting segments are as follows:

Crude Oil. The crude oil segment provides transportation, terminalling and acquisition and marketing services to crude oil markets throughout the southwest, midwest and northeastern United States. Included within the segment is approximately 6,100 miles of crude oil trunk and gathering pipelines in the southwest and midwest United States and equity ownership interests in three crude oil pipelines. SXL's crude oil terminalling services operate with an aggregate storage capacity of approximately 33 million barrels, including approximately 26 million barrels at SXL's Gulf Coast terminal in Nederland, Texas and approximately 3 million barrels at SXL's Fort Mifflin terminal complex in Pennsylvania. SXL's crude oil acquisition and marketing activities utilize its pipeline and terminal assets, its proprietary fleet crude oil tractor trailers and truck unloading facilities, as well as third-party assets, to service crude oil markets principally in the mid-continent United States.

Natural Gas Liquids. The natural gas liquids segment transports, stores, and executes acquisition and marketing activities utilizing a complementary network of pipelines, storage and blending facilities, and strategic off-take locations that provide access to multiple NGLs markets. The segment contains approximately 900 miles of NGLs pipelines, primarily related to SXL's Mariner systems located in the northeast and southwest United States. Terminalling services are facilitated by approximately 5 million barrels of NGLs storage capacity, including approximately 1 million barrels of storage at SXL's Nederland, Texas terminal facility and 3 million barrels at SXL's Marcus Hook, Pennsylvania terminal facility (the Marcus Hook Industrial Complex). This segment also carries out SXL's NGLs blending activities, including utilizing SXL's patented butane blending technology.

Refined Products. The refined products segment provides transportation and terminalling service, through the use of approximately 1,800 miles of refined products pipelines and approximately 40 active refined products marketing terminals. SXL's marketing terminals are located primarily in the northeast, midwest and southeast United States, with approximately 8 million barrels of refined products storage capacity. The refined products segment includes SXL's Eagle Point facility in New Jersey, which has approximately 6 million barrels of refined products storage capacity. The segment also includes SXL's equity ownership interests in four refined products pipeline companies. The segment also performs terminalling activities at the Marcus Hook Industrial Complex. The refined products segment utilizes SXL's integrated pipeline and terminalling assets, as well as acquisition and marketing activities, to service refined products markets in several regions of the United States.

The address of SXL s and SXL GP s principal executive offices is 3807 West Chester Pike, Newtown Square, Pennsylvania 19073, and the telephone number at this address is (866) 248-4344.

Energy Transfer Partners, L.P.

ETP, a Delaware limited partnership, is one of the largest publicly traded master limited partnerships in the United States in terms of equity market capitalization (approximately \$20.97 billion as of January 31, 2017). ETP is managed by its general partner, ETP GP, and ETP GP is managed by its general partner, ETP GP LLC, which

Table of Contents

is owned by ETE, another publicly traded master limited partnership. The primary activities in which ETP is engaged, all of which are in the United States, are as follows:

Natural gas operations, including the following:

natural gas midstream and intrastate transportation and storage; and

interstate natural gas transportation and storage through Energy Transfer Interstate Holdings, LLC (ET Interstate) and Panhandle Eastern Pipe Line Company, LP (Panhandle). ET Interstate is the parent company of Transwestern Pipeline Company, LLC, ETC Fayetteville Express Pipeline, LLC, ETC Tiger Pipeline, LLC, CrossCountry Energy, LLC, ETC Midcontinent Express Pipeline, LLC and ET Rover Pipeline LLC. Panhandle is the parent company of Trunkline Gas Company, LLC and Sea Robin Pipeline Company LLC.

Liquids operations, including NGL transportation, storage and fractionation services; and

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

The address of ETP s and ETP GP s principal executive offices is 8111 Westchester Drive, Suite 600, Dallas, Texas 75225, and the telephone number at this address is (214) 981-0700.

Energy Transfer Equity, L.P.

Energy Transfer Equity, L.P. is a Delaware limited partnership, publicly traded on the NYSE under the symbol ETE. ETE directly and indirectly owns equity interests in SXL and ETP.

The address of ETE s principal executive offices is 8111 Westchester Drive, Suite 600, Dallas, Texas 75225, and the telephone number at this address is (214) 981-0700.

SXL Acquisition Sub LLC

SXL Acquisition Sub LLC is a Delaware limited liability company and a wholly owned subsidiary of SXL. SXL Merger Sub was formed on November 21, 2016 solely for the purpose of consummating the merger and has no operating assets. SXL Merger Sub has not carried on any activities to date, except for activities incidental to its and SXL Merger Sub LP s formation and activities undertaken in connection with the transactions contemplated by the merger agreement.

The address of SXL Merger Sub s principal executive offices is 3807 West Chester Pike, Newtown Square, Pennsylvania 19073, and the telephone number at this address is (866) 248-4344.

SXL Acquisition Sub LP

SXL Acquisition Sub LP is a Delaware limited partnership and a wholly owned subsidiary of SXL. SXL Merger Sub LP was formed on December 14, 2016 solely for the purpose of consummating the merger and has no operating assets. SXL Merger Sub LP has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement.

