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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 31, 2017**

NuStar Energy L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16417
(Commission File Number)

74-2956831
(I.R.S. Employer
Identification No.)

1903 IH-10 West
San Antonio, Texas 78257
(Address of principal executive offices)
(210) 918-2000
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 7.01 Regulation FD Disclosure.

Senior management of NuStar Energy L.P. (the “Partnership”) is meeting with members of the investment community at the MLPA 2017 MLP Investor Conference in Orlando, Florida on Wednesday, May 31 and Thursday, June 1, 2017. The slides attached to this report were prepared in connection with, and are being used during, the conference. The slides are included in Exhibit 99.1 to this report and are incorporated herein by reference. The slides will be available in the “Investors” section of the Partnership’s website at www.nustarenergy.com at 1:00 p.m. (Eastern Time) on May 31, 2017.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number

Exhibit

Exhibit 99.1

Slides to be used on May 31 and June 1, 2017.

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 hereunto duly authorized.

NUSTAR ENERGY L.P.

By: Riverwalk Logistics, L.P.
its general partner

By: NuStar GP, LLC
its general partner

Date: May 31, 2017

By: /s/ Amy L. Perry

Name: Amy L. Perry

Title: Senior Vice President, General Counsel - Corporate & Commercial Law and Corporate Secretary

EXHIBIT INDEX

Exhibit Number

Exhibit

Exhibit 99.1

Slides to be used on May 31 and June 1, 2017.

Exhibit 99.1



2017 MLPA

Master Limited Partnership
Investor Conference

MAY 31 – June 1, 2017

Forward-Looking Statements



Statements contained in this presentation other than statements of historical fact are forward-looking statements. 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 likely vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance presented or suggested in this presentation. These forward-looking statements can generally be identified by the words "anticipates," "believes," "expects," "plans," "intends," "estimates," "forecasts," "budgets," "projects," "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.

We undertake no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations. For more information concerning factors that could cause actual results to differ from those expressed or forecasted, see NuStar Energy L.P.'s annual report on Form 10-K and quarterly reports on Form 10-Q, filed with the SEC and available on NuStar's website at www.nustarenergy.com.

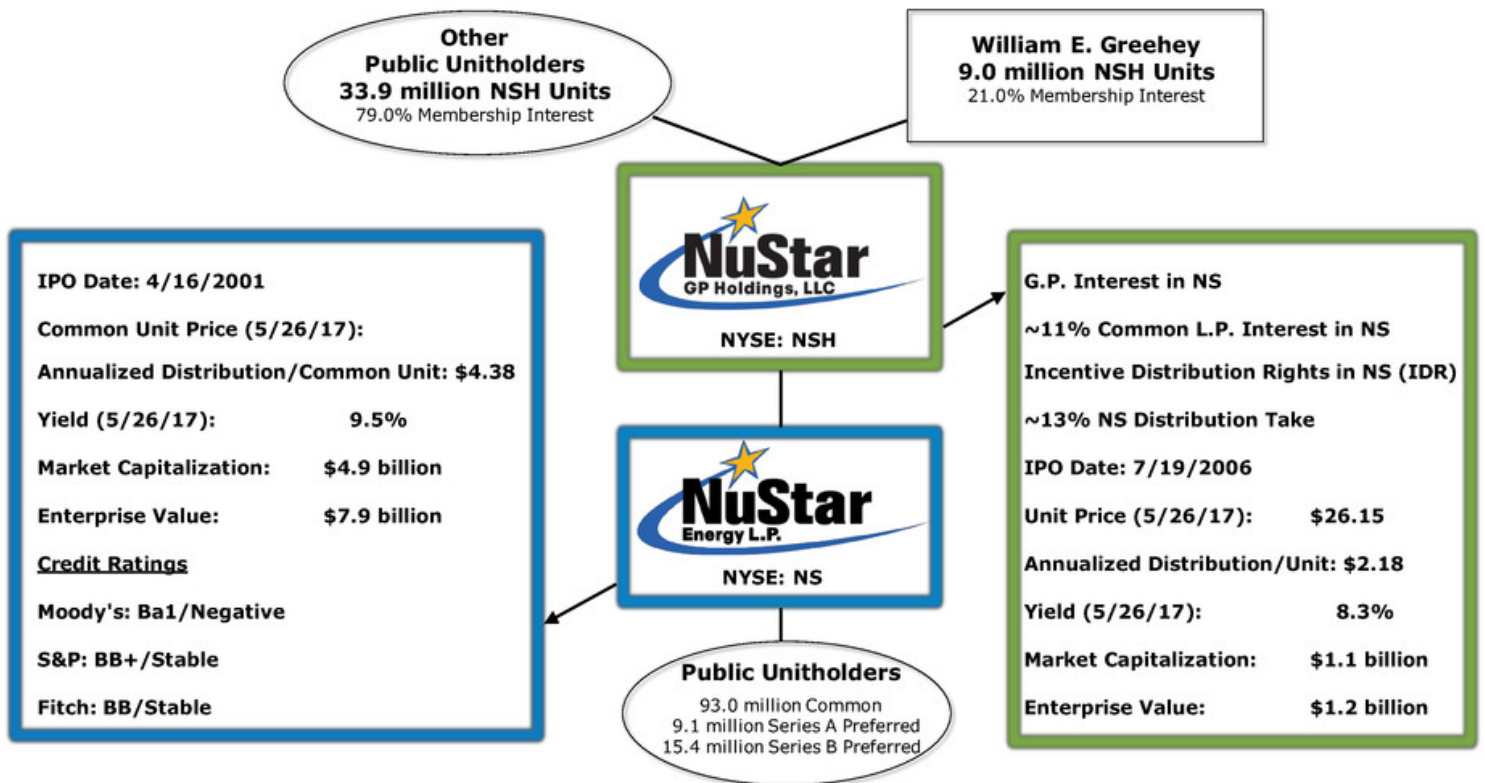
We use financial measures in this presentation that are not calculated in accordance with generally accepted accounting principles ("non-GAAP") and our reconciliations of non-GAAP financial measures to GAAP financial measures are located in the appendix to this presentation. These non-GAAP financial measures should not be considered an alternative to GAAP financial measures.



