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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2021

OR

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

For the transition period from _______ to _______

Commission File Number 1-16417

NuStar Energy L.P.

(Exact name of registrant as specified in its charter)

Delaware	**74-2956831**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

19003 IH-10 West
San Antonio, Texas
(Address of principal executive offices)
78257
(Zip Code)

Registrant's telephone number, including area code (210) 918-2000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common units	NS	New York Stock Exchange
Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprA	New York Stock Exchange
Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprB	New York Stock Exchange
Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprC	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No o

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

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

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

The number of common units outstanding as of July 31, 2021 was 109,532,470.

NUSTAR ENERGY L.P.
FORM 10-Q

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

NUSTAR ENERGY L.P. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited, Thousands of Dollars, Except Unit Data)

	June 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 23,500	$ 153,625
Accounts receivable, net	143,392	133,473
Inventories	12,812	11,059
Prepaid and other current assets	30,177	25,400
Total current assets	209,881	323,557
Property, plant and equipment, at cost	6,255,183	6,164,742
Accumulated depreciation and amortization	(2,323,020)	(2,207,230)
Property, plant and equipment, net	3,932,163	3,957,512
Intangible assets, net	604,497	630,209
Goodwill	766,416	766,416
Other long-term assets, net	133,023	139,324
Total assets	$ 5,645,980	$ 5,817,018
Liabilities, Mezzanine Equity and Partners' Equity		
Current liabilities:		
Accounts payable	$ 70,484	$ 71,731
Current portion of finance lease obligations	3,522	3,839
Accrued interest payable	39,161	50,847
Accrued liabilities	60,711	77,770
Taxes other than income tax	15,432	16,998
Total current liabilities	189,310	221,185
Long-term debt, less current portion	3,496,933	3,593,496
Deferred income tax liability	12,252	13,011
Other long-term liabilities	152,047	157,825
Total liabilities	3,850,542	3,985,517
Commitments and contingencies (Note 6)		
Series D preferred limited partners (23,246,650 preferred units outstanding as of June 30, 2021 and December 31, 2020) (Note 8)	607,718	599,542
Partners' equity (Note 9):		
Preferred limited partners		
Series A (9,060,000 units outstanding as of June 30, 2021 and December 31, 2020)	218,307	218,307
Series B (15,400,000 units outstanding as of June 30, 2021 and December 31, 2020)	371,476	371,476
Series C (6,900,000 units outstanding as of June 30, 2021 and December 31, 2020)	166,518	166,518
Common limited partners (109,532,026 and 109,468,127 common units outstanding as of June 30, 2021 and December 31, 2020, respectively)	523,711	572,314
Accumulated other comprehensive loss	(92,292)	(96,656)
Total partners' equity	1,187,720	1,231,959
Total liabilities, mezzanine equity and partners' equity	$ 5,645,980	$ 5,817,018

See Condensed Notes to Consolidated Financial Statements.

NUSTAR ENERGY L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited, Thousands of Dollars, Except Unit and Per Unit Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues:				
Service revenues	$ 300,788	$ 284,151	$ 572,671	$ 600,897
Product sales	126,305	55,389	216,068	131,434
Total revenues	427,093	339,540	788,739	732,331
Costs and expenses:				
Costs associated with service revenues:				
Operating expenses (excluding depreciation and amortization expense)	100,493	101,078	187,780	201,260
Depreciation and amortization expense	68,964	69,214	137,382	137,275
Total costs associated with service revenues	169,457	170,292	325,162	338,535
Cost associated with product sales	112,641	50,676	193,754	118,126
Goodwill impairment loss	—	—	—	225,000
General and administrative expenses (excluding depreciation and amortization expense)	27,477	23,700	51,969	46,671
Other depreciation and amortization expense	1,913	2,171	3,960	4,357
Total costs and expenses	311,488	246,839	574,845	732,689
Operating income (loss)	115,605	92,701	213,894	(358)
Interest expense, net	(53,780)	(59,499)	(108,698)	(106,993)
Loss on extinguishment of debt	—	(3,842)	—	(3,842)
Other income (expense), net	2,896	2,216	3,294	(4,273)
Income (loss) before income tax expense	64,721	31,576	108,490	(115,466)
Income tax expense	1,338	1,810	2,850	2,409
Net income (loss)	$ 63,383	$ 29,766	$ 105,640	$ (117,875)
Basic and diluted net income (loss) per common unit (Note 10)	$ 0.25	$ (0.06)	$ 0.30	$ (1.74)
Basic and diluted weighted-average common units outstanding	109,529,658	109,194,722	109,518,004	109,046,061
Comprehensive income (loss)	$ 65,627	$ 32,520	$ 110,004	$ (151,434)

See Condensed Notes to Consolidated Financial Statements.

NUSTAR ENERGY L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, Thousands of Dollars)

	Six Months Ended June 30,	
	2021	2020
Cash Flows from Operating Activities:		
Net income (loss)	$ 105,640	$ (117,875)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	141,342	141,632
Amortization of unit-based compensation	7,154	5,193
Amortization of debt related items	6,025	3,976
Goodwill impairment loss	—	225,000
Changes in current assets and current liabilities (Note 11)	(43,333)	(6,174)
Decrease in other long-term assets	5,440	5,980
(Decrease) increase in other long-term liabilities	(6,162)	3,601
Other, net	(1,869)	9,108
Net cash provided by operating activities	214,237	270,441
Cash Flows from Investing Activities:		
Capital expenditures	(87,194)	(96,358)
Change in accounts payable related to capital expenditures	(5,345)	(15,509)
Proceeds from sale or disposition of assets	304	5,787
Net cash used in investing activities	(92,235)	(106,080)
Cash Flows from Financing Activities:		
Proceeds from Term Loan, net of discount and issuance costs	—	463,051
Proceeds from long-term debt borrowings	490,500	326,984
Proceeds from short-term debt borrowings	—	52,000
Long-term debt repayments	(588,300)	(704,715)
Short-term debt repayments	—	(57,500)
Distributions to preferred unitholders	(63,774)	(60,846)
Distributions to common unitholders	(87,623)	(108,846)
Payments for termination of interest rate swaps	—	(49,225)
Payment of tax withholding for unit-based compensation	(632)	(8,820)
Increase (decrease) in cash book overdrafts	458	(1,359)
Other, net	(3,482)	(13,043)
Net cash used in financing activities	(252,853)	(162,319)
Effect of foreign exchange rate changes on cash	727	(945)
Net (decrease) increase in cash, cash equivalents and restricted cash	(130,124)	1,097
Cash, cash equivalents and restricted cash as of the beginning of the period	162,426	24,980
Cash, cash equivalents and restricted cash as of the end of the period	$ 32,302	$ 26,077

See Condensed Notes to Consolidated Financial Statements.

NUSTAR ENERGY L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY AND MEZZANINE EQUITY
Three Months Ended June 30, 2021 and 2020
(Unaudited, Thousands of Dollars, Except Per Unit Data)

	Limited Partners				Mezzanine Equity	
	Preferred	Common	Accumulated Other Comprehensive Loss	Total Partners' Equity (Note 9)	Series D Preferred Limited Partners (Note 8)	Total
Balance as of March 31, 2021	$ 756,301	$ 537,537	$ (94,536)	$ 1,199,302	$ 603,563	$ 1,802,865
Net income	16,033	31,496	—	47,529	15,854	63,383
Other comprehensive income	—	—	2,244	2,244	—	2,244
Distributions to partners:						
Series A, B and C preferred	(16,033)	—	—	(16,033)	—	(16,033)
Common ($0.40 per unit)	—	(43,812)	—	(43,812)	—	(43,812)
Series D preferred	—	—	—	—	(15,854)	(15,854)
Unit-based compensation	—	2,652	—	2,652	—	2,652
Series D preferred unit accretion	—	(4,155)	—	(4,155)	4,155	—
Other	—	(7)	—	(7)	—	(7)
Balance as of June 30, 2021	$ 756,301	$ 523,711	$ (92,292)	$ 1,187,720	$ 607,718	$ 1,795,438
Balance as of March 31, 2020	$ 756,301	$ 855,722	$ (104,209)	$ 1,507,814	$ 586,837	$ 2,094,651
Net income (loss)	16,033	(918)	—	15,115	14,651	29,766
Other comprehensive income	—	—	2,754	2,754	—	2,754
Distributions to partners:						
Series A, B and C preferred	(16,033)	—	—	(16,033)	—	(16,033)
Common ($0.40 per unit)	—	(43,677)	—	(43,677)	—	(43,677)
Series D preferred	—	—	—	—	(14,651)	(14,651)
Unit-based compensation	—	2,056	—	2,056	—	2,056
Series D Preferred Unit accretion	—	(5,064)	—	(5,064)	5,064	—
Other	—	(1)	—	(1)	(6)	(7)
Balance as of June 30, 2020	$ 756,301	$ 808,118	$ (101,455)	$ 1,462,964	$ 591,895	$ 2,054,859

See Condensed Notes to Consolidated Financial Statements.

NUSTAR ENERGY L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY AND MEZZANINE EQUITY
Six Months Ended June 30, 2021 and 2020
(Unaudited, Thousands of Dollars, Except Per Unit Data)

	Limited Partners				Mezzanine Equity	
	Preferred	Common	Accumulated Other Comprehensive Loss	Total Partners' Equity (Note 9)	Series D Preferred Limited Partners (Note 8)	Total
Balance as of January 1, 2021	$ 756,301	$ 572,314	$ (96,656)	$ 1,231,959	$ 599,542	$ 1,831,501
Net income	32,066	41,866	—	73,932	31,708	105,640
Other comprehensive income	—	—	4,364	4,364	—	4,364
Distributions to partners:						
Series A, B and C preferred	(32,066)	—	—	(32,066)	—	(32,066)
Common ($0.80 per unit)	—	(87,623)	—	(87,623)	—	(87,623)
Series D preferred	—	—	—	—	(31,708)	(31,708)
Unit-based compensation	—	5,330	—	5,330	—	5,330
Series D preferred unit accretion	—	(8,176)	—	(8,176)	8,176	—
Balance as of June 30, 2021	$ 756,301	$ 523,711	$ (92,292)	$ 1,187,720	$ 607,718	$ 1,795,438
Balance as of January 1, 2020	$ 756,301	$ 1,087,805	$ (67,896)	$ 1,776,210	$ 581,935	$ 2,358,145
Net income (loss)	32,066	(178,982)	—	(146,916)	29,041	(117,875)
Other comprehensive loss	—	—	(33,559)	(33,559)	—	(33,559)
Distributions to partners:						
Series A, B and C preferred	(32,066)	—	—	(32,066)	—	(32,066)
Common ($1.00 per unit)	—	(108,846)	—	(108,846)	—	(108,846)
Series D preferred	—	—	—	—	(29,041)	(29,041)
Unit-based compensation	—	18,107	—	18,107	—	18,107
Series D Preferred Unit accretion	—	(9,966)	—	(9,966)	9,966	—
Other	—	—	—	—	(6)	(6)
Balance as of June 30, 2020	$ 756,301	$ 808,118	$ (101,455)	$ 1,462,964	$ 591,895	$ 2,054,859

See Condensed Notes to Consolidated Financial Statements.

NUSTAR ENERGY L.P. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization and Operations
NuStar Energy L.P. (NYSE: NS) is a Delaware limited partnership primarily engaged in the transportation, terminalling and storage of petroleum products and renewable fuels and the transportation of anhydrous ammonia. Unless otherwise indicated, the terms “NuStar Energy,” “NS,” “the Partnership,” “we,” “our” and “us” are used in this report to refer to NuStar Energy L.P., to one or more of our consolidated subsidiaries or to all of them taken as a whole. Our business is managed under the direction of the board of directors of NuStar GP, LLC, the general partner of our general partner, Riverwalk Logistics, L.P., both of which are indirectly wholly owned subsidiaries of ours.

We conduct our operations through our subsidiaries, primarily NuStar Logistics, L.P. (NuStar Logistics) and NuStar Pipeline Operating Partnership L.P. (NuPOP). We have three business segments: pipeline, storage and fuels marketing.

Recent Developments
COVID-19. The coronavirus, or COVID-19, had a severe negative impact on global economic activity during 2020, significantly reducing demand for petroleum products and increasing the volatility of crude oil prices, beginning in March 2020. Amid signs of stabilization and improvement across the U.S. economy in 2021, ongoing uncertainty surrounding the COVID-19 pandemic has caused and may continue to cause volatility and could have a significant impact on management’s estimates and assumptions in 2021 and beyond.

Senior Notes. On February 1, 2021, we repaid our $300.0 million of 6.75% senior notes at maturity with borrowings under our revolving credit agreement.

Term Loan Credit Agreement. On February 16, 2021, we terminated an unsecured term loan credit agreement with certain lenders and Oaktree Fund Administration, LLC, as administrative agent for the lenders (the Term Loan). Please refer to Note 5 for further discussion about the Term Loan.

Selby Terminal Fire. On October 15, 2019, our terminal facility in Selby, California experienced a fire that destroyed two storage tanks and temporarily shut down the terminal. For the six months ended June 30, 2021, we received insurance proceeds of $20.5 million and for the year ended December 31, 2020, we received insurance proceeds of $35.0 million, including $25.0 million for the six months ended June 30, 2020. Gains from business interruption insurance of $4.0 million and $3.1 million for the six months ended June 30, 2021 and June 30, 2020, respectively, are included in “Operating expenses” in the condensed consolidated statements of comprehensive income (loss). Insurance proceeds relate to cleanup costs and business interruption and are therefore included in “Cash flows from operating activities” in the consolidated statement of cash flows. We believe we have adequate insurance to offset additional costs.

Basis of Presentation
These unaudited condensed consolidated financial statements include the accounts of the Partnership and subsidiaries in which the Partnership has a controlling interest. Inter-partnership balances and transactions have been eliminated in consolidation.

These unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information and with the instructions to the Quarterly Report on Form 10-Q and Article 10 of Regulation S-X of the Securities Exchange Act of 1934. Accordingly, they do not include all of the information and notes required by GAAP for complete consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included, and all disclosures are adequate. All such adjustments are of a normal recurring nature unless disclosed otherwise. Operating results for the six months ended June 30, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2020.

We have reclassified certain previously reported amounts in the consolidated financial statements and notes to conform to current-period presentation.