The address of SXL Merger Sub LP's principal executive offices is 3807 West Chester Pike, Newtown Square, Pennsylvania 19073, and the telephone number at this address is (866) 248-4344.

Table of Contents

EXECUTIVE COMPENSATION

Overview

The following discussion provides certain executive compensation information for the individuals who are expected to be the named executive officers of the combined company and is based on the compensation arrangements maintained by ETP and SXL for 2016 and prior years, where applicable. Neither ETP nor SXL have officers or directors. Instead, ETP and SXL are managed by the boards of directors of their respective general partners and the executive officers of the respective general partners perform all of the management functions. For 2016, compensation for these officers was administered by ETP GP, except where noted herein.

Compensation Discussion and Analysis

Named Executive Officers

The executive officers referred to in this discussion as the named executive officers are the following officers with the roles they held for 2016:

Kelcy L. Warren, Chairman and Chief Executive Officer;

Thomas E. Long, Chief Financial Officer and Group Chief Financial Officer of ETE's general partner;

Matthew S. Ramsey, President and Chief Operating Officer;

James M. Wright, General Counsel and Assistant Secretary; and

Michael J. Hennigan, President and Chief Executive Officer of SXL GP.

During 2016, Mr. Long provided services to each of the ETE, ETP, SXL and Sunoco LP (SUN) partnerships in his role as Group CFO of ETE's general partner. Decisions with respect to Mr. Long's compensation during 2016 were made by the ETE Compensation Committee in consultation as appropriate with the ETP Compensation Committee. For 2016 Mr. Hennigan's primary business responsibilities related to ETP's investment in SXL and its consolidated subsidiaries. For 2016, the compensation committee of SXL GP set the components of Mr. Hennigan's compensation, including salary, long-term incentive awards and annual bonus utilizing the same philosophy and methodology adopted by ETP GP.

ETP GP's Philosophy for Compensation of Executives

In general, ETP GP's executive compensation philosophy is based on the premise that a significant portion of each executive's compensation should be incentive-based or at-risk compensation and that executives' total compensation levels should be highly competitive in the marketplace for executive talent and abilities. ETP GP seeks a total compensation program for the named executive officers that provides for a slightly below the median market annual base compensation rate (i.e. approximately the 40th percentile of market) but incentive-based compensation composed

of a combination of compensation vehicles to reward both short and long-term performance that are both targeted to pay-out at approximately the top-quartile of market. ETP GP believes the incentive-based balance is achieved by (i) the payment of annual discretionary cash bonuses that consider the achievement of ETP's financial performance objectives for a fiscal year set at the beginning of such fiscal year and the individual contributions of the named executive officers to the success of ETP and the achievement of the annual financial performance objectives and (ii) the annual grant of time-based restricted unit awards under the equity incentive plan(s), which awards are intended to provide a longer term incentive and retention value to the key employees to focus their efforts on increasing the market price of the publicly traded units and to increase the cash distribution paid to unitholders.

ETP GP grants restricted unit awards that vest, based generally upon continued employment, at a rate of 60% after the third anniversary of the award and the remaining 40% after the fifth anniversary of the award. ETP

Table of Contents

GP believes that these equity-based incentive arrangements are important in attracting and retaining executives, including the named executive officers, and key employees as well as motivating these individuals to achieve business objectives. The equity-based compensation also reflects the importance of aligning the interests of the executives, including the named executive officers with those of ETP's unitholders.

While ETP is responsible for the direct payment of the compensation of the named executive officers as employees of the ETP GP, ETP or its controlled affiliates, ETP does not participate or have any input in any decisions as to the compensation policies of ETP GP or the compensation levels of the executive officers of ETP GP. The compensation committee of the board of directors of ETP GP (the ETP Compensation Committee) is responsible for the approval of the compensation policies and the compensation levels of these executive officers. ETP directly pays these executive officers in lieu of receiving an allocation of overhead related to executive compensation from ETP GP. For a more detailed description of the compensation of the named executive officers, please see Compensation Tables below. Both the ETE Compensation and the compensation committee of SXL GP (the SXL Compensation Committee) follow a substantially similar executive compensation philosophy for executives as the ETP Compensation Committee.

Compensation Philosophy

The compensation program is structured to achieve the following:

reward executives with an industry-competitive total compensation package of targeted base salaries and significant incentive opportunities yielding a total compensation package approaching the top-quartile of the market;

attract, retain and reward talented executive officers and key management employees by providing total compensation competitive with that of other executive officers and key management employees employed by publicly traded limited partnerships of similar size and in similar lines of business;

motivate executive officers and key employees to achieve strong financial and operational performance;

emphasize performance-based or at-risk compensation; and

reward individual performance.

Components of Executive Compensation

For the year ended December 31, 2016, the compensation paid to the named executive officers, other than the Chief Executive Officer, consisted of the following components:

annual base salary;

non-equity incentive plan compensation consisting solely of discretionary cash bonuses;

time-vested restricted unit awards under the equity incentive plan(s);

payment of distribution equivalent rights (DERs) on unvested time-based restricted unit awards under the equity incentive plan(s);

vesting of previously issued time-based restricted unit/phantom restricted unit awards issued pursuant to the ETP equity incentive plan(s) or the equity incentive plan(s) of its affiliates; and

401(k) plan employer contributions.