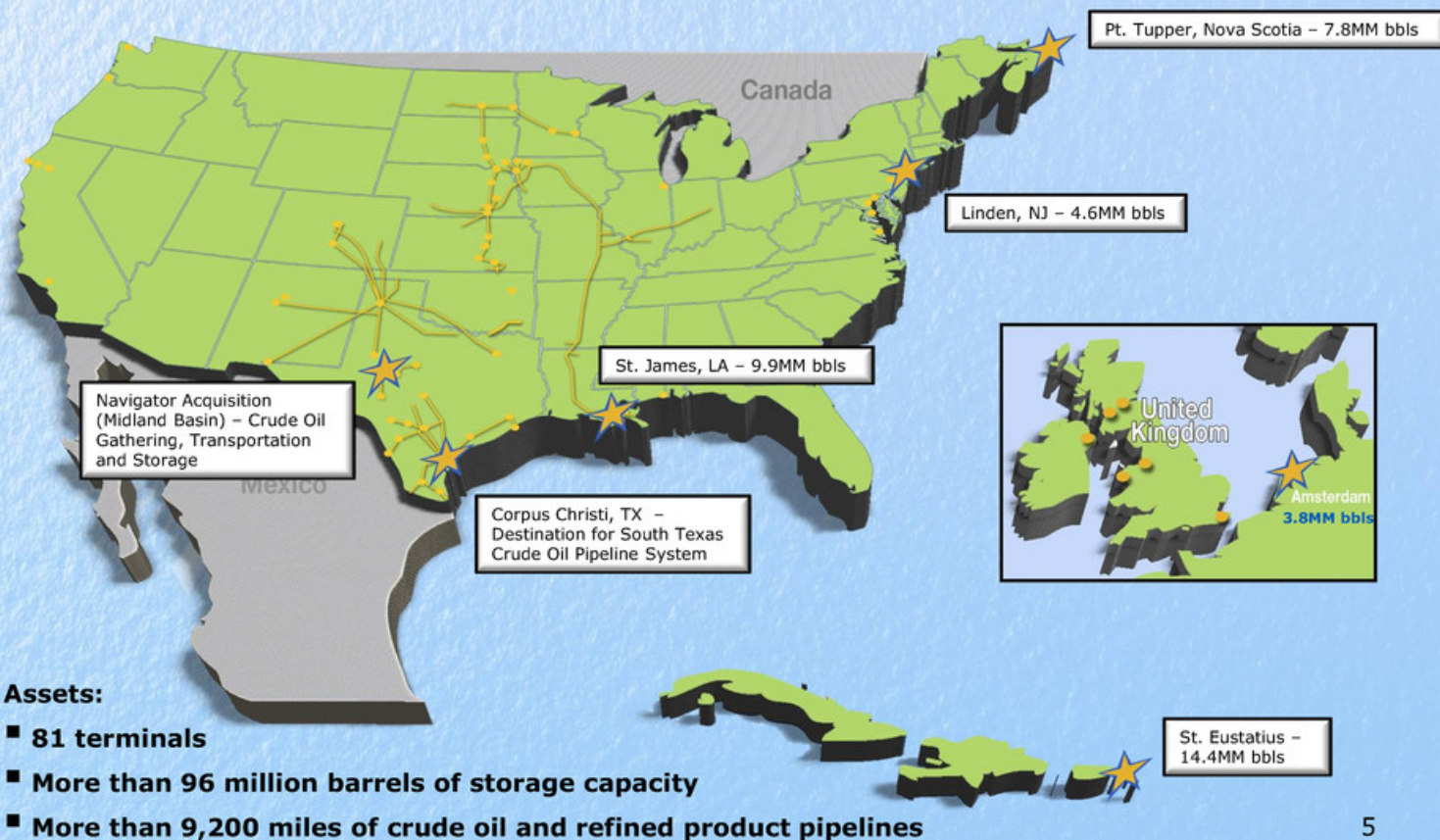
NuStar Overview



Two Publicly Traded Companies



Large and Diverse Geographic Footprint with Assets in Key Locations



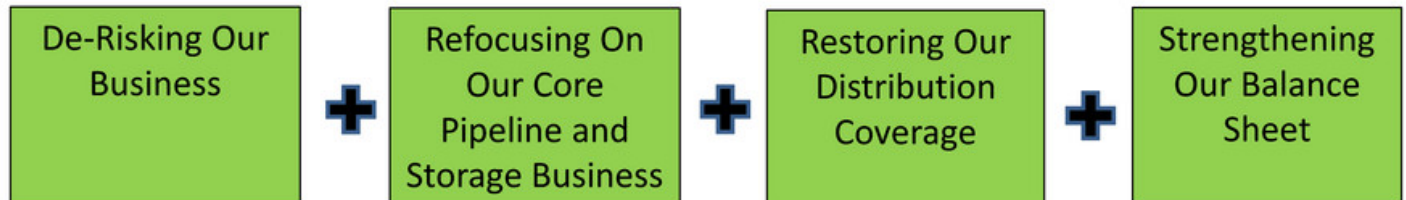


Focus Has Been on De-Risking the Business and Restoring Coverage