2. NEW ACCOUNTING PRONOUNCEMENT

Accounting for Convertible Instruments and Contracts in an Entity's Own Equity

In August 2020, the Financial Accounting Standards Board (FASB) issued guidance intended to simplify the accounting for convertible instruments by eliminating certain accounting models for convertible debt instruments and convertible preferred stock, requiring the calculation of diluted earnings-per-unit to include the effect of potential unit settlement for any convertible instruments that may be settled in either cash or units, and amending the disclosure requirements for convertible instruments. The guidance is effective for annual periods beginning after December 15, 2021, and early adoption is permitted for annual periods beginning after December 15, 2020. Amendments may be applied using either a modified retrospective approach or a fully retrospective approach. We plan to adopt the amended guidance on January 1, 2022 using the modified retrospective approach. We are currently assessing the impact of this amended guidance on our financial position, results of operations and disclosures and plan to provide additional information about the expected impact at a future date.

3. GOODWILL IMPAIRMENT

In March 2020, the COVID-19 pandemic and actions taken by the Organization of Petroleum Exporting Countries and other oil-producing nations (OPEC+) resulted in severe disruptions in the capital and commodities markets, which led to significant decline in our unit price. As a result, our equity market capitalization fell significantly. The decline in crude oil prices and demand for petroleum products also led to a decline in expected earnings from some of our goodwill reporting units. These factors and others related to COVID-19 and OPEC+ caused us to conclude there were triggering events that occurred in March 2020 that required us to perform a goodwill impairment test as of March 31, 2020. We recognized a goodwill impairment charge of $225.0 million in the first quarter of 2020, which is reported in the pipeline segment. Our assessment did not identify any other reporting units at risk of a goodwill impairment.

We calculated the estimated fair value of each of our reporting units using a weighted-average of values determined from an income approach and a market approach. The income approach involves estimating the fair value of each reporting unit by discounting its estimated future cash flows using a discount rate that would be consistent with a market participant's assumption. The market approach bases the fair value measurement on information obtained from observed stock prices of public companies and recent merger and acquisition transaction data of comparable entities. In order to estimate the fair value of goodwill, management must make certain estimates and assumptions that affect the total fair value of the reporting unit including, among other things, an assessment of market conditions, projected cash flows, discount rates and growth rates. Management's estimates of projected cash flows related to the reporting unit include, but are not limited to, future earnings of the reporting unit, assumptions about the use or disposition of assets included in the reporting unit, estimated remaining lives of those assets, and future expenditures necessary to maintain the asset's existing service potential. The assumptions in the fair value measurement reflect the current market environment, industry-specific factors and company-specific factors.

We assess goodwill for impairment annually on October 1, or more frequently if events or changes in circumstances indicate it might be impaired, and completed our most recent quantitative assessment on October 1, 2020. Although we determined that no impairment charges resulted from our October 1, 2020 impairment assessment, the fair value of the crude oil pipelines reporting unit, which is included in the pipeline reporting segment, exceeded its carrying value by approximately 4.0%. The goodwill associated with the crude oil pipelines reporting unit totaled $308.6 million as of June 30, 2021 and October 1, 2020. Considering that the carrying value of the reporting unit was written down to its fair value with the first quarter of 2020 impairment charge discussed above, changes to certain assumptions used in our estimate could cause the fair value to be less than the carrying value of the crude oil pipelines reporting unit, resulting in an impairment. We did not identify any factors that warrant an interim goodwill impairment test or an evaluation of the recoverability of the carrying value of our long-lived assets as of June 30, 2021.

Management's estimates are based on numerous assumptions about future operations and market conditions, which we believe to be reasonable but are inherently uncertain. The uncertainties underlying our assumptions and estimates, including uncertainty surrounding the COVID-19 pandemic, could differ significantly from actual results and lead to a different determination of the fair value of our assets.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

Contract Assets and Contract Liabilities

The following table provides information about contract assets and contract liabilities from contracts with customers:

	2021		2020	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
	(Thousands of Dollars)			
Balances as of January 1:				
Current portion	$ 2,694	$ (22,019)	$ 2,140	$ (21,083)
Noncurrent portion	932	(47,537)	1,003	(40,289)
Total	3,626	(69,556)	3,143	(61,372)
Activity:				
Additions	1,898	(19,401)	2,670	(34,156)
Transfer to accounts receivable	(2,055)	—	(2,258)	—
Transfer to revenues	(250)	25,987	(125)	29,848
Total	(407)	6,586	287	(4,308)
Balances as of June 30:				
Current portion	2,590	(17,002)	2,218	(20,235)
Noncurrent portion	629	(45,968)	1,212	(45,445)
Total	$ 3,219	$ (62,970)	$ 3,430	$ (65,680)

Remaining Performance Obligations

The following table presents our estimated revenue from contracts with customers for remaining performance obligations that has not yet been recognized, representing our contractually committed revenue as of June 30, 2021 (in thousands of dollars):

2021 (remaining)	$ 245,634
2022	399,345
2023	280,095
2024	189,149
2025	130,697
Thereafter	176,403
Total	$ 1,421,323

Our contractually committed revenue, for purposes of the tabular presentation above, is generally limited to customer service contracts that have fixed pricing and fixed volume terms and conditions, generally including contracts with payment obligations for take-or-pay minimum volume commitments.

Disaggregation of Revenues

The following table disaggregates our revenues:

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
	(Thousands of Dollars)			
Pipeline segment:				
Crude oil pipelines	$ 82,034	$ 79,110	$ 156,622	$ 170,832
Refined products and ammonia pipelines (excluding lessor revenues)	110,872	86,173	205,512	189,307
Total pipeline segment revenues from contracts with customers	192,906	165,283	362,134	360,139
Lessor revenues	—	825	—	1,650
Total pipeline segment revenues	192,906	166,108	362,134	361,789
Storage segment:				
Throughput terminals	35,143	32,199	59,937	70,922
Storage terminals (excluding lessor revenues)	73,742	76,880	147,158	151,046
Total storage segment revenues from contracts with customers	108,885	109,079	207,095	221,968
Lessor revenues	10,363	10,328	20,727	20,656
Total storage segment revenues	119,248	119,407	227,822	242,624
Fuels marketing segment:				
Revenues from contracts with customers	114,939	54,025	198,794	127,927
Consolidation and intersegment eliminations	—	—	(11)	(9)
Total revenues	$ 427,093	$ 339,540	$ 788,739	$ 732,331

5. DEBT

Revolving Credit Agreement

On February 16, 2021, NuStar Logistics amended its $1.0 billion revolving credit agreement due October 27, 2023 (the Revolving Credit Agreement) to, among other things, expand certain adjustments related to our maximum consolidated debt coverage ratio and minimum consolidated interest coverage ratio.

As of June 30, 2021, we had $185.0 million of borrowings outstanding and $809.8 million available for borrowing under the Revolving Credit Agreement. Letters of credit issued under the Revolving Credit Agreement totaled $5.2 million as of June 30, 2021 and limit the amount we can borrow under the Revolving Credit Agreement. Obligations under the Revolving Credit Agreement are guaranteed by NuStar Energy and NuPOP. The Revolving Credit Agreement provides for U.S. dollar borrowings, which bear interest, at our option, based on an alternative base rate or a LIBOR-based rate. The interest rate on the Revolving Credit Agreement is subject to adjustment if our debt rating is downgraded (or upgraded) by certain credit rating agencies. As of June 30, 2021, our weighted-average interest rate related to borrowings under the Revolving Credit Agreement was 2.6%.

The Revolving Credit Agreement is subject to maximum consolidated debt coverage ratio and minimum consolidated interest coverage ratio requirements, which may limit the amount we can borrow under the Revolving Credit Agreement to an amount less than the total amount available for borrowing. For the rolling period of four quarters ended June 30, 2021, the consolidated debt coverage ratio (as defined in the Revolving Credit Agreement) could not exceed 5.00-to-1.00 and the consolidated interest coverage ratio (as defined in the Revolving Credit Agreement) must not be less than 1.75-to-1.00. As of June 30, 2021, we believe that we are in compliance with the covenants in the Revolving Credit Agreement.

NuStar Logistics Senior Notes
Senior Note Repayment. We repaid our $300.0 million of 6.75% senior notes due February 1, 2021 with borrowings under our Revolving Credit Agreement.

Current Maturities. We expect to fund senior note maturities in February 2022 by utilizing borrowings under our Revolving Credit Agreement. Therefore, these senior note maturities are classified as long-term debt.

Term Loan Credit Agreement
On April 19, 2020, NuStar Energy and NuStar Logistics entered into an unsecured term loan credit agreement with certain lenders and Oaktree Fund Administration, LLC, as administrative agent for the lenders. The Term Loan provided for an aggregate commitment of up to $750.0 million pursuant to a three-year unsecured term loan credit facility. NuStar Logistics drew $500.0 million on April 21, 2020, which we repaid on September 16, 2020. On February 16, 2021, we terminated the Term Loan.

Receivables Financing Agreement
NuStar Energy and NuStar Finance LLC (NuStar Finance), a special purpose entity and wholly owned subsidiary of NuStar Energy, are parties to a $100.0 million receivables financing agreement with a third-party lender (the Receivables Financing Agreement) and agreements with certain of NuStar Energy's wholly owned subsidiaries (collectively with the Receivables Financing Agreement, the Securitization Program). NuStar Energy provides a performance guarantee in connection with the Securitization Program. NuStar Finance's sole activity consists of purchasing receivables from NuStar Energy's subsidiaries that participate in the Securitization Program and providing these receivables as collateral for NuStar Finance's revolving borrowings under the Securitization Program. NuStar Finance is a separate legal entity and the assets of NuStar Finance, including these accounts receivable, are not available to satisfy the claims of creditors of NuStar Energy, its subsidiaries selling receivables under the Securitization Program or their affiliates. The amount available for borrowing is based on the availability of eligible receivables and other customary factors and conditions.

Borrowings by NuStar Finance under the Receivables Financing Agreement bear interest at the applicable bank rate, as defined under the Receivables Financing Agreement. The weighted average interest rate related to outstanding borrowings under the Securitization Program as of June 30, 2021 was 2.3%. As of June 30, 2021, $125.4 million of our accounts receivable was included in the Securitization Program. The amount of borrowings outstanding under the Receivables Financing Agreement totaled $74.2 million as of June 30, 2021.

Fair Value of Long-Term Debt
The estimated fair values and carrying amounts of long-term debt, excluding finance leases, were as follows:

	June 30, 2021	December 31, 2020
	(Thousands of Dollars)	
Fair value	$ 3,793,490	$ 3,799,378
Carrying amount	$ 3,443,530	$ 3,539,258

We have estimated the fair value of our publicly traded notes based upon quoted prices in active markets; therefore, we determined that the fair value of our publicly traded notes falls in Level 1 of the fair value hierarchy. With regard to our other debt, for which a quoted market price is not available, we have estimated the fair value using a discounted cash flow analysis using current incremental borrowing rates for similar types of borrowing arrangements and determined that the fair value falls in Level 2 of the fair value hierarchy. The carrying amount includes net fair value adjustments, unamortized discounts and unamortized debt issuance costs.

6. COMMITMENTS AND CONTINGENCIES

We have contingent liabilities resulting from various litigation, claims and commitments. We record accruals for loss contingencies when losses are considered probable and can be reasonably estimated. Legal fees associated with defending the Partnership in legal matters are expensed as incurred. We accrued $0.1 million and $2.6 million for contingent losses as of June 30, 2021 and December 31, 2020, respectively. The amount that will ultimately be paid related to such matters may differ from the recorded accruals, and the timing of such payments is uncertain. We evaluate each contingent loss at least quarterly, and more frequently as each matter progresses and develops over time, and we do not believe that the resolution of any particular claim or proceeding, or all matters in the aggregate, would have a material adverse effect on our results of operations, financial position or liquidity.

7. DERIVATIVES

We utilize various derivative instruments to manage our exposure to interest rate risk and commodity price risk. Our risk management policies and procedures are designed to monitor interest rates, futures and swap positions and over-the-counter positions, as well as physical commodity volumes, grades, locations and delivery schedules, to help ensure that our hedging activities address our market risks. Derivative financial instruments associated with commodity price risk with respect to our petroleum product inventories and related firm commitments to purchase and/or sell such inventories were not material for any periods presented.

We were a party to certain interest rate swap agreements to manage our exposure to changes in interest rates, which consisted of forward-starting interest rate swap agreements related to a forecasted debt issuance in 2020. We entered into these swaps in order to hedge the risk of fluctuations in the required interest payments attributable to changes in the benchmark interest rate during the period from the effective date of the swap to the issuance of the forecasted debt. Under the terms of the swaps, we paid a weighted-average fixed rate and received a rate based on the three-month USD LIBOR. These swaps qualified as cash flow hedges, and we designated them as such. We recorded mark-to-market adjustments as a component of “Accumulated other comprehensive loss” (AOCI), and the amount in AOCI is recognized in “Interest expense, net” as the forecasted interest payments occur or if the interest payments are probable not to occur. In June 2020, we terminated forward-starting interest rate swaps with an aggregate notional amount of $250.0 million and paid $49.2 million, which is amortized into “Interest expense, net” as the related forecasted interest payments occur.

Our forward-starting interest rate swaps had the following impact on earnings:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Thousands of Dollars)			
Loss recognized in other comprehensive loss on derivative	$ —	$ (461)	$ —	$ (30,291)
Loss reclassified from AOCI into interest expense, net	$ (1,335)	$ (878)	$ (2,683)	$ (1,525)

As of June 30, 2021, we expect to reclassify a loss of $4.0 million to “Interest expense, net” within the next twelve months associated with unwound forward-starting interest rate swaps.

8. SERIES D CUMULATIVE CONVERTIBLE PREFERRED UNITS

Distributions on the Series D Cumulative Convertible Preferred Units (Series D Preferred Units) are payable out of any legally available funds, accrue and are cumulative from the original issuance dates, and are payable on the 15th day (or next business day) of each of March, June, September and December, to holders of record on the first business day of each payment month. The distribution rates on the Series D Preferred Units are as follows: (i) 9.75%, or $57.6 million, per annum ($0.619 per unit per distribution period) for the first two years (beginning with the September 17, 2018 distribution); (ii) 10.75%, or $63.4 million, per annum ($0.682 per unit per distribution period) for years three through five; and (iii) the greater of 13.75%, or $81.1 million, per annum ($0.872 per unit per distribution period) or the distribution per common unit thereafter. While the Series D Preferred Units are outstanding, the Partnership will be prohibited from paying distributions on any junior securities, including the common units, unless full cumulative distributions on the Series D Preferred Units (and any parity securities) have been, or contemporaneously are being, paid or set aside for payment through the most recent Series D Preferred Unit distribution payment date. Any Series D Preferred Unit distributions in excess of $0.635 per unit may be paid, in the Partnership’s sole discretion, in additional Series D Preferred Units, with the remainder paid in cash.