Mr. Warren, the Chief Executive Officer, has voluntarily elected not to accept any salary, bonus or equity incentive compensation (other than a salary of \$1.00 per year plus an amount sufficient to cover his allocated employee premium contributions for health and welfare benefits).

Table of Contents***Methodology***

The ETP Compensation Committee considers relevant data available to it to assess the competitive position with respect to base salary, annual short-term incentives and long-term incentive compensation for executive officers, including the named executive officers. The ETP Compensation Committee also considers individual performance, levels of responsibility, skills and experience.

Periodically, the compensation committee of the general partner of ETE (the ETE Compensation Committee) or the ETP Compensation Committee engages a third-party consultant to provide market information for compensation levels at peer companies in order to assist in the determination of compensation levels for the executives, including the named executive officers. Most recently, Longnecker & Associates (Longnecker) evaluated the market competitiveness of total compensation levels of a number of executives of ETE, ETP and SXL to provide market information with respect to compensation of those executives during the year ended December 31, 2015. In particular, the 2015 review by Longnecker was designed to (i) evaluate the market competitiveness of total compensation levels for certain members of senior management, including the named executive officers; (ii) assist in the determination of appropriate compensation levels for senior management, including the named executive officers; and (iii) confirm that the compensation programs were yielding compensation packages consistent with the overall compensation philosophy.

In conducting its review, Longnecker specifically considered the larger size of the combined ETE and ETP entities from an energy industry perspective, to form a public peer group, inclusive of energy and non-energy related peers, against which ETE and ETP can compare total compensation for its executives, including the named executive officers. During 2015, Longnecker assisted in the development of the final peer group of leading companies in the energy industry that most closely reflect ETP's profile in terms of revenues, assets and market value as well as competition for talent at the senior management level and similarly situated general industry companies with similar revenues, assets and market value. The identified companies were:

Energy Peer Group:

| | |
|------------------------------------|-------------------------------------|
| Conoco Phillips | Anadarko Petroleum |
| Enterprise Products Partners, L.P. | Marathon Oil Corporation |
| Plains All American Pipeline, L.P. | Kinder Morgan Energy Partners, L.P. |
| Halliburton Company | The Williams Companies, Inc. |
| Valero Energy Corporation | |

General Industry Peer Group:

| | |
|-----------------------------|---------------------------------|
| The Boeing Company | United Technologies Corporation |
| Dow Chemical Company | United Parcel Service, Inc. |
| Caterpillar Inc. | FedEx Corporation |
| Lockheed Martin Corporation | Honeywell International Inc. |
| Deere & Company | |

The compensation analysis provided by Longnecker in 2015 covered all major components of total compensation, including annual base salary, annual short-term cash bonus and long-term incentive awards for the senior executives of these companies. In preparing the review materials, Longnecker utilized generally accepted compensation principles as determined by WorldatWork and gathered data from the public peer companies and published salary surveys.

Following Longnecker's 2015 review, the ETP Compensation Committee reviewed the information provided, including Longnecker's specific conclusions and recommended considerations for all compensation going forward, but focused specifically on the industry related data to compare the levels of annual base salary, annual short-term cash bonus and long-term equity incentive awards at these other companies with those of the named executive officers to ensure that compensation of the named executive officers is both consistent with the compensation philosophy and competitive with the compensation for executive officers of these other companies.

Table of Contents

The ETP Compensation Committee considered and reviewed the results of the study performed by Longnecker to determine if the results indicated that the compensation programs were yielding a competitive total compensation model prioritizing incentive-based compensation and rewarding achievement of short and long-term performance objectives. The ETP Compensation Committee also specifically evaluated benchmarked results for the annual base salary, annual short-term cash bonus or long-term equity incentive awards of the named executive officers to the compensation levels at the identified energy peer group companies and considered Longnecker's conclusions and recommendations. While Longnecker found that ETP is achieving its stated objectives with respect to the at-risk approach, they also found that certain adjustments should be implemented to allow ETP to achieve its targeted percentiles on base compensation and incentive compensation (short and long-term).

Longnecker provided some limited market updates during 2016 for situations where there were changes to roles and responsibilities of a previously benchmarked executive, but did not provide a full update to their market analysis from 2015. In 2016, Longnecker also provided information related to market trends on long-term equity incentive awards for industry based peer group companies. The information focused on the continued market competitiveness of using time-vested restricted units and the specific targeted annual value of the long-term equity incentive pools.

For 2016, the ETP Compensation Committee continued to use the results of the 2015 Longnecker compensation analysis (updated as described in the preceding paragraph), adjusted to account for general inflation and information obtained from other sources, such as 2016 third party survey results, in its determination of compensation levels for executives, including the named executive officers. Longnecker did not provide any non-executive compensation services for ETP during 2016.

In respect of SXL, the SXL Compensation Committee continued to rely principally on Longnecker's 2015 review of various metrics in order to recognize that the SXL structure is unique given that (i) in certain respects, SXL operated as a significant operational division of ETP; (ii) for certain corporate functions SXL received certain shared-service support from ETE and ETP; and (iii) in other operational related functions, SXL operated as an independent publicly-traded organization. As such, during 2015 Longnecker reviewed certain of the executives, including the named executive officers of SXL, in their specific functions to determine the appropriate benchmarking technique. In all circumstances, Longnecker considered SXL annual revenues and market capitalization levels in its benchmarking.