De-Risking the Business and Restoring Coverage



For the last 3 years, we have been focused on...

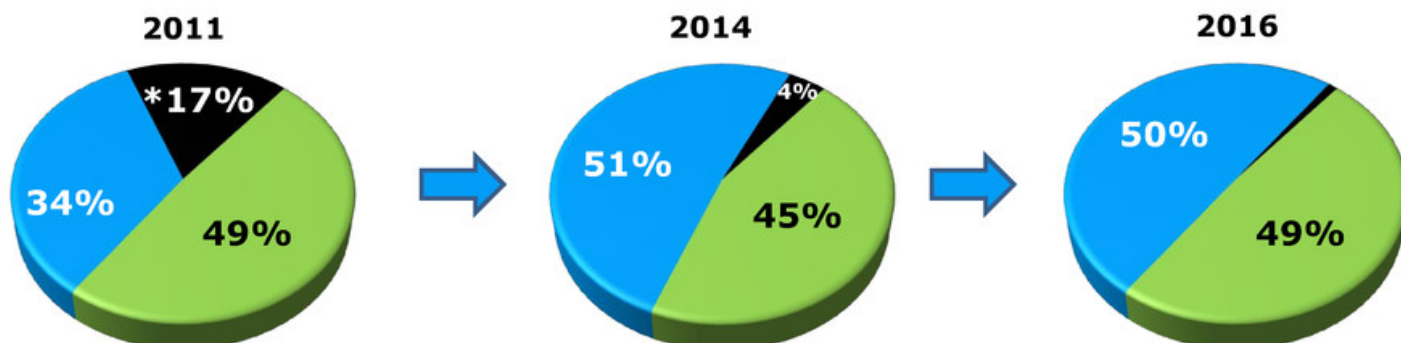


With solid execution by our management team and our employees, we have now set the stage for future growth