In July 2021, our board of directors declared distributions of $0.682 per Series D Preferred Unit to be paid on September 15, 2021.

9. PARTNERS' EQUITY

Series A, B and C Preferred Units

We allocate net income to our 8.50% Series A, 7.625% Series B and 9.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (collectively, the Series A, B and C Preferred Units) equal to the amount of distributions earned during the period. Distributions on our Series A, B and C Preferred Units are payable out of any legally available funds, accrue and are cumulative from the original issuance dates, and are payable on the 15th day (or next business day) of each of March, June, September and December of each year to holders of record on the first business day of each payment month as follows (until the distribution rate changes to a floating rate):

Units	Fixed Distribution Rate Per Unit Per Quarter	Fixed Distribution Per Quarter (Thousands of Dollars)	Date at Which Distribution Rate Becomes Floating
Series A Preferred Units	$ 0.53125	$ 4,813	December 15, 2021
Series B Preferred Units	$ 0.47657	$ 7,339	June 15, 2022
Series C Preferred Units	$ 0.56250	$ 3,881	December 15, 2022

In July 2021, our board of directors declared distributions with respect to the Series A, B and C Preferred Units to be paid on September 15, 2021.

Common Limited Partners

We make quarterly distributions to common unitholders of 100% of our “Available Cash,” generally defined as cash receipts less cash disbursements, including distributions to our preferred units, and cash reserves established by the general partner, in its sole discretion. These quarterly distributions are declared and paid within 45 days subsequent to each quarter-end. The common unitholders receive a distribution each quarter as determined by the board of directors, subject to limitation by the distributions in arrears, if any, on our preferred units.

The following table summarizes information about quarterly cash distributions declared for our common limited partners:

Quarter Ended	Cash Distributions Per Unit	Total Cash Distributions (Thousands of Dollars)	Record Date	Payment Date
June 30, 2021	$ 0.40	$ 43,814	August 6, 2021	August 12, 2021
March 31, 2021	$ 0.40	$ 43,834	May 10, 2021	May 14, 2021
December 31, 2020	$ 0.40	$ 43,787	February 8, 2021	February 12, 2021

Accumulated Other Comprehensive Income (Loss)

The balance of and changes in the components included in AOCI were as follows:

	Three Months Ended June 30,							
	2021				2020			
	Foreign Currency Translation	Cash Flow Hedges	Pension and Other Postretirement Benefits	Total	Foreign Currency Translation	Cash Flow Hedges	Pension and Other Postretirement Benefits	Total
	(Thousands of Dollars)							
Balance as of March 31	$ (41,405)	$ (40,802)	$ (12,329)	$ (94,536)	$ (50,600)	$ (45,307)	$ (8,302)	$ (104,209)
Other comprehensive income (loss):								
Other comprehensive income (loss) before reclassification adjustments	1,094	—	—	1,094	2,638	(461)	—	2,177
Net gain on pension costs reclassified into other income, net	—	—	(187)	(187)	—	—	(305)	(305)
Net loss on cash flow hedges reclassified into interest expense, net	—	1,335	—	1,335	—	878	—	878
Other	—	—	2	2	—	—	4	4
Other comprehensive income (loss)	1,094	1,335	(185)	2,244	2,638	417	(301)	2,754
Balance as of June 30	$ (40,311)	$ (39,467)	$ (12,514)	$ (92,292)	$ (47,962)	$ (44,890)	$ (8,603)	$ (101,455)

	Six Months Ended June 30,							
	2021				2020			
	Foreign Currency Translation	Cash Flow Hedges	Pension and Other Postretirement Benefits	Total	Foreign Currency Translation	Cash Flow Hedges	Pension and Other Postretirement Benefits	Total
	(Thousands of Dollars)							
Balance as of January 1	$ (42,362)	$ (42,150)	$ (12,144)	$ (96,656)	$ (43,772)	$ (16,124)	$ (8,000)	$ (67,896)
Other comprehensive income (loss):								
Other comprehensive income (loss) before reclassification adjustments	2,051	—	—	2,051	(4,190)	(30,291)	—	(34,481)
Net gain on pension costs reclassified into other income, net	—	—	(374)	(374)	—	—	(610)	(610)
Net loss on cash flow hedges reclassified into interest expense, net	—	2,683	—	2,683	—	1,525	—	1,525
Other	—	—	4	4	—	—	7	7
Other comprehensive income (loss)	2,051	2,683	(370)	4,364	(4,190)	(28,766)	(603)	(33,559)
Balance as of June 30	$ (40,311)	$ (39,467)	$ (12,514)	$ (92,292)	$ (47,962)	$ (44,890)	$ (8,603)	$ (101,455)

10. NET INCOME (LOSS) PER COMMON UNIT

Basic net income (loss) per common unit is determined pursuant to the two-class method. Under this method, all earnings are allocated to our limited partners and participating securities based on their respective rights to receive distributions earned during the period. Participating securities include restricted units awarded under our long-term incentive plans. We compute basic net income (loss) per common unit by dividing net income (loss) attributable to common units by the weighted-average number of common units outstanding during the period.

We compute diluted net income (loss) per common unit by dividing net income (loss) attributable to common units by the sum of (i) the weighted average number of common units outstanding during the period and (ii) the effect of dilutive potential common units outstanding during the period. Dilutive potential common units may include contingently issuable performance unit awards and the Series D Preferred Units.

The Series D Preferred Units are convertible into common units at the option of the holder at any time on or after June 29, 2020. As such, we calculated the dilutive effect of the Series D Preferred Units using the if-converted method. The effect of the assumed conversion of the Series D Preferred Units outstanding as of the end of each period presented was antidilutive; therefore, we did not include such conversion in the computation of diluted net income (loss) per common unit.

Contingently issuable performance units are included as dilutive potential common units if it is probable that that performance measures will be achieved, unless to do so would be antidilutive. There were no dilutive potential common units outstanding related to the performance units for all periods presented.

The following table details the calculation of net income (loss) per common unit:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Thousands of Dollars, Except Unit and Per Unit Data)			
Net income (loss)	$ 63,383	$ 29,766	$ 105,640	$ (117,875)
Distributions to preferred limited partners	(31,887)	(30,684)	(63,774)	(61,107)
Distributions to common limited partners	(43,814)	(43,678)	(87,648)	(87,408)
Distribution equivalent rights to restricted units	(586)	(502)	(1,184)	(1,008)
Distributions in excess of income (loss)	$ (12,904)	$ (45,098)	$ (46,966)	$ (267,398)
Distributions to common limited partners	$ 43,814	$ 43,678	$ 87,648	$ 87,408
Allocation of distributions in excess of income (loss)	(12,904)	(45,098)	(46,966)	(267,398)
Series D Preferred Unit accretion	(4,155)	(5,064)	(8,176)	(9,966)
Net income (loss) attributable to common units	$ 26,755	$ (6,484)	$ 32,506	$ (189,956)
Basic and diluted weighted-average common units outstanding	109,529,658	109,194,722	109,518,004	109,046,061
Basic and diluted net income (loss) per common unit	$ 0.25	$ (0.06)	$ 0.30	$ (1.74)

11. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in current assets and current liabilities were as follows:

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
	(Thousands of Dollars)	
Decrease (increase) in current assets:		
Accounts receivable	$ (9,942)	$ 25,386
Inventories	(1,744)	4,176
Other current assets	(4,752)	(8,781)
Increase (decrease) in current liabilities:		
Accounts payable	3,588	(15,197)
Accrued interest payable	(11,686)	(177)
Accrued liabilities	(17,222)	(11,625)
Taxes other than income tax	(1,575)	44
Changes in current assets and current liabilities	$ (43,333)	$ (6,174)

The above changes in current assets and current liabilities differ from changes between amounts reflected in the applicable consolidated balance sheets due to:

- the change in the amount accrued for capital expenditures;
- the effect of foreign currency translation;
- payments for the termination of interest rate swaps included in cash flows from financing activities; and
- the effect of accrued compensation expense paid with fully vested common unit awards.

Cash flows related to interest and income taxes were as follows:

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
	(Thousands of Dollars)	
Cash paid for interest, net of amount capitalized	$ 114,339	$ 103,034
Cash paid for income taxes, net of tax refunds received	$ 5,882	$ 4,661

As of June 30, 2021 and December 31, 2020, restricted cash, representing legally restricted funds that are unavailable for general use, is included in "Other long-term assets, net" on the consolidated balance sheets. “Cash, cash equivalents and restricted cash” on the consolidated statements of cash flows was included in the consolidated balance sheets as follows:

	June 30, 2021	December 31, 2020
	(Thousands of Dollars)	
Cash and cash equivalents	$ 23,500	$ 153,625
Other long-term assets, net	8,802	8,801
Cash, cash equivalents and restricted cash	$ 32,302	$ 162,426

12. SEGMENT INFORMATION

Our reportable business segments consist of the pipeline, storage and fuels marketing segments. Our segments represent strategic business units that offer different services and products. We evaluate the performance of each segment based on its respective operating income (loss), before general and administrative expenses and certain non-segmental depreciation and amortization expense. General and administrative expenses are not allocated to the operating segments since those expenses relate primarily to the overall management at the entity level.

Results of operations for the reportable segments were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Thousands of Dollars)			
Revenues:				
Pipeline	$ 192,906	$ 166,108	$ 362,134	$ 361,789
Storage	119,248	119,407	227,822	242,624
Fuels marketing	114,939	54,025	198,794	127,927
Consolidation and intersegment eliminations	—	—	(11)	(9)
Total revenues	$ 427,093	$ 339,540	$ 788,739	$ 732,331
Operating income (loss):				
Pipeline	$ 96,512	$ 71,981	$ 175,891	$ (50,943)
Storage	46,185	43,242	88,903	91,821
Fuels marketing	2,298	3,349	5,029	9,792
Total segment operating income	144,995	118,572	269,823	50,670
General and administrative expenses	27,477	23,700	51,969	46,671
Other depreciation and amortization expense	1,913	2,171	3,960	4,357
Total operating income (loss)	$ 115,605	$ 92,701	$ 213,894	$ (358)

Total assets by reportable segment were as follows:

	June 30, 2021	December 31, 2020
	(Thousands of Dollars)	
Pipeline	$ 3,540,298	$ 3,609,508
Storage	1,918,515	1,897,167
Fuels marketing	43,537	31,967
Total segment assets	5,502,350	5,538,642
Other partnership assets	143,630	278,376
Total consolidated assets	$ 5,645,980	$ 5,817,018

13. SUBSEQUENT EVENT

On August 1, 2021, we entered into an agreement to sell our storage facilities at eight locations, including all our North East Terminals and our one terminal in Florida to Sunoco LP for $250.0 million, subject to adjustment. During July 2021, sale negotiations with the potential buyer progressed significantly and management with appropriate authority agreed to the sale. The terminals have an aggregate storage capacity of 14.8 million barrels and are included in the storage segment. We expect to complete the sale by the beginning of the fourth quarter and will utilize the sales proceeds to improve our debt metrics. The book value at closing, including an allocation of goodwill for the terminal reporting unit, is expected to exceed the agreed purchase price and result in an estimated non-cash loss in the range of $130.0 million to $140.0 million in the third quarter of 2021.

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

Unless otherwise indicated, the terms “NuStar Energy,” “NS,” “the Partnership,” “we,” “our” and “us” are used in this report to refer to NuStar Energy L.P., to one or more of our consolidated subsidiaries or to all of them taken as a whole.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

In this Form 10-Q, we make certain forward-looking statements, such as statements regarding our plans, strategies, objectives, expectations, estimates, predictions, projections, assumptions, intentions, resources and the future impact of the coronavirus, or COVID-19, the responses thereto, economic activity and the actions by oil producing nations on our business, as well as the timing of, expected use of proceeds from and the other anticipated benefits from the announced sale of terminals. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested in this report. These forward-looking statements can generally be identified by the words “anticipates,” “believes,” “expects,” “plans,” “intends,” “estimates,” “forecasts,” “budgets,” “projects,” “will,” “could,” “should,” “may” and similar expressions. These statements reflect our current views with regard to future events and are subject to various risks, uncertainties and assumptions, which may cause actual results to differ materially. Please read Item 1A. “Risk Factors” contained in our Annual Report on Form 10-K for the year ended December 31, 2020, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 and this Quarterly Report on Form 10-Q, as well as additional information provided from time to time in our subsequent filings with the Securities and Exchange Commission, for a discussion of certain of those risks, uncertainties and assumptions.

If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, our actual results may vary materially from those described in any forward-looking statement. Other unknown or unpredictable factors could also have material adverse effects on our future results. Readers are cautioned not to place undue reliance on this forward-looking information, which is as of the date of this Form 10-Q. We do not intend to update these statements unless we are required by the securities laws to do so, and we undertake no obligation to publicly release the result of any revisions to any such forward-looking statements that may be made to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

Our Management’s Discussion and Analysis of Financial Condition and Results of Operations is presented in five sections:
- Overview, including Trends and Outlook
- Results of Operations
- Liquidity and Capital Resources
- Critical Accounting Policies
- New Accounting Pronouncements

OVERVIEW

NuStar Energy L.P. (NYSE: NS) is primarily engaged in the transportation, terminalling and storage of petroleum products and renewable fuels and the transportation of anhydrous ammonia. Our business is managed under the direction of the board of directors of NuStar GP, LLC, the general partner of our general partner, Riverwalk Logistics, L.P., both of which are indirectly wholly owned subsidiaries of ours.

Our operations consist of three reportable business segments: pipeline, storage and fuels marketing. As of June 30, 2021, our assets included 9,920 miles of pipeline and 73 terminal and storage facilities, which provide approximately 72 million barrels of storage capacity. We conduct our operations through our subsidiaries, primarily NuStar Logistics, L.P. (NuStar Logistics) and NuStar Pipeline Operating Partnership L.P. (NuPOP). We generate revenue primarily from:
- tariffs for transportation through our pipelines;
- fees for the use of our terminal and storage facilities and related ancillary services; and
- sales of petroleum products.