In conducting its 2015 review with respect to SXL's executives that were considered to have roles consistent with those of an executive at an independent publicly-traded entity, Longnecker worked with ETP and SXL to identify a peer group of companies in the energy industry that most closely reflect SXL's profile in terms of revenues, assets and market value as well as compete with SXL for talent at the senior management level. The identified companies included:

Energy Peer Group:

| | |
|--------------------------------|------------------------------------|
| Buckeye Partners, L.P. | PBF Energy Inc. |
| Enbridge Energy Partners, L.P. | Plains All American Pipeline, L.P. |
| HollyFrontier Corporation | Spectra Energy Corp. |
| MarkWest Energy Partners, L.P. | Targa Resources Corp. |
| NGL Energy Partners LP | Tesoro Corporation |
| ONEOK Inc. | |

The compensation analysis provided by Longnecker in 2015 covered all major components of total compensation, including annual base salary, annual short-term cash bonus and long-term incentive awards for the senior executives for certain companies in the oil and gas industry. The SXL Compensation Committee utilized the information

provided by Longnecker to ensure that the total compensation is both competitive with the market information received and consistent with ETE's compensation philosophy. While Longnecker found that SXL is achieving its stated objectives with respect to the at-risk approach, they also found that certain

Table of Contents

adjustments should be implemented to allow SXL to achieve its targeted percentiles on base compensation and incentive compensation (short and long-term). As noted above, for 2016, the SXL Compensation Committee continued to use the results of the 2015 Longnecker compensation analysis (together with limited market updates provided by Longnecker during 2016), adjusted to account for general inflation and information obtained from other sources, such as 2016 third party survey results, in its determination of compensation levels for executives, including the named executive officers.

Base Salary. Base salary is designed to provide for a competitive fixed level of pay that attracts and retains executive officers, and compensates them for their level of responsibility and sustained individual performance (including experience, scope of responsibility and results achieved). The salaries of the named executive officers are reviewed on an annual basis. As discussed above, the base salaries of the named executive officers are targeted to yield an annual base salary slightly below the median level of market (i.e. approximately the 40th percentile of market) and are determined by the ETP Compensation Committee after taking into account the recommendations of Mr. Warren. During the 2016 merit review process in July, the ETP Compensation Committee approved an increase to Mr. Ramsey's base salary of 2.0% to \$637,500 from its prior level of \$625,000 and a 2.0% increase to Mr. Wright's base salary to \$382,500 from its prior level of \$375,000. The CEO (who has voluntarily elected to forgo nearly all base compensation) did not receive any base salary adjustment during 2016.

In the case of Mr. Long, the ETE Compensation Committee approved an increase to Mr. Long's base salary of 2.0% to \$459,000 from its prior level of \$450,000.

In the case of Mr. Hennigan, the SXL Compensation Committee, in consultation with ETP GP, approved an increase to his base salary of 2.0% to \$637,500 from its prior level of \$625,000.

The 2% increase to each of the named executive officers' base salary reflects a base salary increase consistent with the 2% annual merit increase pool established for all employees of the ETP GP, ETP, SXL and its and their affiliates for 2016 by the respective compensation committees.

Annual Bonus. In addition to base salary, the ETE Compensation Committee and the ETP Compensation Committee make determinations whether to make discretionary annual cash bonus awards to executives, including the named executive officers, other than the CEO (who has voluntarily elected to forgo any annual bonuses), following the end of the year under the Energy Transfer Partners, L.L.C. Annual Bonus Plan (the Bonus Plan). The ETE Compensation Committee will consider a 2016 annual cash bonus for Mr. Long and the ETP Compensation Committee will consider 2016 annual cash bonus awards for Messrs. Ramsey and Wright.

These discretionary bonuses, if awarded, are intended to reward the named executive officers for the achievement of financial performance objectives during the year for which the bonuses are awarded in light of the contribution of each individual to profitability and success during such year. The ETE Compensation Committee and the ETP Compensation Committee also consider the recommendation of the CEO in determining the specific annual cash bonus amounts for each of the other named executive officers. The ETE Compensation Committee and the ETP Compensation Committee do not establish their own financial performance objectives in advance for purposes of determining whether to approve any annual bonuses, and do not utilize any formulaic approach to determine annual bonuses.

For 2016, annual bonuses to be awarded to Messrs. Ramsey, Long and Wright will be determined under the Bonus Plan. The ETE Compensation Committee's and the ETP Compensation Committee's evaluation of performance and determination of an overall available bonus pool is based on an internal earnings target generally based on targeted EBITDA (the Earnings Target) budget and the performance of each department compared to the applicable

departmental budget (with such performance measured based on the specific dollar amount of general and administrative expenses set for each department). The two performance criteria are weighted 75% on the internal Earnings Target budget criteria and 25% on internal department financial budget

Table of Contents

criteria. Internal Earnings Target is the primary performance factor in determining annual bonuses, while internal department financial budget criteria is considered to ensure that general and administrative costs are being effectively managed in a prudent manner.