Successfully De-Risked the Partnership - Exited the Majority of our Margin-Based Businesses



Percentage of Annual Segment EBITDA¹



Pipeline

- Refined Product Pipelines
- Crude Oil Pipelines
- Ammonia Pipeline



Storage

- Refined Product Terminals
- Crude Oil Storage



Fuels Marketing

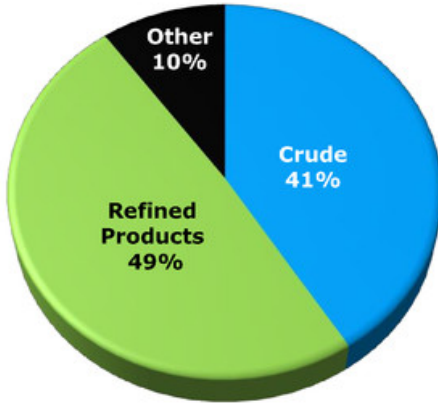
- Refined Products Marketing, Bunkering and Fuel Oil Trading
- * 2011 percentage includes former asphalt operations and intersegment eliminations

1 - Please see slides 31-35 for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures

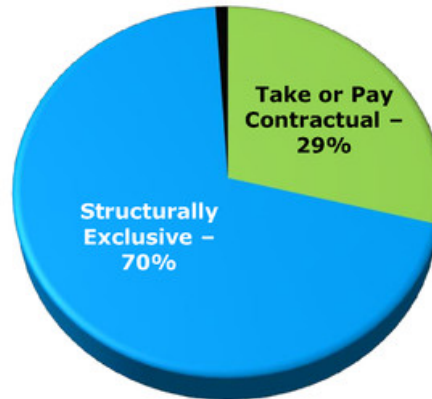
Pipeline Segment – Committed and Diversified



Pipeline Receipts by Commodity TTM as of 3/31/17



Committed¹ Pipeline Revenues (3/31/17 annual forecast)



- ~99% committed through take or pay contracts or through structural exclusivity (uncommitted lines serving refinery customers with no competition)

*Other includes ammonia, naphtha and NGL's

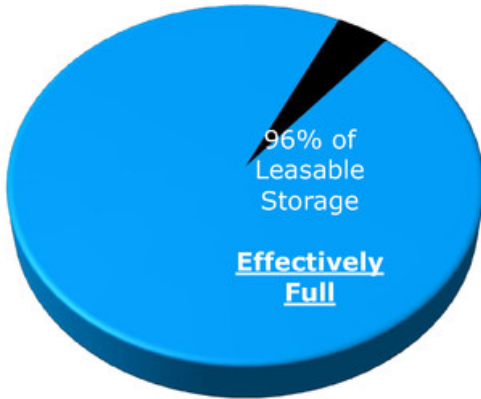
1 - Excludes Navigator Acquisition



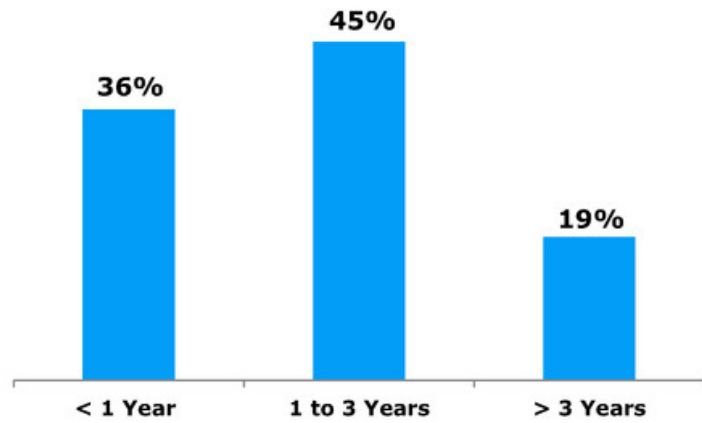
Storage Segment – Effectively Full



Storage Lease Utilization (as of 3/31/2017)