The following factors affect the results of our operations:
- economic factors and price volatility;
- industry factors, such as changes in the prices of petroleum products that affect demand, or regulatory changes that could increase costs or impose restrictions on operations;
- factors that affect our customers and the markets they serve, such as utilization rates and maintenance turnaround schedules of our refining company customers and drilling activity by our crude oil production customers;

- company-specific factors, such as facility integrity issues, maintenance requirements and outages that impact the throughput rates of our assets; and
- seasonal factors that affect the demand for products transported by and/or stored in our assets and the demand for products we sell.

Recent Developments

Agreement to Sell Terminals. On August 1, 2021, we entered into an agreement to sell our storage facilities at eight locations, including all our North East Terminals and our one terminal in Florida to Sunoco LP for $250.0 million, subject to adjustment. The terminals have an aggregate storage capacity of 14.8 million barrels and are included in the storage segment. We expect to complete the sale by the beginning of the fourth quarter and will utilize the sales proceeds to improve our debt metrics. The book value at closing, including an allocation of goodwill for the terminal reporting unit, is expected to exceed the agreed purchase price and result in an estimated non-cash loss in the range of $130.0 million to $140.0 million in the third quarter of 2021.

COVID-19. The coronavirus, or COVID-19, had a severe negative impact on global economic activity during 2020, significantly reducing demand for petroleum products and increasing the volatility of crude oil prices, beginning in March 2020. While a number of countries, including the United States, have made significant progress in 2021 in deploying COVID-19 vaccines, which has improved economic conditions and outlook in those nations, many more continue to struggle to obtain and/or disseminate vaccinations to their populace, which is frustrating widespread global economic recovery. Even in the United States, if a sufficient proportion of people are not vaccinated to reach herd immunity, or as variants emerge, we may face additional resurgence in COVID-19 case count in some regions, as we have recently seen, which could slow the pace of domestic economic improvement and undermine rebounding demand in the markets our assets serve. We continue to closely monitor each of our locations across North America to ensure the safety of our employees as well as the operational functionality of each location.

Senior Notes. On February 1, 2021, we repaid our $300.0 million of 6.75% senior notes at maturity with borrowings under our revolving credit agreement.

Term Loan Credit Agreement. On February 16, 2021, we terminated an unsecured term loan credit agreement with certain lenders and Oaktree Fund Administration, LLC, as administrative agent for the lenders (the Term Loan). Please refer to Note 5 of the Condensed Notes to Consolidated Financial Statements in Item 1. “Financial Statements” for further discussion.

Trends and Outlook

As America begins to recover from the impact of COVID-19 and returns to normal activity and growth, we are seeing signs of stabilization and improvement, across the U.S. and in NuStar’s footprint. U.S. refined product demand outlook has improved as COVID-19 vaccinations have continued to allow more and more Americans to return to normal day-to-day activities and to begin traveling. However, the “Delta” variant has increased COVID-19 case counts significantly in many parts of the United States, which may impact the overall demand recovery in 2021.

Refined product demand on NuStar’s pipeline systems averaged 100% of pre-pandemic demand for the first half of the year after reaching 105% for the second quarter. We continue to expect our refined products pipeline systems to perform at 100% of our pre-pandemic levels for the remainder of this year. Strengthening refined product demand has increased U.S. refiners’ demand for crude oil and rebounding crude demand, along with tempered global supply, has contributed to higher crude prices and improved expectations for U.S. shale production, particularly in the Permian Basin. We believe the Permian Basin, and our system in particular, has geological advantages over other shale plays, including lower production costs and higher product quality, that have benefited and will continue to benefit our assets in 2021 as crude demand, price and production continue to recover. Sustained healthy U.S. shale production growth, combined with improving global demand, should drive U.S. export growth over time, which should be positive for crude volumes on our Corpus Christi Crude System, as well as for our St. James terminal. In addition, we continue to expect to benefit from the growth of our renewable fuels distribution system on the West Coast. We expect to provide an increasing share of California’s renewable fuels as we complete our planned tank conversion projects.

We plan to continue to manage our operations with fiscal discipline in this turbulent environment. Upon closing of the announced sale of terminals, we expect to use the proceeds to further lower our leverage. For the full-year 2021, we expect reliability and strategic capital expenditures to be comparable to 2020. We expect to fund all of our expenses, distribution requirements and capital expenditures for the full-year 2021 using internally generated cash flows.

Our outlook for the partnership, both overall and for any of our segments, may change, as we base our expectations on our continuing evaluation of several factors, many of which are outside our control. These factors include, but are not limited to, uncertainty surrounding the COVID-19 pandemic, including its duration and lingering impacts to the economy; uncertainty surrounding future production decisions by the Organization of Petroleum Exporting Countries and other oil-producing nations (OPEC+); the state of the economy and the capital markets; changes to our customers' refinery maintenance schedules and unplanned refinery downtime; crude oil prices; the supply of and demand for petroleum products, renewable fuels and anhydrous ammonia; demand for our transportation and storage services; the availability of personnel, equipment and services essential to our operations; the ability to obtain timely permitting approvals; and changes in laws and regulations affecting our operations. Please read Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 and our Quarterly Reports on Form 10-Q for additional discussion on how these factors could affect our operations.

RESULTS OF OPERATIONS

Consolidated Results of Operations

Three Months Ended June 30, 2021 Compared to Three Months Ended June 30, 2020

	Three Months Ended June 30,		
	2021	2020	Change
	(Unaudited, Thousands of Dollars, Except Per Unit Data)		
Statement of Income Data:			
Revenues:			
Service revenues	$ 300,788	$ 284,151	$ 16,637
Product sales	126,305	55,389	70,916
Total revenues	427,093	339,540	87,553
Costs and expenses:			
Costs associated with service revenues	169,457	170,292	(835)
Cost associated with product sales	112,641	50,676	61,965
General and administrative expenses	27,477	23,700	3,777
Other depreciation and amortization expense	1,913	2,171	(258)
Total costs and expenses	311,488	246,839	64,649
Operating income	115,605	92,701	22,904
Interest expense, net	(53,780)	(59,499)	5,719
Loss on extinguishment of debt	—	(3,842)	3,842
Other income, net	2,896	2,216	680
Income before income tax expense	64,721	31,576	33,145
Income tax expense	1,338	1,810	(472)
Net income	$ 63,383	$ 29,766	$ 33,617
Basic and diluted net income (loss) per common unit	$ 0.25	$ (0.06)	$ 0.31

Consolidated Overview. Net income increased $33.6 million for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, mainly due to higher operating income from our pipeline segment in the second quarter of 2021 as pandemic recovery resulted in higher demand.

Corporate Items. General and administrative expenses increased $3.8 million for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, mainly due to higher compensation costs.

Interest expense, net, decreased $5.7 million for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, mainly due to interest expense recorded in the second quarter of 2020 related to the Term Loan, which was repaid on September 16, 2020. This decrease was partially offset by increased interest expense on the September 2020 issuance of $1.2 billion of senior notes.

Six Months Ended June 30, 2021 Compared to Six Months Ended June 30, 2020

	Six Months Ended June 30,		
	2021	2020	Change
	(Unaudited, Thousands of Dollars, Except Per Unit Data)		
Statement of Income Data:			
Revenues:			
Service revenues	$ 572,671	$ 600,897	$ (28,226)
Product sales	216,068	131,434	84,634
Total revenues	788,739	732,331	56,408
Costs and expenses:			
Costs associated with service revenues	325,162	338,535	(13,373)
Cost associated with product sales	193,754	118,126	75,628
Goodwill impairment loss	—	225,000	(225,000)
General and administrative expenses	51,969	46,671	5,298
Other depreciation and amortization expense	3,960	4,357	(397)
Total costs and expenses	574,845	732,689	(157,844)
Operating income (loss)	213,894	(358)	214,252
Interest expense, net	(108,698)	(106,993)	(1,705)
Loss on extinguishment of debt	—	(3,842)	3,842
Other income (expense), net	3,294	(4,273)	7,567
Income (loss) from before income tax expense	108,490	(115,466)	223,956
Income tax expense	2,850	2,409	441
Net income (loss)	$ 105,640	$ (117,875)	$ 223,515
Basic and diluted net income (loss) per common unit:	$ 0.30	$ (1.74)	$ 2.04

Consolidated Overview. We recorded net income of $105.6 million for the six months ended June 30, 2021, compared to a net loss of $117.9 million for the six months ended June 30, 2020, mainly due to a non-cash goodwill impairment charge of $225.0 million related to our crude oil pipelines reporting unit in the first quarter of 2020. Please refer to Note 3 of the Condensed Notes to Consolidated Financial Statements in Item 1. “Financial Statements” for additional information on the goodwill impairment. Excluding the impact of the $225.0 million goodwill impairment, operating income decreased due to higher general and administrative expenses and decreases in operating income for the storage and fuels marketing segments.

We saw a rebound in demand across most of our pipelines in the second quarter of 2021, while we experienced lower throughput and lower revenue during the first quarter of 2021 due to the continuing effects of the COVID-19 global pandemic that began in March 2020, compared to the strong first quarter of 2020. Additionally, Winter Storm Uri brought snow and damaging ice and caused widespread power outages in Texas and surrounding states in February 2021, which reduced operating income by $10.7 million in the first quarter of 2021, including $9.5 million in the pipeline segment and $1.2 million in the storage segment.

Corporate Items. General and administrative expenses increased $5.3 million for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, mainly due to higher compensation costs.

Interest expense, net, increased $1.7 million for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, primarily due to the interest on the September 2020 issuance of $1.2 billion of senior notes, which was partially offset by lower expenses due to the repayment of the Term Loan on September 16, 2020.

We recorded other income, net of $3.3 million for the six months ended June 30, 2021, compared to other expense, net of $4.3 million for the six months ended June 30, 2020, mainly due to foreign exchange rate fluctuations associated with our Mexican subsidiary.

Pipeline Segment

As of June 30, 2021, we own 3,205 miles of refined product pipelines and 2,215 miles of crude oil pipelines, as well as 5.6 million barrels of storage capacity, which comprise our Central West System. In addition, we own 2,500 miles of refined product pipelines, consisting of the East and North Pipelines, and a 2,000-mile ammonia pipeline (the Ammonia Pipeline), which comprise our Central East System. The East and North Pipelines have storage capacity of 7.4 million barrels. We charge tariffs on a per barrel basis for transportation in our refined product and crude oil pipelines and on a per ton basis for transportation in the Ammonia Pipeline.

Three Months Ended June 30, 2021 Compared to Three Months Ended June 30, 2020

	Three Months Ended June 30,		
	2021	2020	Change
	(Thousands of Dollars, Except Barrels/Day Information)		
Crude oil pipelines throughput (barrels/day)	1,244,215	1,063,739	180,476
Refined products and ammonia pipelines throughput (barrels/day)	606,973	452,678	154,295
Total throughput (barrels/day)	1,851,188	1,516,417	334,771
Throughput and other revenues	$ 192,906	$ 166,108	$ 26,798
Operating expenses	51,404	50,099	1,305
Depreciation and amortization expense	44,990	44,028	962
Segment operating income	$ 96,512	$ 71,981	$ 24,531

Total revenues increased $26.8 million and throughputs increased 334,771 barrels per day for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, primarily due to the 2021 rebound in demand as the economy continues to recover from the pandemic resulting in:

- an increase in revenues of $12.4 million and an increase in throughputs of 33,598 barrels per day on our East and North pipelines combined;
- an increase in revenues of $9.6 million and an increase in throughputs of 105,004 barrels per day on our McKee System pipelines;
- an increase in revenues of $8.3 million and an increase in throughputs of 57,017 barrels per day on our Permian Crude System, as well as higher sales of crude oil from pipeline loss allowance volumes in the second quarter of 2021;
- an increase in revenues of $3.3 million and an increase in throughputs of 13,238 barrels per day on our Valley Pipeline, as well as higher revenue from higher minimum volume commitments in the second quarter of 2021; and
- an increase in revenues of $2.7 million and an increase in throughputs of 39,127 barrels per day on our Three Rivers System, despite operational issues at a customer’s refinery in the second quarter of 2021.

These increases in revenue were partially offset by the following:

- a decrease in revenues of $4.2 million, despite an increase in throughputs of 63,067 barrels per day on our Corpus Christi Crude Pipeline System, mainly due to lower minimum volume commitments, while the increase in throughputs was primarily due to the rebound in demand in the second quarter of 2021;
- a decrease in revenues of $3.5 million, despite an increase in throughputs of 12,721 barrels per day on our Ardmore System, primarily due to the expiration of a customer contract and fewer barrels moved at higher average tariffs in the second quarter of 2021, which more than offset the revenue from increased throughputs resulting from the rebound in demand; and
- a decrease in revenues of $2.3 million and a decrease in throughputs of 5,424 barrels per day on our Ammonia Pipeline, mainly due to unfavorable weather conditions for agricultural application and outages at customers’ facilities in the second quarter of 2021.

Operating expenses increased $1.3 million for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, mainly due to an increase in compensation expense of $1.4 million, an increase in insurance expense of $0.7 million due to higher premiums and an increase in power costs of $0.6 million due to higher throughput. These increases were partially offset by lower maintenance and regulatory expense of $1.0 million.

Depreciation and amortization expense increased $1.0 million for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, due to projects associated with our Permian Crude System and other completed projects.

Six Months Ended June 30, 2021 Compared to Six Months Ended June 30, 2020

	Six Months Ended June 30,		
	2021	2020	Change
	(Thousands of Dollars, Except Barrels/Day Information)		
Crude oil pipelines throughput (barrels/day)	1,173,166	1,297,892	(124,726)
Refined products and ammonia pipelines throughput (barrels/day)	558,121	523,555	34,566
Total throughput (barrels/day)	1,731,287	1,821,447	(90,160)
Throughput and other revenues	$ 362,134	$ 361,789	$ 345
Operating expenses	96,459	100,345	(3,886)
Depreciation and amortization expense	89,784	87,387	2,397
Goodwill impairment loss	—	225,000	(225,000)
Segment operating income (loss)	$ 175,891	$ (50,943)	$ 226,834

Pipeline segment revenues for the six months ended June 30, 2021 were comparable to the six months ended June 30, 2020, despite a decrease in throughputs of 90,160 barrels per day. The first six months of 2020 included strong demand in the first quarter, prior to the pandemic, which was followed by severely reduced demand in the second quarter, resulting from COVID-19 restrictions, including stay-at-home orders and business closures. In comparison, results for the first quarter of 2021 were negatively affected by Winter Storm Uri, as well as the lingering effects of COVID-19 restrictions. However, by the second quarter of 2021, demand had largely recovered to pre-pandemic levels.