The internal financial budgets are generally developed for each business segment, and then aggregated with appropriate corporate level adjustments, to reflect an overall performance objective that is reasonable in light of market conditions and opportunities based on a high level of effort and dedication across all segments of the business. The evaluation of performance versus the internal financial budget is based on EBITDA for a calendar year.

In general, both the ETE Compensation Committee and the ETP Compensation Committee believe that performance at or above the internal Earnings Target and at or below internal department financial budgets would support bonus pools to the named executive officers ranging from 105% to 140% of their annual base earnings (which amount reflects the actual base salary earned during the calendar year to reflect periods before and after any base salary adjustments), with the ability to fund up to an additional 20% above each named executive officer's target bonus pool upon achievement of 110% of the internal Earnings Target and 110% of the internal department financial budgets. For 2016, the short-term annual cash bonus pool targets for each of the named executive officers were as follows: for Mr. Ramsey, 140% of his annual base earnings; for Mr. Long, 130% of his annual base earnings, which represents an increase from his previous target of 125%; and for Mr. Wright, 105% of his annual base earnings. The increase for Mr. Long was based on and related to his full-year of additional responsibilities as the Group Chief Financial Officer of ETE's general partner and Chief Financial Officer of the ETP GP.

For 2016, SXL annual bonuses were determined under the Sunoco Partners LLC Amended and Restated Annual Short-Term Incentive Bonus Plan (the SXL Bonus Plan). Mr. Hennigan's target for 2016 was 140% of his annual base earnings.

In February 2017, the ETP Compensation Committee certified 2016 performance results under the Bonus Plan, which resulted in a bonus payout of 95% of target, which reflected achievement of 93.9% of the internal Earnings Target and 100% of the budget criteria. Based on the approved results, the ETP Compensation Committee approved a cash bonus relating to the 2016 calendar year to Messrs. Ramsey, Long and Wright in the amounts of \$838,901, \$560,865 and \$377,506, respectively.

In February 2017, in respect of 2016 performance under the SXL Bonus Plan, the SXL Compensation Committee approved a cash bonus relating to the 2016 calendar year to Mr. Hennigan in the amount of \$830,092, which represents 132% of his 2016 base earnings. In approving 2016 bonuses, the SXL Compensation Committee took into account the achievement by SXL of all of its targeted performance objectives for 2016 and the individual performances of its executives with respect to (i) promoting SXL's financial, strategic and operating objectives, (ii) SXL's success in exceeding its internal financial budget, (iii) the development of new projects that are expected to result in increased cash flows from operations in future years, (iv) the completion of mergers, acquisitions or similar transactions that are expected to be accretive to SXL and increase distributable cash flow, and (v) the overall management of SXL's business. The cash bonuses awarded to the named executive officers in respect of 2016 performance are consistent with the partnerships' applicable bonus pool targets.

Equity Awards. ETP currently has two incentive plans: (i) the Second Amended and Restated Energy Transfer Partners, L.P. 2008 Incentive Plan (the 2008 Incentive Plan) and (ii) the Energy Transfer Partners, L.P. Amended and Restated 2011 Long-Term Incentive Plan (the 2011 Incentive Plan). Each of the 2008 Incentive Plan and 2011 Incentive Plan authorizes the ETP Compensation Committee, in its discretion, to grant awards of restricted units, phantom units, unit options and other awards related to ETP common units upon such terms and conditions as it may determine appropriate and in accordance with general guidelines as defined by each such plan. The ETP

Compensation Committee determined and/or approved the terms of the unit grants awarded to the named executive officers, including the number of common units subject to the restricted unit

Table of Contents

award and the vesting structure of those restricted unit awards. All of the awards granted to the named executive officers under these equity incentive plans have consisted of restricted unit awards that are subject to vesting over a specified time period. Upon vesting of any restricted unit award, ETP common units are issued. During 2016, Mr. Hennigan participated in the Sunoco Partners LLC Long-Term Incentive Plan, as amended, (the SXL Plan) under which restricted units are awarded, which restricted units have the same vesting terms as awards under the 2008 Incentive Plan.

For 2016, the annual long-term incentive targets for the named executive officers were 600% of annual base salary for Mr. Ramsey, 500% of annual base salary for Mr. Long, which represents an increase from his previous target of 400%, 250% of annual base salary for Mr. Wright, and 600% of annual base salary for Mr. Hennigan. The ETE Compensation Committee approved the increase to Mr. Long's long-term incentive target in recognition of his additional responsibilities during 2016 as the Group Chief Financial Officer of ETE's general partner and Chief Financial Officer of the ETP GP. In approving long-term incentive awards for Mr. Long, the ETP Compensation Committee, the SXL Compensation Committee and the compensation committee of the SUN's general partner utilized the targets set by the ETE Compensation Committee.

In December 2016, the ETP Compensation Committee approved grants of restricted unit awards to Messrs. Ramsey, Long and Wright of 95,625 units, 28,688 units, and 23,906 units, respectively, under the 2008 Incentive Plan related to ETP common units.