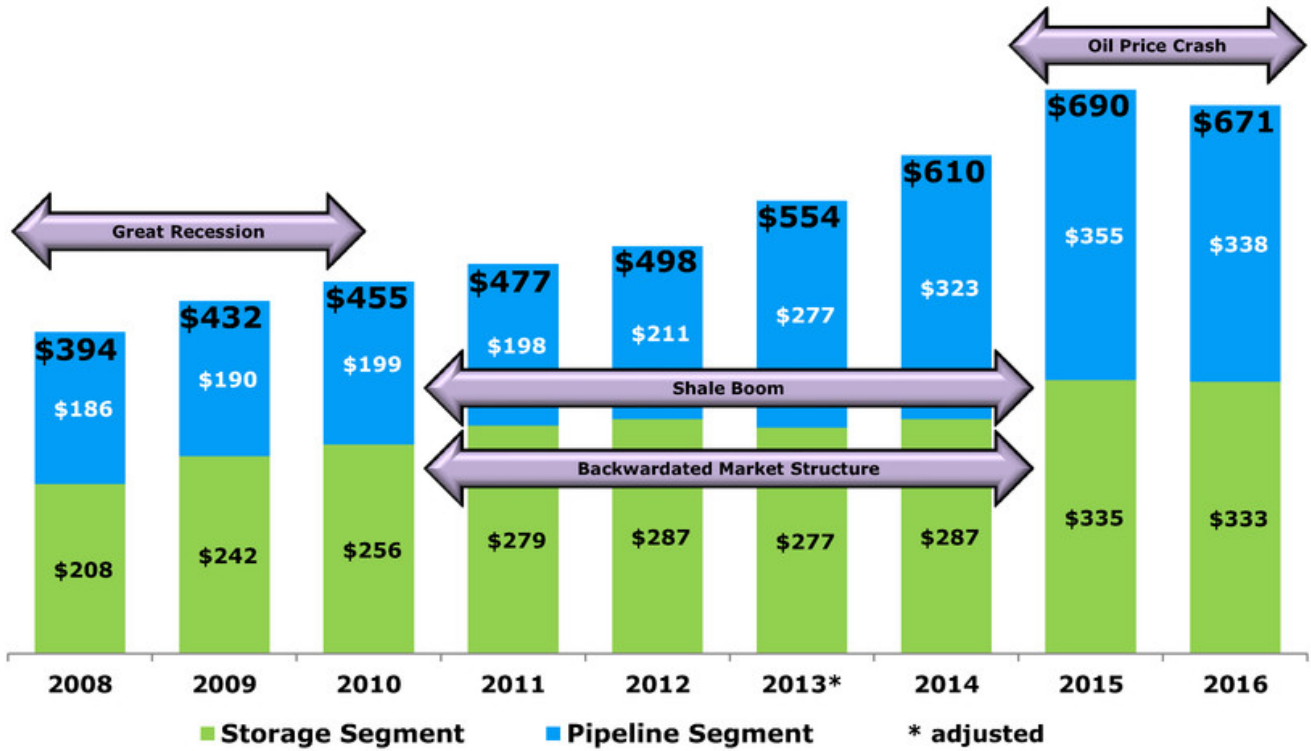
Storage Lease Renewals (% as of 3/31/2017)



Base Business EBITDA – Consistent Performance in Various Market Conditions



Historical Pipeline and Storage Segment EBITDA¹ (\$ in millions)