Revenues increased primarily due to the 2021 rebound in demand, resulting in:

- an increase in revenues of $11.4 million and an increase in throughputs of 7,825 barrels per day on our North and East pipelines combined due to a rebound in demand in the second quarter of 2021;
- an increase in revenues of $5.7 million, despite a slight decrease in throughputs of 1,125 barrels per day on our Permian Crude System, mainly due to higher sales of crude oil from pipeline loss allowance volumes for the six months ended June 30, 2021;
- an increase in revenues of $5.4 million and an increase in throughputs of 33,137 barrels per day on our McKee System pipelines, mainly due to a rebound in demand in the second quarter of 2021, partially offset by the effects of Winter Storm Uri in the first quarter of 2021; and
- an increase in revenues of $2.1 million and an increase in throughputs of 2,983 barrels per day on our Valley Pipeline System, mainly due to a rebound in demand in the second quarter of 2021 and higher minimum volume commitments for the six months ended June 30, 2021.

These increases in revenue were partially offset by:

- a decrease in revenues of $17.4 million and a decrease in throughputs of 137,814 barrels per day on our Corpus Christi Crude Pipeline System, mainly due to lower minimum volume commitments for the six months ended June 30, 2021, as well as lower demand for exports in 2021, compared to the first quarter of 2020;
- a decrease in revenues of $3.6 million and a decrease in throughputs of 2,676 barrels per day on our Ardmore System as a result of Winter Storm Uri in the first quarter of 2021, the expiration of a customer contract at the end of the first quarter of 2021 and fewer barrels moved at higher average tariffs in 2021, compared to 2020; and
- a decrease in revenues of $3.1 million and a decrease in throughputs of 3,645 barrels per day on our Ammonia Pipeline, mainly due to unfavorable weather conditions for agricultural application and outages at customers' facilities in the six months ended June 30, 2021.

Operating expenses decreased $3.9 million for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, primarily due to a decrease of $4.2 million in maintenance and regulatory expenses, mainly on our Ammonia Pipeline, and a decrease in power costs of $2.8 million across multiple pipelines, primarily resulting from lower throughputs and the addition of permanent power on our Permian Crude System. These decreases were partially offset by an increase of $4.4 million in compensation expense.

Depreciation and amortization expense increased $2.4 million for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, mainly due to the completion of projects on our Permian Crude System and other completed projects.

In the first quarter of 2020, the negative impact of the COVID-19 pandemic, combined with actions by OPEC+, led to a decline in our unit price and market capitalization in March 2020, and as a result, we recorded a non-cash goodwill impairment charge of $225.0 million related to our crude oil pipelines reporting unit. Please refer to Note 3 of the Condensed Notes to Consolidated Financial Statements in Item 1. “Financial Statements” for additional information on the goodwill impairment.

Storage Segment

Our storage segment is comprised of our facilities that provide storage, handling and other services for petroleum products, crude oil, specialty chemicals, renewable fuels and other liquids. As of June 30, 2021, we own and operate 38 terminals and storage facilities in the U.S., one terminal in Nuevo Laredo, Mexico and one terminal located in Point Tupper, Canada, with an aggregate storage capacity of 59.0 million barrels. Revenues for the storage segment include fees for tank storage agreements, under which a customer agrees to pay for a certain amount of storage in a tank over a period of time (storage terminal revenues), and throughput agreements, under which a customer pays a fee per barrel for volumes moved through our terminals (throughput terminal revenues).

Sale of Texas City Terminals. On December 7, 2020, we sold the equity interests in our wholly owned subsidiaries that owned two terminals in Texas City, Texas for $106.0 million (the Texas City Sale). The two terminals have an aggregate storage capacity of 3.0 million barrels and were previously included in our storage segment.

Selby Terminal Fire. We recognized gains from business interruption insurance of $4.0 million and $3.1 million for the six months ended June 30, 2021 and June 30, 2020, respectively, included in “Operating expenses,” which relate to a fire in October 2019 at our terminal facility in Selby, California.

Three Months Ended June 30, 2021 Compared to Three Months Ended June 30, 2020

	Three Months Ended June 30,		
	2021	2020	Change
	(Thousands of Dollars, Except Barrels/Day Information)		
Throughput (barrels/day)	385,790	348,189	37,601
Throughput terminal revenues	$ 35,143	$ 32,199	$ 2,944
Storage terminal revenues	84,105	87,208	(3,103)
Total revenues	119,248	119,407	(159)
Operating expenses	49,089	50,979	(1,890)
Depreciation and amortization expense	23,974	25,186	(1,212)
Segment operating income	$ 46,185	$ 43,242	$ 2,943

Throughput terminal revenues increased $2.9 million and throughputs increased 37,601 barrels per day for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, mainly due to an increase in revenues of $2.9 million and an increase in throughputs of 51,406 barrels per day on our Central West Terminals, due to a rebound in demand in the second quarter of 2021. The increase in throughputs was partially offset by a decrease in throughputs of 13,776 barrels per day at our Corpus Christi North Beach terminal due to weak export markets and volumes delivered to our customers’ refineries instead of over our docks in the second quarter of 2021; revenues remained flat at the terminal due to minimum volume commitments.

Storage terminal revenues decreased $3.1 million for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, primarily due to a decrease in revenues of $8.5 million as a result of the Texas City Sale in December 2020. This decrease was partially offset by the following:

- an increase in revenues of $2.4 million at our West Coast Terminals, mainly due to completed projects, resulting in higher throughputs and associated handling fees; and
- an increase in revenues of $2.2 million at our North East Terminals, mainly due to contango market conditions at our Linden and Piney Point terminals that led to new contracts in the second quarter of 2020 and an increase in throughput and ancillary fees.

Operating expenses decreased $1.9 million for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, primarily due to a decrease in operating expenses of $5.8 million due to the Texas City Sale in December 2020 and a decrease in maintenance and regulatory expenses of $1.0 million. These decreases were partially offset by an increase in compensation expense of $1.5 million, an increase in insurance expense of $1.3 million due to higher premiums and an increase in reimbursable expenses of $1.2 million across various terminals.

Depreciation and amortization expense decreased $1.2 million for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, primarily due to the Texas City Sale.

Six Months Ended June 30, 2021 Compared to Six Months Ended June 30, 2020

	Six Months Ended June 30,		
	2021	2020	Change
	(Thousands of Dollars, Except Barrels/Day Information)		
Throughput (barrels/day)	393,006	513,510	(120,504)
Throughput terminal revenues	$ 59,937	$ 70,922	$ (10,985)
Storage terminal revenues	167,885	171,702	(3,817)
Total revenues	227,822	242,624	(14,802)
Operating expenses	91,321	100,915	(9,594)
Depreciation and amortization expense	47,598	49,888	(2,290)
Segment operating income	$ 88,903	$ 91,821	$ (2,918)

Throughput terminal revenues decreased $11.0 million and throughputs decreased 120,504 barrels per day for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, mainly due to a decrease in revenues of $13.3 million and a decrease in throughputs of 139,482 barrels per day at our Corpus Christi North Beach terminal. Consistent with lower volumes on our Corpus Christi Crude Pipeline System, these decreases at our Corpus Christi North Beach terminal were due to lower minimum volume commitments for the six months ended June 30, 2021, Winter Storm Uri, weak export markets and volumes delivered to our customers' refineries instead of over our docks in the second quarter of 2021. These decreases were partially offset by an increase in revenues of $2.3 million and an increase in throughputs of 19,446 barrels per day at our Central West Terminals, due to a rebound in demand in the second quarter of 2021.

Storage terminal revenues decreased $3.8 million for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, primarily due to a decrease in revenues of $17.1 million due to the Texas City Sale in December 2020.

This decrease was partially offset by the following:
- an increase in revenues of $5.2 million at our West Coast Terminals, mainly due to completed projects, resulting in new contracts and rate escalations as well as higher throughputs and handling fees;
- an increase in revenues of $3.4 million at our North East Terminals, primarily due to contango market conditions that led to new contracts in the second quarter of 2020 and an increase in throughput and ancillary fees;
- an increase in revenues of $2.7 million at our Gulf Coast Terminals, excluding the Texas City Sale, mainly at our St. James and Jacksonville terminals. The increase at our St. James terminal was mainly due to an increase in reimbursable revenues, higher throughput and ancillary fees and unit train activity, partially offset by a decrease in customer base, while the increase at out Jacksonville terminal was mainly due to an increase in customer base; and
- an increase in revenues of $1.0 million at our Central West Terminals, primarily at our Nuevo Laredo terminal, due to the reactivation of our refined products pipeline to transport diesel to our Nuevo Laredo terminal in Mexico, which began full service at the end of the first quarter of 2020.

Operating expenses decreased $9.6 million for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, primarily due to the following;
- a decrease in operating expenses of $12.0 million due to the Texas City Sale in December 2020;
- a decrease in maintenance expense of 2.5 million across various terminals; and
- a decrease in reimbursable expenses of $1.1 million, mainly due to a decrease in wharfage activity of $2.5 million at our Corpus Christi North Beach terminal and a decrease of $0.9 million in tank cleaning expenses at Pt. Tupper, partially offset by an increase of $1.7 million in tank cleaning expenses at our St. James terminal.

These decreases were partially offset by an increase in compensation expense of $3.6 million and an increase in insurance expense of $3.4 million due to higher premiums.

Depreciation and amortization expense decreased $2.3 million for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, mainly due to the Texas City Sale in December 2020.

Fuels Marketing Segment

The fuels marketing segment includes our bunkering operations in the Gulf Coast, as well as certain of our blending operations associated with our Central East System. The results of operations for the fuels marketing segment depend largely on the margin between our costs and the sales prices of the products we market. Therefore, the results of operations for this segment are more sensitive to changes in commodity prices compared to the operations of the pipeline and storage segments. We enter into derivative contracts to attempt to mitigate the effects of commodity price fluctuations. The financial impacts of the derivative financial instruments associated with commodity price risk were not material for any periods presented.

Three Months Ended June 30, 2021 Compared to Three Months Ended June 30, 2020

	Three Months Ended June 30,		
	2021	2020	Change
	(Thousands of Dollars)		
Product sales	$ 114,939	$ 54,025	$ 60,914
Cost of goods	112,063	50,115	61,948
Gross margin	2,876	3,910	(1,034)
Operating expenses	578	561	17
Segment operating income	$ 2,298	$ 3,349	$ (1,051)

Segment operating income decreased $1.1 million for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, mainly due to lower gross margins across the segment.

Six Months Ended June 30, 2021 Compared to Six Months Ended June 30, 2020

	Six Months Ended June 30,		
	2021	2020	Change
	(Thousands of Dollars)		
Product sales	$ 198,794	$ 127,927	$ 70,867
Cost of goods	194,466	117,069	77,397
Gross margin	4,328	10,858	(6,530)
Operating expenses	(701)	1,066	(1,767)
Segment operating income	$ 5,029	$ 9,792	$ (4,763)

Segment operating income decreased $4.8 million for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, mainly due to lower gross margins of $4.0 million from our bunkering operations and $2.0 million from our blending operations. The overall decrease in segment operating income was partially offset by a credit loss recovery of $1.7 million that we received in the first quarter of 2021, which is included in “Operating expenses.”

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our primary cash requirements are for distributions to our partners, debt service, capital expenditures and operating expenses. Our partnership agreement requires that we distribute all “Available Cash” to our common limited partners each quarter. “Available Cash” is defined in the partnership agreement generally as cash on hand at the end of the quarter, plus certain permitted borrowings made subsequent to the end of the quarter, less cash reserves determined by our board of directors, subject to requirements for distributions for our preferred units. We may maintain our distribution level with other sources of Available Cash, as provided in our partnership agreement, including borrowings under our revolving credit agreement and proceeds from the sales of assets.

In prior years, our objective was to fund our reliability capital expenditures and distribution requirements with net cash provided by operating activities during that year. If we did not generate sufficient cash from operations to meet that objective, we used cash on hand or other sources of cash flow, which primarily included borrowings under our revolving credit agreement, sales of non-strategic assets and, to the extent necessary, funds raised through debt or equity offerings. Prior to 2021, we funded our strategic capital expenditures primarily from borrowings under our revolving credit agreement, funds raised through debt or equity offerings and/or sales of non-strategic assets. However, our ability to raise funds by issuing debt or equity depends on many factors beyond our control, including our ability to access such markets with the continued uncertainty surrounding the duration and severity of the impact from the COVID-19 pandemic and actions by OPEC+. Our risk factors in Item 1A. “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2020 describe the risks inherent to these sources of funding and the availability thereof.

Due to the negative impacts of, and the continued uncertainty related to, the COVID-19 pandemic and actions taken by OPEC+, we have taken steps to preserve and enhance our liquidity. We expect that amounts available under our revolving credit agreement will be sufficient to address senior note maturities in 2022, and we have no other senior note maturities until 2025. In addition, in response to the shifting expectations of our industry, including continuing to reduce leverage, combined with the ongoing lack of access to equity markets and the COVID-19 environment, we expect to fund all of our expenses, distribution requirements and capital expenditures using internally generated cash flows for the full-year 2021.

Cash Flows for the Six Months Ended June 30, 2021 and 2020

The following table summarizes our cash flows from operating, investing and financing activities (please refer to our Consolidated Statements of Cash Flows in Item 1. “Financial Statements”):

	Six Months Ended June 30,	
	2021	2020
	(Thousands of Dollars)	
Net cash provided by (used in):		
Operating activities	$ 214,237	$ 270,441
Investing activities	(92,235)	(106,080)
Financing activities	(252,853)	(162,319)
Effect of foreign exchange rate changes on cash	727	(945)
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (130,124)	$ 1,097

Net cash provided by operating activities decreased $56.2 million for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, primarily due to changes in working capital. Cash flows from operating activities includes insurance proceeds of $20.5 million and $25.0 million for the six months ended June 30, 2021 and 2020, respectively, which are related to cleanup costs and business interruption at our terminal facility in Selby, California that experienced a fire in October 2019.