As described below in the section titled Subsidiary Equity Awards, for 2016, in discussions between the ETE Compensation Committee and ETP Compensation Committees, as well as, the SXL Compensation Committee and the compensation committees of the general partners of Sunoco LP, it was determined that a portion of Mr. Long's total long-term incentive award target value would be composed of restricted units awarded under the 2008 Incentive Plan as well as restricted/restricted phantom units under the SXL Plan and Sunoco LP equity plan in consideration for his role and responsibilities at those partnerships. Mr. Long's total 2016 long-term awards were allocated 50% to the 2008 Incentive Plan, 20% to the SXL Plan and 30% to the Sunoco LP equity plan. Mr. Long serves as a financial advisor in matters related to mergers and acquisitions and financing activities to both SXL and SUN, and certain personnel responsible for the accounting and financial reporting functions provided to SUN report into his organization.

The restricted unit awards provide for vesting over a five-year period, with 60% vesting at the end of the third year and the remaining 40% vesting at the end of the fifth year, generally subject to continued employment through each specified vesting date. The restricted unit awards entitle the recipients of the restricted unit awards to receive, with respect to each ETP common unit subject to such award that has not either vested or been forfeited, a DER cash payment promptly following each such distribution by ETP to its unitholders. In approving the grant of such restricted unit awards, the ETP Compensation Committee considered several factors, including the long-term objective of retaining such individuals as key drivers of ETP's future success, the existing level of equity ownership of such individuals and the previous awards to such individuals of equity awards subject to vesting. Vesting of the 2014, 2015 and 2016 awards would accelerate in the event of the death or disability of the named executive officer or in the event of a change in control of ETP as that term is defined under the 2008 Incentive Plan.

In the case of Mr. Hennigan, he received a long-term incentive award under the SXL Plan for 2016 of 133,508 restricted units, which was awarded by the SXL Compensation Committee. This award was awarded on identical terms and conditions with respect to vesting and the right to DER payments, as those awarded to Mr. Long, Ramsey and Wright under the 2008 Incentive Plan in 2016.

The issuance of common units pursuant to the equity incentive plans is intended to serve as a means of incentive compensation; therefore, no consideration will be payable by the plan participants upon vesting and issuance of the

common units.

Table of Contents

The restricted unit awards for 2016 under the 2008 Incentive Plan as well as awards under the SXL Plan and Sunoco LP equity incentive plan generally require the continued employment of the recipient during the vesting period, provided however, the unvested awards will be accelerated in the event of a change in control of the applicable partnership (other than a change in control to an affiliate) or the death or disability of the award recipient prior to the applicable vesting period being satisfied. In addition, in the event of a change in control of ETP, the awards granted in 2014 and 2015 under the 2008 Incentive Plan and the 2011 Incentive Plan, as applicable, would be accelerated. For awards previously granted under the 2008 Incentive Plan prior to December 2014, unvested awards may also become vested upon a change in control at the discretion of the ETP Compensation Committee. Under the SXL Plan and Sunoco LP equity incentive plan, awards granted in 2014 and 2015 would be accelerated in the event of a change in control of the applicable partnership (other than a change in control to an affiliate). The merger discussed in this proxy statement/prospectus will not be considered a change in control under any of these equity incentive plans and therefore will not result in any vesting acceleration for the named executive officers.

As discussed below under Potential Payments Upon a Termination or Change of Control, certain equity awards automatically accelerate upon a change in control event, which means vesting automatically accelerates upon a change of control irrespective of whether the officer is terminated. In addition, the 2015 award to Mr. Ramsey in accordance with the terms of his offer letter and the 2014 award to Mr. Hennigan included a provision in the applicable award agreement for acceleration of unvested restricted unit awards upon a termination of employment without cause by the general partner of the applicable partnership issuing the award. For purposes of the awards the term cause shall mean: (i) a conviction (treating a nolo contendere plea as a conviction) of a felony (whether or not any right to appeal has been or may be exercised), (ii) willful refusal without proper cause to perform duties (other than any such refusal resulting from incapacity due to physical or mental impairment), (iii) misappropriation, embezzlement or reckless or willful destruction of property of the partnership or any of its affiliates, (iv) knowing breach of any statutory or common law duty of loyalty to the partnership or any of its or their affiliates, (v) improper conduct materially prejudicial to the business of the partnership or any of its or their affiliates, (vi) material breach of the provisions of any agreement regarding confidential information entered into with the partnership or any of its or their affiliates or (vii) the continuing failure or refusal to satisfactorily perform essential duties to the partnership or any of its or their affiliate.

Permitting the accelerated vesting of equity awards upon a change in control creates an important retention tool by enabling employees to realize value from these awards in the event of a change in control transaction.

Unit Ownership Guidelines. In December 2013, the ETP Board adopted the ETP Executive Unit Ownership Guidelines (the Guidelines), which set forth minimum ownership guidelines applicable to certain executives of ETP with respect to common units representing limited partnership interests in ETP. The applicable unit ownership guidelines are denominated as a multiple of base salary, and the amount of common units required to be owned increases with the level of responsibility. Under these guidelines, the President and Chief Operating Officer is expected to own common units having a minimum value of five times his base salary, while each of the remaining named executive officers (other than the CEO) are expected to own common units having a minimum value of four times their respective base salary. In addition to the named executive officers, these guidelines also apply to other covered executives, which executives are expected to own either directly or indirectly in accordance with the terms of the Guidelines, common units having minimum values ranging from two to four times their respective base salary. The Guidelines do not apply to the CEO, who receives a salary of \$1.00 per year plus an amount sufficient to cover his allocated payroll deductions for health and welfare benefits.