Our working capital increased by $43.3 million for the six months ended June 30, 2021, compared to $6.2 million for the six months ended June 30, 2020. Working capital requirements are mainly affected by our accounts receivable and accounts payables balances, which vary depending on the timing of payments. Increased activity from the continuing economic recovery also contributed to the increase in working capital. In addition, the timing of payments related to accrued interest payable changed due to the senior note issuances in 2020. Please refer to Note 11 of the Condensed Notes to Consolidated Financial Statements in Item 1. “Financial Statements” for additional discussion.

For the six months ended June 30, 2021, net cash provided by operating activities combined with cash on hand exceeded our distributions to unitholders, reliability capital expenditures and strategic capital expenditures.

Net cash used in investing activities decreased by $13.8 million for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, primarily due to reductions to our capital expenditures.

Net cash used in financing activities increased $90.5 million for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, mainly due to a $177.6 million increase in net debt repayments. This increase was partially offset by the $49.2 million payment to terminate interest rate swaps in the second quarter of 2020 and a decrease of $21.2 million in distributions paid to our common unitholders for the six months ended June 30, 2021, compared to the six months ended June 30, 2020.

Sources of Liquidity

Revolving Credit Agreement. On February 16, 2021, NuStar Logistics amended its $1.0 billion revolving credit agreement (the Revolving Credit Agreement) to, among other things, expand certain adjustments related to our maximum consolidated debt coverage ratio and minimum consolidated interest coverage ratio.

The Revolving Credit Agreement is subject to maximum consolidated debt coverage ratio and minimum consolidated interest coverage ratio requirements, which may limit the amount we can borrow to an amount less than the total amount available for borrowing. For the rolling period of four quarters ended June 30, 2021, the consolidated debt coverage ratio (as defined in the Revolving Credit Agreement) could not exceed 5.00-to-1.00 and the consolidated interest coverage ratio (as defined in the Revolving Credit Agreement) must not be less than 1.75-to-1.00. As of June 30, 2021, our consolidated debt coverage ratio was 4.27x and our consolidated interest coverage ratio was 2.05x. As of June 30, 2021, we had $809.8 million available for borrowing. We expect that amounts available under the Revolving Credit Agreement will be sufficient to address senior note maturities in 2022.

The Revolving Credit Agreement is the only debt arrangement with an interest rate that is subject to adjustment if our debt rating is downgraded (or upgraded) by certain credit rating agencies. In April of 2021, Moody's Investor Service Inc. affirmed our credit rating and changed our rating outlook from negative to stable. The following table reflects the current ratings and outlook that have been assigned to our debt:

	Fitch Ratings	Moody's Investor Service Inc.	S&P Global Ratings
Ratings	BB-	Ba3	BB-
Outlook	Stable	Stable	Stable

Term Loan. On April 19, 2020, NuStar Energy and NuStar Logistics entered into an unsecured term loan credit agreement with certain lenders and Oaktree Fund Administration, LLC, as administrative agent for the lenders. The Term Loan provided for an aggregate commitment of up to $750.0 million pursuant to a three-year unsecured term loan credit facility. NuStar Logistics drew $500.0 million on April 21, 2020, which we repaid on September 16, 2020. We terminated the Term Loan on February 16, 2021.

Receivables Financing Agreement. NuStar Energy and NuStar Finance LLC (NuStar Finance), a special purpose entity and wholly owned subsidiary of NuStar Energy, are parties to a $100.0 million receivables financing agreement with third-party lenders (the Receivables Financing Agreement) and agreements with certain of NuStar Energy's wholly owned subsidiaries. As of June 30, 2021, $125.4 million of our accounts receivable was included in the Securitization Program and the amount of borrowings outstanding under the Receivables Financing Agreement totaled $74.2 million. The amount available for borrowing under the Receivables Financing Agreement is based on the availability of eligible receivables and other customary factors and conditions.

Please refer to Note 5 of the Condensed Notes to Consolidated Financial Statements in Item 1. "Financial Statements" for a discussion of certain of our debt agreements.

Capital Requirements

Our operations require significant investments to maintain, upgrade or enhance the operating capacity of our existing assets. Our capital expenditures consist of:

- strategic capital expenditures, such as those to expand or upgrade the operating capacity, increase efficiency or increase the earnings potential of existing assets, whether through construction or acquisition, as well as certain capital expenditures related to support functions; and
- reliability capital expenditures, such as those required to maintain the current operating capacity of existing assets or extend their useful lives, as well as those required to maintain equipment reliability and safety.

The following table summarizes our capital expenditures:

	Strategic Capital Expenditures	Reliability Capital Expenditures	Total
		(Thousands of Dollars)	
For the six months ended June 30:			
2021	$ 69,762	$ 17,432	$ 87,194
2020	$ 85,307	$ 11,051	$ 96,358
Expected for the year ended December 31, 2021	$140,000 - 170,000	$40,000 - 50,000	

Strategic capital expenditures for the six months ended June 30, 2021 and 2020 mainly consisted of expansion projects on our Permian Crude System, as well as our West Coast bio-fuels terminal projects in 2021 and our Northern Mexico refined products supply projects and expansion projects on our Corpus Christi Crude System in 2020. Reliability capital expenditures for the six months ended June 30, 2021 and 2020 primarily related to maintenance upgrade projects at our terminals.

For the year ended December 31, 2021, we expect a significant portion of our strategic capital spending to relate to our expansion projects to accommodate production growth in the Permian Basin and projects to handle biofuels demand on the West Coast. We continue to evaluate our capital budget and make changes as economic conditions warrant, and our actual capital expenditures for 2021 may increase or decrease from the expected amounts noted above. We expect to fund our capital expenditures for the full-year 2021 with internally generated cash flows, and our internal growth projects can be accelerated or scaled back depending on market conditions or customer demand.

Distributions

Common Units. Distribution payments are made to our common limited partners within 45 days after the end of each quarter as of a record date that is set after the end of each quarter. The following table summarizes information about quarterly cash distributions to our common limited partners:

Quarter Ended	Cash Distributions Per Unit	Total Cash Distributions	Record Date	Payment Date
		(Thousands of Dollars)		
June 30, 2021	$ 0.40	$ 43,814	August 6, 2021	August 12, 2021
March 31, 2021	$ 0.40	$ 43,834	May 10, 2021	May 14, 2021
December 31, 2020	$ 0.40	$ 43,787	February 8, 2021	February 12, 2021

Preferred Units. Distributions on our preferred units are payable out of any legally available funds, accrue and are cumulative from the original issuance dates, and are payable on the 15th day (or next business day) of each of March, June, September and December of each year to holders of record on the first business day of each payment month.

The following table provides the terms related to distributions for our Series A, Series B and Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (collectively, the Series A, B and C Preferred Units):

Units	Fixed Distribution Rate Per Annum (as a Percentage of the $25.00 Liquidation Preference Per Unit)	Fixed Distribution Rate Per Unit Per Annum	Fixed Distribution Per Annum	Optional Redemption Date/Date at Which Distribution Rate Becomes Floating	Floating Annual Rate (as a Percentage of the $25.00 Liquidation Preference Per Unit)
			(Thousands of Dollars)		
Series A Preferred Units	8.50%	$ 2.125	$ 19,252	December 15, 2021	Three-month LIBOR plus 6.766%
Series B Preferred Units	7.625%	$ 1.90625	$ 29,357	June 15, 2022	Three-month LIBOR plus 5.643%
Series C Preferred Units	9.00%	$ 2.25	$ 15,525	December 15, 2022	Three-month LIBOR plus 6.88%

The distribution rates on the Series D Cumulative Convertible Preferred Units (Series D Preferred Units) are as follows: (i) 9.75%, or $57.6 million, per annum ($0.619 per unit per distribution period) for the first two years (beginning with the September 17, 2018 distribution); (ii) 10.75%, or $63.4 million, per annum ($0.682 per unit per distribution period) for years three through five; and (iii) the greater of 13.75%, or $81.1 million, per annum ($0.872 per unit per distribution period) or the distribution per common unit thereafter. While the Series D Preferred Units are outstanding, the Partnership will be prohibited from paying distributions on any junior securities, including the common units, unless full cumulative distributions on the Series D Preferred Units (and any parity securities) have been, or contemporaneously are being, paid or set aside for payment through the most recent Series D Preferred Unit distribution payment date. Any Series D Preferred Unit distributions in excess of $0.635 may be paid, in the Partnership's sole discretion, in additional Series D Preferred Units, with the remainder paid in cash.

In July 2021, our board of directors declared distributions with respect to the Series A, B and C Preferred Units and the Series D Preferred Units to be paid on September 15, 2021.

Debt Obligations
Our debt obligations as of June 30, 2021 are listed below:

	Maturity	June 30, 2021
		(Thousands of Dollars)
Revolving Credit Agreement	October 27, 2023	$ 185,000
4.75% senior notes	February 1, 2022	$ 250,000
5.75% senior notes	October 1, 2025	$ 600,000
6.00% senior notes	June 1, 2026	$ 500,000
5.625% senior notes	April 28, 2027	$ 550,000
6.375% senior notes	October 1, 2030	$ 600,000
Subordinated Notes, with a floating interest rate of 6.9% as of June 30, 2021	January 15, 2043	$ 402,500
GoZone Bonds	2038 thru 2041	$ 322,140
Receivables Financing Agreement	September 20, 2023	$ 74,200

We repaid our $300.0 million of 6.75% senior notes due February 1, 2021 at maturity, and we expect to pay our $250.0 million of 4.75% senior notes due February 1, 2022, with borrowings under our Revolving Credit Agreement.

We believe that, as of June 30, 2021, we are in compliance with the ratios and covenants applicable to our debt obligations. A default under certain of our debt obligations would be considered an event of default under other of our debt obligations. Please refer to Note 5 of the Condensed Notes to Consolidated Financial Statements in Item 1. "Financial Statements" for a discussion of certain of our debt obligations.

Guarantor Summarized Financial Information
NuStar Energy has no operations, and its assets consist mainly of its 100% ownership interest in its indirectly owned subsidiaries, NuStar Logistics and NuPOP. The senior and subordinated notes issued by NuStar Logistics are fully and unconditionally guaranteed by NuStar Energy and NuPOP. Each guarantee of the senior notes by NuStar Energy and NuPOP ranks equally in right of payment with all other existing and future unsecured senior indebtedness of that guarantor, is structurally subordinated to all existing and any future indebtedness and obligations of any subsidiaries of that guarantor that do not guarantee the notes and ranks senior to its guarantee of our subordinated indebtedness. Each guarantee of the subordinated notes by NuStar Energy and NuPOP ranks equal in right of payment with all other existing and future subordinated indebtedness of that guarantor and subordinated in right of payment and upon liquidation to the prior payment in full of all other existing and future senior indebtedness of that guarantor. NuPOP will be released from its guarantee when it no longer guarantees any obligations of NuStar Energy or any of its subsidiaries, including NuStar Logistics, under any bank credit facility or public debt instrument. The rights of holders of our senior and subordinated notes may be limited under the U.S. Bankruptcy Code or state fraudulent transfer or conveyance law.

The following table presents summarized combined income statement and balance sheet information for NuStar Energy, NuStar Logistics and NuPOP (collectively, the Guarantor Issuer Group). Intercompany items among the Guarantor Issuer Group have been eliminated in the summarized combined financial information below, as well as intercompany balances and activity for the Guarantor Issuer Group with non-guarantor subsidiaries, including the Guarantor Issuer Group's investment balances in non-guarantor subsidiaries.

	June 30, 2021	December 31, 2020
	(Thousands of Dollars)	
Summarized Combined Balance Sheet Information:		
Current assets	$ 52,004	$ 154,752
Long-term assets	$ 2,895,016	$ 2,950,217
Current liabilities (a)	$ 109,676	$ 140,385
Long-term liabilities, including long-term debt	$ 3,488,064	$ 3,609,306
Series D preferred limited partners interests	$ 607,718	$ 599,542

	Six Months Ended June 30, 2021
	(Thousands of Dollars)
Summarized Combined Income Statement Information:	
Revenues	$ 404,402
Operating income	$ 152,745
Interest expense, net	$ (109,027)
Net income	$ 45,618

(a) Excludes $0.7 million and $0.6 million of net intercompany payables as of June 30, 2021 and December 31, 2020, respectively, due to the non-guarantor subsidiaries from the Guarantor Issuer Group.

Long-term assets for the non-guarantor subsidiaries totaled $2,541.1 million and $2,543.2 million as of June 30, 2021 and December 31, 2020, respectively. Revenue and net income for the non-guarantor subsidiaries totaled $384.3 million and $60.0 million, respectively, for the six months ended June 30, 2021. Please refer to Note 5 of the Condensed Notes to Consolidated Financial Statements in Item 1. "Financial Statements" for a discussion of certain of our debt obligations.

Interest Rate Swaps

Please refer to Note 7 of the Condensed Notes to Consolidated Financial Statements in Item 1. "Financial Statements" for a discussion of our interest rate swaps.

Environmental, Health and Safety

Our operations are subject to extensive international, federal, state and local environmental laws and regulations, in the U.S. and in the other countries in which we operate, including those relating to the discharge of materials into the environment, waste management, remediation, the characteristics and composition of fuels, climate change and greenhouse gases. Our operations are also subject to extensive health, safety and security laws and regulations, including those relating to worker and pipeline safety, pipeline and storage tank integrity and operations security. Because more stringent environmental and safety laws and regulations are continuously being enacted or proposed, the level of expenditures required for environmental, health and safety matters is expected to increase in the future.

Contingencies

We are subject to certain loss contingencies, and we believe that the resolution of any particular claim or proceeding, or all matters in the aggregate, would not have a material adverse effect on our results of operations, financial position or liquidity, as further disclosed in Note 6 of the Condensed Notes to Consolidated Financial Statements in Item 1. "Financial Statements."

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Ongoing uncertainty surrounding the COVID-19 pandemic, including its duration and lingering impacts, and uncertainty surrounding future production decisions by oil producing nations continue to cause volatility and could significantly impact management's estimates and assumptions. Our critical accounting policies are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2020.

NEW ACCOUNTING PRONOUNCEMENTS

Please refer to Note 2 of the Condensed Notes to Consolidated Financial Statements in Item 1. "Financial Statements" for a discussion of new accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We manage our exposure to changing interest rates principally through the use of a combination of fixed-rate debt and variable-rate debt. Borrowings under our variable-rate debt expose us to increases in interest rates. Please refer to Note 5 of the Condensed Notes to Consolidated Financial Statements in Item 1. "Financial Statements" for additional information about certain of our debt instruments.

The following tables present principal cash flows and related weighted-average interest rates by expected maturity dates for our long-term debt, excluding finance leases:

	June 30, 2021							
	Expected Maturity Dates							
	2021	2022	2023	2024	2025	Thereafter	Total	Fair Value
	(Thousands of Dollars, Except Interest Rates)							
Fixed-rate debt	$ —	$ 250,000	$ —	$ —	$ 600,000	$ 1,972,140	$ 2,822,140	$ 3,121,695
Weighted-average rate	— %	4.8 %	—	—	5.8 %	6.0 %	5.9 %	—
Variable-rate debt	$ —	$ —	$ 259,200	$ —	$ —	$ 402,500	$ 661,700	$ 671,795
Weighted-average rate	—	—	2.5 %	—	—	6.9 %	5.2 %	—

	December 31, 2020							
	Expected Maturity Dates							
	2021	2022	2023	2024	2025	Thereafter	Total	Fair Value
	(Thousands of Dollars, Except Interest Rates)							
Fixed-rate debt	$ 300,000	$ 250,000	$ —	$ —	$ 600,000	$ 1,972,140	$ 3,122,140	$ 3,396,542
Weighted-average rate	6.8 %	4.8 %	—	—	5.8 %	6.0 %	5.9 %	—
Variable-rate debt	$ —	$ —	$ 57,000	$ —	$ —	$ 402,500	$ 459,500	$ 402,836
Weighted-average rate	—	—	2.3 %	—	—	7.0 %	6.4 %	—

Since the operations of our fuels marketing segment expose us to commodity price risk, we also use derivative instruments to attempt to mitigate the effects of commodity price fluctuations. Derivative financial instruments associated with commodity price risk were not material for any periods presented.

Item 4. Controls and Procedures

(a) *Evaluation of disclosure controls and procedures.*

Our management has evaluated, with the participation of the principal executive officer and principal financial officer of NuStar GP, LLC, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report, and has concluded that our disclosure controls and procedures were effective as of June 30, 2021.

(b) *Changes in internal control over financial reporting.*

There has been no change in our internal control over financial reporting that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1A. Risk Factors

Except as set forth below, there have been no material developments with respect to the risk factors previously disclosed in Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020 and in Part II, Item 1A. “Risk Factors” in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021. The information contained in this Item 1A. updates, and should be read in conjunction with, the related information set forth in Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020 and in Part II, Item 1A. “Risk Factors” in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, in addition to the other information contained in this Quarterly Report on Form 10-Q.

The ongoing effects of the COVID-19 pandemic, the actions taken in response thereto and developments in the global oil markets may continue to adversely affect our business, financial condition, results of operations or cash flows.
The coronavirus, or COVID-19, had a severe negative impact on global economic activity during 2020, significantly reducing demand for petroleum products and increasing the volatility of crude oil prices, beginning in March 2020. While a number of countries, including the United States, have made significant progress in 2021 in deploying COVID-19 vaccines, which has improved economic conditions and outlook in those nations, many more continue to struggle to obtain and/or disseminate vaccinations to their populace, which is frustrating widespread global economic recovery. Even in the United States, if a sufficient proportion of people are not vaccinated to reach herd immunity, or as variants emerge, we may face additional resurgence in COVID-19 case count in some regions, as we have recently seen, which could slow the pace of domestic economic improvement and undermine rebounding demand in the markets our assets serve.

Ongoing uncertainty surrounding the COVID-19 pandemic, including its duration and lingering impacts to the economy, as well as uncertainty surrounding future production decisions by the Organization of Petroleum Exporting Countries and other oil-producing nations (OPEC+), have caused and may continue to cause volatility and could have a significant impact on management’s estimates and assumptions in 2021 and beyond. The extent of the impacts on our business, financial condition, results of operations and cash flows will depend on future developments that are highly uncertain and cannot be accurately predicted, such as: the duration and severity of the COVID-19 pandemic or other public health crises and the lingering impacts to the economy; uncertainty surrounding future production decisions by OPEC+; the state of the economy and the capital markets; changes to our customers’ refinery maintenance schedules and unplanned refinery downtime; crude oil prices; the supply of and demand for crude oil, refined products and anhydrous ammonia; demand for our transportation and storage services; the availability of personnel, equipment and services essential to our operations; the ability to obtain timely permitting approvals; and changes in laws and regulations affecting our operations.

We rely on our information technology and operational technology systems to conduct our business. Any significant cybersecurity breach or other significant disruption to those systems would cause our business, financial results and reputation to suffer, increase our costs and expose us to liability, and could adversely affect our ability to make distributions to our unitholders.
We rely on our information technology systems and our operational technology systems to process, transmit and store information, such as employee, customer and vendor data, and to conduct almost all aspects of our business, including safely operating our pipelines and storage facilities, recording and reporting commercial and financial transactions and receiving and making payments. We also rely on systems hosted by third parties, with respect to which we have limited visibility and control, and that have access to or store certain of our employee, customer and vendor data. The security of these networks and systems is critical to our operations and business strategy.

Although we take proactive steps to protect our company, systems and data from cyberattacks, such as implementing multiple layers of security, segregated systems and user access, antivirus tools, vulnerability scanning, monitoring and patch management, regular employee training, phishing tests, penetration tests, internal risk assessments, independent third-party assessments, tabletop exercises to test our incident response plan, enhanced cyber diligence of vendors and physical security measures, all companies are at risk of a cyberattack. The number and sophistication of reported cyberattacks by both state-sponsored and criminal organizations continue to increase, across industries and around the world, including recent attacks on operators of critical infrastructure assets, such as pipelines, as well as the third parties that provide technology services for critical infrastructure, in some cases with considerable negative impact on targeted companies’ ability to conduct business.

Like other companies, we recognize that, despite our security measures, we remain subject to cybersecurity incidents due to attacks from a variety of external threat actors, internal employee error or malfeasance and cybersecurity incidents suffered by our service providers, vendors or customers. In addition, in connection with COVID-19 precautions, many of our employees and those of our service providers, vendors and customers have been working, and some may continue to work, from home or other remote-work locations, where cybersecurity protections may be less robust and cybersecurity procedures and safeguards may be less effective. Moreover, certain attacker techniques and goals, such as surveillance, intelligence gathering or extended reconnaissance, may remain undetected for an extended period of time, which can increase the breadth and negative impact of an incident. A significant failure, compromise, breach or interruption in our systems or those of third parties critical to our operations could result in a disruption of our operations; physical damage to our assets or the environment; physical, financial, or other harm to employees or others; safety incidents; damage to our reputation; loss of customers or revenues; increased costs for remedial actions; and potential litigation or regulatory fines. Failures, interruptions and similar events that result in the loss or improper disclosure of information maintained in our systems and networks or those of our vendors, including personnel, customer and vendor information, have in the past and may in the future require reporting under relevant contractual obligations and laws and regulations protecting personal data and privacy and could also subject us to litigation or other liability under relevant contractual obligations, laws and regulations. Our financial results could also be adversely affected if our systems are breached or an employee, vendor or customer causes our systems to fail, either as a result of inadvertent error or deliberate tampering with or manipulation of our systems.

Due to the continued acceleration of cyberattacks, generally and against our industry, regulatory actions by federal, state and local governmental agencies in the U.S. and in other countries in which we operate have increased. Evolving laws and regulations governing cybersecurity and data privacy and protection pose increasingly complex compliance challenges. Although we believe that we have robust cybersecurity procedures and other safeguards in place, we cannot guarantee their effectiveness, and a significant failure, compromise, breach or interruption in our systems or those of our customers or vendors could have a material effect on our operations and the operations of our customers and vendors. As threats continue to evolve and cybersecurity and data privacy and protection laws and regulations continue to develop, we spend and expect to continue spending additional resources to continue to enhance our cybersecurity, data protection, business continuity and incident response measures, to investigate and remediate any vulnerabilities to, or consequences of, cyber incidents, as well as to ensure continued regulatory compliance.

Item 6. Exhibits

Exhibit Number	Description
10.01	Amended and Restated NuStar Energy L.P. 2019 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to NuStar Energy L.P.’s Current Report on Form 8-K filed April 30, 2021 (File No. 001-16417))
*10.02	Form of 2021 Performance Cash Award Agreement under the Amended and Restated NuStar Energy L.P. 2019 Long-Term Incentive Plan
22.01	Subsidiary Guarantors and Issuers of Guaranteed Securities (incorporated by reference to Exhibit 22.01 to NuStar Energy L.P.’s Annual Report on Form 10-K for year ended December 31, 2020 (File No. 001-16417))
*31.01	Rule 13a-14(a) Certification (under Section 302 of the Sarbanes-Oxley Act of 2002) of principal executive officer
*31.02	Rule 13a-14(a) Certification (under Section 302 of the Sarbanes-Oxley Act of 2002) of principal financial officer
**32.01	Section 1350 Certification (under Section 906 of the Sarbanes-Oxley Act of 2002) of principal executive officer
**32.02	Section 1350 Certification (under Section 906 of the Sarbanes-Oxley Act of 2002) of principal financial officer
*101.INS	Inline XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
*101.SCH	Inline XBRL Taxonomy Extension Schema Document
*101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
*101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
*104	Cover Page Interactive Data File - Formatted in Inline XBRL and contained in Exhibit 101

* Filed herewith.

** Furnished herewith.

SIGNATURES

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

NUSTAR ENERGY L.P.
(Registrant)

By: Riverwalk Logistics, L.P., its general partner
By: NuStar GP, LLC, its general partner

By:	**/s/ Bradley C. Barron**
	Bradley C. Barron
	President and Chief Executive Officer
	August 6, 2021
By:	**/s/ Thomas R. Shoaf**
	Thomas R. Shoaf
	Executive Vice President and Chief Financial Officer
	August 6, 2021
By:	**/s/ Jorge A. del Alamo**
	Jorge A. del Alamo
	Senior Vice President and Controller
	August 6, 2021

PERFORMANCE CASH AWARD AGREEMENT

This Performance Cash Award Agreement ("**Agreement**"), effective as of July 19, 2021 ("**Grant Date**"), is between NuStar Energy L.P. (the "**Partnership**") and the recipient of this Agreement ("**Participant**"), a participant in the **Amended and Restated NuStar Energy L.P. 2019 Long-Term Incentive Plan**, as the same may be amended (the "**Plan**"), pursuant to and subject to the provisions of the Plan. All capitalized terms contained in this Agreement shall have the same definitions as are set forth in the Plan unless otherwise defined herein. The terms governing this Award are set forth below. Certain provisions applicable to this Agreement are set forth on Appendix A.

1. **Grant of Performance Cash**. The Compensation Committee (the "**Committee**") of the Board of Directors of NuStar GP, LLC (the "**Company**") hereby grants, pursuant to Section 6.3 of the Plan, to Participant the amount of Performance Cash under the Plan communicated to Participant by Participant's manager, which represents the target amount of Performance Cash subject to this Agreement, which grant is subject to the terms and conditions of this Agreement and the Plan. "**Performance Cash**" is an unfunded, unsecured contractual right which, upon vesting, entitles Participant to receive the amount of Performance Cash subject to this Agreement.

2. **Performance Period**. Except as provided below with respect to a Change of Control and as the Committee may provide with respect to TUR (as defined in Section 4A), the performance period for any Performance Cash eligible to vest on any given Vesting Date (as defined below) shall be the calendar year ending on the December 31 immediately preceding such Vesting Date (each, a "**Performance Period**" and specifically, with respect to each of 2021, 2022 and 2023, the "**Year 1 Performance Period**," the "**Year 2 Performance Period**," and the "**Year 3 Performance Period**," respectively).

3. **Vesting and Payment**.

   A. **Vesting**. Except as otherwise provided in this Agreement, the Performance Cash granted hereunder shall be eligible to vest, subject to Section 4, over a period of three years in equal, one-third increments (each increment, an "**Annual Tranche**" and specifically, with respect to the applicable Performance Period for each of the periods ending on December 31, 2021, 2022 and 2023, the "**Year 1 Annual Tranche**," the "**Year 2 Annual Tranche**," and the "**Year 3 Annual Tranche,**" respectively). Except as otherwise provided in this Agreement, the applicable portion, if any, of each Annual Tranche shall vest on the date that the Committee certifies the attainment of the Performance Goals established by the Committee ("**Performance Measures**") for the applicable Performance Period in accordance with Section 4 following completion of the applicable Performance Period (each of these three vesting dates is referred to as a "**Vesting Date**"). Except as provided below in Section 3C, Performance Cash subject to an Annual Tranche that does not vest as of the Vesting Date for such Annual Tranche shall be automatically and immediately forfeited for no consideration. In no event shall an amount of

Performance Cash greater than 200% of the amount of Performance Cash subject to this Agreement vest under any circumstances.

B. **Payment**. Except as provided otherwise in Section 6, any Performance Cash that vests pursuant to this Agreement shall be paid as soon as reasonably practical after the applicable Vesting Date and in all events no later than March 15 of the calendar year following the end of the applicable Performance Period. This Agreement and the Award evidenced hereby are intended to comply with or otherwise be exempt from, and shall be administered consistently in all respects with, Section 409A of the Code and the regulations promulgated thereunder and each payment hereunder shall be considered a separate payment under Section 409A of the Code. If necessary in order to attempt to ensure such compliance, this Agreement may be reformed, to the extent possible, unilaterally by the Partnership consistent with guidance issued by the Internal Revenue Service. Notwithstanding anything to the contrary contained herein, the Committee, subject to applicable law, retains the discretion to settle any amount of Performance Cash that vests pursuant to this Agreement by delivery of a number of Units equal to such vested amount of Performance Cash based on the Fair Market Value of a Unit on such Vesting Date (provided, however, that if settlement of any Annual Tranche in Units would result in delivery of a fractional Unit with respect to such Annual Tranche, such fractional Unit shall be rounded to the nearest whole number such that no fractional Units will be delivered hereunder). If the Committee elects to settle any amount of Performance Cash in Units, Participant agrees that any Units to which Participant will be entitled in connection with the vesting, if any, of Performance Cash under this Agreement may be in uncertificated form and recorded with the Partnership's or its Affiliates' service provider.