ETP GP and the ETP Compensation Committee believe that the ownership of the common units, as reflected in the Guidelines, is an important means of tying the financial risks and rewards for the executives to total unitholder return, aligning the interests of such executives with those of ETP's unitholders, and promoting ETP's interest in good

corporate governance.

Table of Contents

Covered executives are generally required to achieve their ownership level within five years of becoming subject to the guidelines. Mr. Ramsey will be required to be compliant with the Guidelines in November 2020, Mr. Long beginning December 2018 and Mr. Wright for his current role in 2021.

Covered executives may satisfy the guidelines through direct ownership of common units or indirect ownership by certain immediate family members. Direct or indirect ownership of ETE, SXL and Sunoco LP common units shall count on a one-to-one ratio for purposes of satisfying minimum ownership requirements; however, unvested unit awards may not be used to satisfy the minimum ownership requirements.

Covered executives who have not yet met their respective guideline must retain and hold all common units (less common units sold to cover the executive's applicable taxes and withholding obligation) received in connection with long-term incentive awards. Once the required ownership level is achieved, ownership of the required common units must be maintained for as long as the covered executive is subject to the guidelines. However, those individuals who have met or exceeded their applicable ownership guideline may dispose of common units in a manner consistent with applicable laws, rules and regulations, including regulations of the SEC and ETP's internal policies, but only to the extent that such individual's remaining ownership of common units would continue to exceed the applicable ownership guideline.

Affiliate and Subsidiary Equity Awards. In addition to his role as an officer of ETP GP, Mr. Long serves as financial advisor in matters related to mergers and acquisitions and financing activities to both SXL and SUN, and certain personnel responsible for the accounting and financial reporting functions provided to SUN report into his organization. In connection with his role at SXL, in December 2016, the SXL Compensation Committee awarded Mr. Long time-based restricted units of SXL in the amount of 16,021 units. In connection with his role at Sunoco LP, in December 2016, the compensation committee of Sunoco LP's general partner awarded Mr. Long time-based restricted phantom units of Sunoco LP in the amount of 22,210 units. The terms and conditions of the restricted unit/restricted phantom unit awards to Mr. Long under the SXL Plan and SUN equity plan are identical to the terms and conditions of the restricted unit awards under ETP's equity plan applicable to Mr. Long.

Qualified Retirement Plan Benefits. The Energy Transfer Partners GP, L.P. 401(k) Plan (the ETP 401(k) Plan) is a defined contribution 401(k) plan, which covers substantially all of ETP's employees, including the named executive officers. Employees may elect to defer up to 100% of their eligible compensation after applicable taxes, as limited under the Code. Matching contributions are not less than the aggregate amount of matching contributions that would be credited to a participant's account based on a rate of match equal to 100% of each participant's elective deferrals up to 5% of covered compensation. The amounts deferred by the participant are fully vested at all times, and the amounts contributed by ETP become vested based on years of service. This benefit is provided as a means to incentivize employees and provide them with an opportunity to save for their retirement.

ETP provides a 3% profit sharing contribution to employee 401(k) accounts for all employees with a base compensation below a specified threshold. The contribution is in addition to the 401(k) matching contribution and employees become vested based on years of service.

Health and Welfare Benefits. All full-time employees, including the named executive officers, may participate in the health and welfare benefit programs including medical, dental, vision, flexible spending, life insurance and disability insurance.

Termination Benefits. The named executive officers do not have any employment agreements that call for payments of termination or severance benefits or that provide for any payments in the event of a change in control of ETP GP, and the named executive officers are not expected to enter into any employment agreements in connection with the

merger. The 2008 Incentive Plan and 2011 Incentive Plan provide the ETP Compensation Committee with the discretion, unless otherwise specified in the applicable award agreement, to provide for

Table of Contents

immediate vesting of all unvested restricted unit awards in the event of (i) a change of control, as defined in the applicable plan; (ii) death or (iii) disability, as defined in the applicable plan. In the case of the December 2014, 2015 and 2016 long-term incentive awards to the named executive officers under the 2008 Incentive Plan or, as applicable, the SXL Plan and the Sunoco LP equity plan, the restricted stock unit awards would immediately and fully vest in the event of a change of control, as defined in the applicable plan. Please refer to Compensation Tables Potential Payments Upon a Termination or Change of Control for additional information.

In addition, ETP GP has also adopted the ETP GP Severance Plan and Summary Plan Description effective as of June 12, 2013, (the Severance Plan), which provides for payment of certain severance benefits in the event of Qualifying Termination (as that term is defined in the Severance Plan). In general, the Severance Plan provides payment of two weeks of annual base salary for each year or partial year of employment service, up to a maximum of fifty-two weeks or one year of annual base salary (with a minimum of four weeks of annual base salary) and up to three months of continued group health insurance coverage. The Severance Plan also provides that additional benefits in addition to those provided under the Severance Plan may be paid based on special circumstances, which additional benefits shall be unique and non-precedent setting. The Severance Plan is available to all salaried employees on a nondiscriminatory basis; therefore, amounts that would be payable to the named executive officers upon a Qualified Termination have been excluded from Compensation Tables Potential Payments Upon a Termination or Change of Control below.