C. **Additional Vesting Opportunity for Carried Forward Amount.** With respect to each Annual Tranche, any Performance Cash that does not vest at least at the target level on the original Vesting Date for such Annual Tranche and that would otherwise be forfeited pursuant to Section 3A (the "**Carried Forward Amount**") shall not be forfeited pursuant to Section 3A and shall again be eligible to vest on the Vesting Date for the immediately following Performance Period. The portion of the Carried Forward Amount that vests, if at all, shall be based on the attainment of the Performance Measures for such immediately following Performance Period; provided, however, that regardless of the level of Performance Measures achieved for the immediately following Performance Period, no more than 100% of the Carried Forward Amount shall be eligible to vest. Any Carried Forward Amount that does not vest on the Vesting Date for the immediately following Performance Period shall be automatically and immediately forfeited for no consideration.

4. **Performance Measures**.

A. **Performance Cash Vesting for the Year 1 Performance Period.** The amount of Performance Cash in the Year 1 Annual Tranche that will vest on the applicable Vesting Date shall be determined by multiplying (1) the average of the DCR

Vesting Percentage for the Year 1 Annual Tranche and the TUR Vesting Percentage for the Year 1 Annual Tranche (each, as defined below) by (2) the amount of Performance Cash in the Year 1 Annual Tranche.

I. **DCR Vesting Percentage for the Year 1 Annual Tranche**. The DCR Vesting Percentage for the Year 1 Annual Tranche shall be based on the distribution coverage ratio ("**DCR**") achieved by the Partnership during the Year 1 Performance Period as follows:

Level	DCR	DCR Vesting Percentage for Year 1 Annual Tranche
Threshold	1.6700 : 1	50%
Target	1.8500 : 1	100%
Exceeds Target	1.9430 : 1	150%
Maximum	1.9800 : 1	200%

If the actual performance is between performance levels, the DCR Vesting Percentage will be interpolated on a straight line basis for achievement between performance levels. Notwithstanding the foregoing, the Committee has full discretion to apply a DCR Vesting Percentage between 0% and 200% to the Year 1 Annual Tranche.

II. **TUR Vesting Percentage for the Year 1 Annual Tranche**. The TUR Vesting Percentage for the Year 1 Annual Tranche shall be based on the Partnership's total unitholder return ("**TUR**") relative to the TURs of the peer group of companies set forth on Appendix B (the "**Target Group**") during the period beginning on July 31, 2018 and ending on December 31, 2021 ("**Year 1 TUR Period**").

a. **Total Unitholder Return (TUR)**. The TUR for each company in the Target Group (including the Partnership) is measured by dividing the sum of (i) the cash distributions on the common shares or common units of such company during the Year 1 TUR Period, assuming cash distribution reinvestment and (ii) the difference between the price of a common share or common unit of such company at the end and at the beginning of the Year 1 TUR Period (appropriately adjusted for any share or unit dividend, share or unit split, spin-off, merger or other similar corporate events) by (iii) the price of a common share or common unit of such company at the beginning of the Year 1 TUR Period.

b. **Performance Ranking**. The TUR for the Year 1 TUR Period for the Partnership and each company in the Target Group shall be arranged by rank from best to worst according to the TUR achieved by each company. The total number of companies so ranked shall then be divided into four groups ("**Quartiles**" and each a "**Quartile**"). For purposes of assigning companies to Quartiles (with the 1st Quartile being the best and the 4th Quartile being the worst), the total number of companies ranked (including the Partnership) shall be divided into four groups as nearly equal in number as possible. The number of companies in each group shall be the total number contained in the Target Group divided by four. If the total number of companies is not evenly divisible by four, so that there is a fraction contained in such quotient, the extra company(ies) represented by such fraction will be included in one or more Quartiles as follows:

Fraction	**Extra Company(ies)**
¼	1st Quartile
½	1st Quartile 2nd Quartile
¾	1st Quartile 2nd Quartile 3rd Quartile

c. **<u>Vesting Percentage</u>**. The TUR Vesting Percentage for the Year 1 Annual Tranche shall be determined based on where the Partnership's TUR during the Year 1 TUR Period falls within the following ranges:

Partnership TUR Position	**TUR Vesting Percentage for Year 1 Annual Tranche**
4th Quartile	0%
3rd Quartile	50%
2nd Quartile	100%
1st Quartile	150%
If the Partnership's TUR is the highest achieved in the 1st Quartile	200%

Notwithstanding the foregoing, the Committee has full discretion to apply a TUR Vesting Percentage between 0% and 200% to the Year 1 Annual Tranche.

B. **<u>Performance Cash Vesting for the Year 2 and Year 3 Performance Periods</u>.** The Committee will designate the Performance Measures that will apply for the Year 2 Performance Period and the Year 3 Performance Period (the "**Year 2 Performance Measures**" and the "**Year 3 Performance Measures**," respectively) during the applicable year. Within the Committee's discretion, the Year 2 Performance Measures and the Year 3 Performance Measures may result in the vesting of greater than 100% (up to 200%) of the Year 2 Annual Tranche and the Year 3 Annual Tranche, respectively. The Year 2 Performance Measures and the Year 3 Performance Measures shall be applied to the Year 2 Annual Tranche and the Year 3 Annual Tranche, respectively, to determine the Performance Cash that vests with respect to the applicable Performance Period. Notwithstanding the foregoing, the Committee has full discretion to vest between 0% and 200% of the applicable Annual

Tranche, regardless of the level of Performance Measures achieved for the applicable year.

5. **Termination of Employment**.

A. **Voluntary Termination and Termination for Cause.** Except for a Change of Control, if Participant's employment is voluntarily terminated by Participant (other than through Participant's death), or is terminated by the Company, the Partnership or any of their respective Affiliates for Cause, any Annual Tranche for a Performance Period not completed as of the date of termination shall be automatically forfeited for no consideration; provided, however, that a Participant who remains continuously employed with the Company, the Partnership or any of their respective Affiliates from the Grant Date through the last day of a Performance Period will be entitled to the Performance Cash (i.e., the Performance Cash in the Annual Tranche for such completed Performance Period in accordance with Section 4 and any Carried Forward Amount from the immediately preceding Performance Period which is eligible to vest with respect to such completed Performance Period), whether or not Participant remains employed by the Company, the Partnership or any of their respective Affiliates until the Vesting Date applicable to the completed Performance Period.

B. **Death, Disability and Termination Other Than for Cause**. Except for a Change of Control, if Participant experiences a Disability (as defined below) or if Participant's employment with the Company, the Partnership or any of their respective Affiliates is terminated by the Company, the Partnership or such Affiliate other than for Cause (at a time when Participant is otherwise willing and able to continue providing services) or as a result of Participant's death (each, a "**Triggering Event**"), and the then-current Performance Period will be completed in fewer than 30 days after such Triggering Event, the Annual Tranche applicable to the then-current Performance Period (and any Carried Forward Amount which is eligible to vest with respect to the then-current Performance Period) shall vest and be paid in accordance with Sections 3 and 4 as if Participant had remained employed through the last day of the Performance Period. Any Performance Cash (including any Carried Forward Amount) that fails to vest for the then-current Performance Period after the application of the previous sentence, including any Performance Cash for any Performance Periods that would otherwise have commenced following the Triggering Date, shall be automatically and immediately forfeited for no consideration. Any Performance Cash that vests pursuant to this Section 5B shall be paid as soon as administratively practicable after the Vesting Date for the then-current Performance Period and in all events no later than March 15 of the calendar year following the end of the calendar year in which the applicable Triggering Event occurs. For purposes of this Agreement, "**Disabled**" or "**Disability**" means (i) the inability of Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or (ii) the receipt of income replacements by Participant, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, for a period of not less than three (3) months under the accident and health plan of the Company, the Partnership or an applicable Affiliate thereof.

6. **Change of Control**. Upon a Change of Control, with respect to then-outstanding amount of Performance Cash, all applicable Performance Measures will be deemed achieved at the maximum levels applicable to such Performance Cash and all such Performance Cash shall automatically vest in full. Any Performance Cash that vests pursuant to this Section 6 shall be paid as soon as administratively practicable after the Change of Control and in all events no later than March 15 of the calendar year following the end of the calendar year in which the Change of Control occurs.

7. **Withholding**. The Company, the Partnership or an applicable Affiliate will withhold any taxes due from Participant's grant as the Company, the Partnership or an applicable Affiliate determines is required by law, which, in the sole discretion of the Committee, may include withholding cash or a number of Units that would otherwise be delivered in settlement thereof or otherwise payable to Participant.

8. **Acceptance and Acknowledgement**. Participant hereby accepts and agrees to be bound by all of the terms, provisions, conditions and limitations of the Plan and any subsequent amendment or amendments thereto, as if it had been set forth verbatim in this Award. Participant shall be deemed to have timely accepted this Agreement and the terms hereof if Participant has not explicitly rejected this Agreement in writing to the Partnership within sixty (60) days after the Grant Date. Participant hereby acknowledges receipt of a copy of the Plan, this Agreement and Appendix A. Participant has read and understands the terms and provisions thereof, and accepts the Performance Cash subject to all of the terms and conditions of the Plan and this Agreement. Participant acknowledges that there may be adverse tax consequences upon the vesting or payment of the Performance Cash or disposition of any Units that may be delivered in settlement of the vesting of Performance Cash and that Participant has been advised to consult a tax advisor prior to such vesting, payment or disposition.

9. **Plan and Appendix Incorporated by Reference**. The Plan and Appendix A are incorporated into this Agreement by this reference and are made a part hereof for all purposes; provided, however, that, in the event of a conflict between the Plan and this Agreement or between the Plan and Appendix A, the Plan shall control.

10. **Restrictions**. This Agreement and Participant's interest in the Performance Cash granted by this Agreement are of a personal nature and, except as expressly provided in this Agreement or the Plan, Participant's rights with respect thereto may not be sold, mortgaged, pledged, assigned, alienated, transferred, conveyed or otherwise disposed of or encumbered in any manner by Participant. Any such attempted sale, mortgage, pledge, assignment, alienation, transfer, conveyance, disposition or encumbrance shall be void, and the Partnership and its Affiliates shall not be bound thereby.

NUSTAR ENERGY L.P.
By: Riverwalk Logistics, L.P., its general partner
By: NuStar GP, LLC, its general partner

By: ______________________________________
Bradley C. Barron
President & Chief Executive Officer

APPENDIX A

1. **No Guarantee of Tax Consequences**. None of the Board, the Company, the Partnership or any Affiliate of any of the foregoing makes any commitment or guarantee that any federal, state, local or other tax treatment will (or will not) apply or be available to Participant (or to any person claiming through or on behalf of Participant) or assumes any liability or responsibility with respect to taxes and penalties and interest thereon arising hereunder with respect to Participant (or to any person claiming through or on behalf of Participant).

2. **Successors and Assigns**. The Partnership and its Affiliates may assign any of their respective rights under this Agreement and it shall be binding and inure to the benefit of such successors and assigns. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon Participant and Participant's beneficiaries, executors, administrators and the person(s) to whom the Performance Cash may be transferred by will or the laws of descent or distribution.

3. **Governing Law**. The validity, construction and effect of this Agreement shall be determined by the laws of the State of Delaware without regard to conflict of laws principles.

4. **No Rights as Unitholder**. Neither Participant nor any person claiming by, through or under Participant with respect to the Performance Cash shall have any rights as a unitholder of the Partnership (including, without limitation, voting rights) unless and until the Performance Cash vests and is settled by the delivery of Units.

5. **Amendment**. The Committee has the right to amend or alter this Agreement and/or the Performance Cash; provided, that no such amendment shall adversely affect Participant's material rights under this Agreement without Participant's consent.

6. **No Right to Continued Service**. Neither the Plan nor this Agreement shall confer upon Participant any right to be retained in any position, as an Employee, Consultant or Director of the Company, the Partnership or any Affiliate thereof. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company, the Partnership or any Affiliate thereof to terminate Participant's service at any time, with or without Cause.

7. **Notices**. Any notice required to be delivered to the Partnership under this Agreement shall be in writing and addressed to the Secretary of the Company at the Company's principal offices. Any notice required to be delivered to Participant under this Agreement shall be in writing and addressed to Participant at Participant's address as then shown in the records of the Company, the Partnership or the applicable Affiliate. Any party hereto may designate another address in writing (or by such other method approved by the Partnership) from time to time.

8. **Interpretation**. Any dispute regarding the interpretation of this Agreement shall be submitted by such party to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the parties hereto.

9. **Severability**. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

APPENDIX B
Target Group

Crestwood Equity Partners LP
DCP Midstream, LP
Energy Transfer LP
EnLink Midstream, LLC
Enterprise Products Partners, LP
Genesis Energy, L.P.
Magellan Midstream Partners, L.P.
MPLX LP
NuStar Energy L.P.
ONEOK, Inc.
Plains All American Pipeline, L.P.
Targa Resources Corp.

Exhibit 31.01

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Bradley C. Barron, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NuStar Energy L.P. (the “registrant”);

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

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

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 6, 2021

/s/ Bradley C. Barron

Bradley C. Barron
President and Chief Executive Officer

Exhibit 31.02

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas R. Shoaf, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NuStar Energy L.P. (the “registrant”);

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

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

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 6, 2021

/s/ Thomas R. Shoaf
Thomas R. Shoaf
Executive Vice President and Chief Financial Officer

Exhibit 32.01

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of NuStar Energy L.P. (the Partnership) on Form 10-Q for the quarter ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Bradley C. Barron, President and Chief Executive Officer of NuStar GP, LLC, the general partner of the general partner of the Partnership, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Bradley C. Barron

Bradley C. Barron
President and Chief Executive Officer
August 6, 2021

Exhibit 32.02

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of NuStar Energy L.P. (the Partnership) on Form 10-Q for the quarter ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Thomas R. Shoaf, Executive Vice President and Chief Financial Officer of NuStar GP, LLC, the general partner of the general partner of the Partnership, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Thomas R. Shoaf

Thomas R. Shoaf
Executive Vice President and Chief Financial Officer
August 6, 2021