ETP Deferred Compensation Plan. ETP maintains a deferred compensation plan (DC Plan), which permits eligible highly compensated employees to defer a portion of their salary and/or bonus until retirement or termination of employment or other designated distribution. Under the DC Plan, each year eligible employees are permitted to make an irrevocable election to defer up to 50% of their annual base salary, 50% of their quarterly non-vested unit distribution income, and/or 50% of their discretionary performance bonus compensation to be earned for services performed during the following year. Pursuant to the DC Plan, ETP may make annual discretionary matching contributions to participants' accounts; however, ETP has not made any discretionary contributions to participants' accounts and currently has no plans to make any discretionary contributions to participants' accounts. All amounts credited under the DC Plan (other than discretionary credits) are immediately 100% vested. Participant accounts are credited with deemed earnings or losses based on hypothetical investment fund choices made by the participants among available funds.

Participants may elect to have their accounts distributed in one lump sum payment or in annual installments over a period of three or five years upon retirement, and in a lump sum upon other termination. Participants may also elect to take lump-sum in-service withdrawals five years or longer in the future, and such scheduled in-service withdrawals may be further deferred prior to the withdrawal date. Upon a change in control (as defined in the DC Plan) of ETP, all DC Plan accounts are immediately vested in full. However, distributions are not accelerated and, instead, are made in accordance with the DC Plan's normal distribution provisions unless a participant has elected to receive a change of control distribution pursuant to his deferral agreement.

ETP Deferred Compensation Plan for Former Sunoco Executives. The ETP Deferred Compensation Plan for Former Sunoco Executives (SXL DC Plan) is a deferred compensation plan established by ETP in connection with ETP's acquisition of SXL. In 2012, Mr. Hennigan waived any future rights or benefits to which he otherwise would have been entitled under both the Sunoco, Inc. Executive Retirement Plan (SERP), a non-qualified, unfunded plan that provided supplemental pension benefits over and above the benefits under the Sunoco, Inc. Retirement Plan (SCIRP), a qualified defined benefit plan sponsored by Sunoco, Inc., under which benefits are subject to IRS limits for pay and amount, and SXL's pension restoration plan, in return for which, \$2,789,413 of such deferred compensation benefits was credited to Mr. Hennigan's account under the SXL DC Plan. Mr. Hennigan is the only named executive officer eligible to participate in the SXL DC Plan. Mr. Hennigan's account is 100 percent vested and will be distributed in one

lump sum payment upon his retirement or termination of employment, or other designated distribution event, including a change of control (as defined in the SXL DC Plan). His account is credited with deemed earnings (or losses) based on hypothetical investment fund choices made by him among available funds.

Table of Contents

Risk Assessment Related to Compensation Structure. ETP believes the compensation plans and programs for the named executive officers, as well as other employees, are appropriately structured and are not reasonably likely to result in material risk to ETP. ETP believes the compensation plans and programs are structured in a manner that does not promote excessive risk-taking that could harm value or reward poor judgment. ETP also believes that compensation is allocated among base salary and short and long-term compensation in such a way as to not encourage excessive risk-taking. In particular, ETP generally does not adjust base annual salaries for the executive officers and other employees significantly from year to year, and therefore the annual base salary of employees is not generally impacted by ETP's overall financial performance or the financial performance of an operating segment. Whether, and to what extent, the named executive officers receive a cash bonus is generally determined based on the achievement of specified financial performance objectives as well as the individual contributions of the named executive officers to ETP's success. Restricted units rather than unit options are used for equity awards because restricted units retain value even in a depressed market so that employees are less likely to take unreasonable risks to get, or keep, options in-the-money. Finally, the time-based vesting over five years for long-term incentive awards ensures that employees' interests align with those of the unitholders for the long-term performance of ETP.

Compensation Tables*Summary Compensation Table*

| Name and Principal Position | Year | Salary (\$) | Bonus (1) (\$) | Equity Awards (2) (\$) | Option Awards (3) (\$) | Non-qualified Deferred Incentive Compensation (\$) | Change in Pension Value and Nonqualified Deferred Incentive Compensation (\$) | Earnings All Other Compensation (4) (\$) | Total (\$) |
|---|------|----------------|-------------------|------------------------------|------------------------------|--|--|---|---------------|
| | | | | | | | | | |
| Kelcy L. Warren (5) Chief Executive Officer | 2016 | \$ 5,920 | \$ | \$ | \$ | \$ | \$ | \$ 58 | \$ 5,978 |
| | 2015 | 6,338 | | | | | | | 6,338 |
| | 2014 | 6,921 | | | | | | | 6,921 |
| Thomas E. Long Chief Financial Officer | 2016 | 454,154 | 560,865 | 2,007,697 | | | | 14,679 | 3,037,395 |
| | 2015 | 399,207 | 480,296 | 1,447,063 | | | | 14,282 | 2,340,848 |
| | 2014 | 326,221 | 391,465 | 777,850 | | | | | |