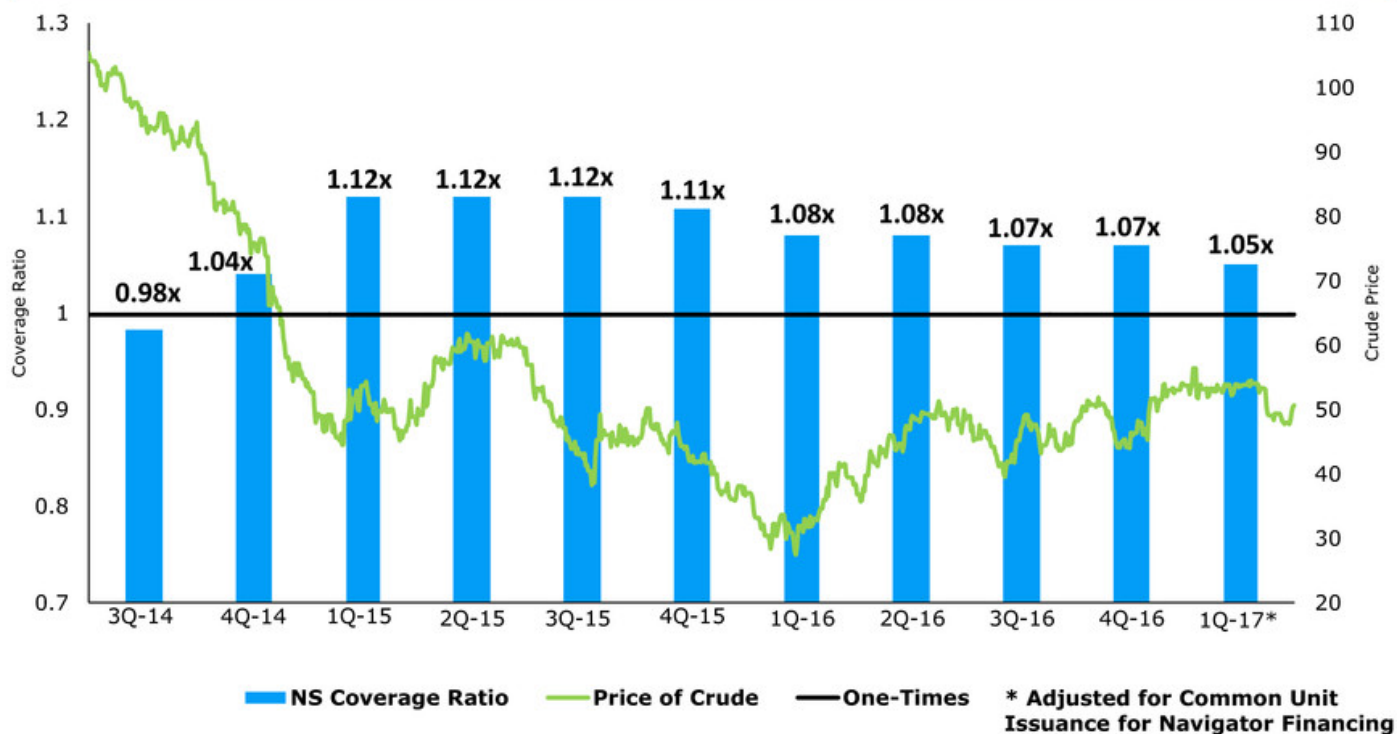


1 - Please see slides 31-35 for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures

Coverage Restored in the Midst of Low Crude Oil Price Environment



Coverage Ratio¹ (Trailing Twelve Months) vs Price of Crude
(October 2013 – March 2017)



1 - Please see slides 31-35 for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures

The background of the top half of the page is a photograph of two flagpoles. The pole on the left holds a white flag with the NuStar logo. The pole on the right holds the United States flag. Both flags are waving in the wind. The background is a grassy hill under a clear sky.

Navigator Acquisition Overview

Navigator Acquisition Overview



- On May 4th, NuStar acquired 100% of the membership interests in Navigator Energy Services, LLC from First Reserve Energy Infrastructure Fund for \$1.475 billion in cash
 - Navigator owns and operates a leading crude oil gathering, transportation and storage system in the core of the Midland Basin in the Permian

- The Permian Basin currently represents approximately 40% of all U.S. onshore rig activity

- For the past 18 months, we have actively looked at opportunities in the Permian
 - For one reason or another, they have not met our acquisition criteria or they included assets that were either too risky or outside of our core areas of expertise

- Acquisition provides a meaningful entry into the Permian and a significant growth platform

- The addition of Navigator, coupled with NuStar's existing Eagle Ford position, solidifies NuStar's presence in two of the most prolific basins in the U.S.

- Navigator assets are consistent with NuStar's existing crude oil operations, with no first purchasing or gas processing exposure

- Significant growth prospects through volume ramp from existing producers, bolt-on acquisitions and larger takeaway capacity opportunities
- Diversified, high-quality producer portfolio with attractive long-term fee-based contracts
- Expected acquisition multiple of high single digits as volumes ramp
 - Driven by existing producers with more than 500,000 dedicated acres on the system



"Core of the Core" of the Midland Basin

- Navigator system located in 5 of the 6 most active counties in the Midland Basin
- Midland is one of the most economic, resilient and fastest growing basins in the U.S.
 - Permian, in aggregate, represents ~40% of all U.S. onshore rig activity
- Permian has unparalleled resource potential
 - Decades of drilling inventory with breakeven economics at \$35 - \$45/bbl

Significant Volume Growth

- Rapid volume growth expected in 2017, 2018 and beyond, driven by existing producers with more than 500,000 dedicated acres on the system
- Further potential upside from undedicated producers, AMI acreage and improved drilling results / technology

Growth Platform for NuStar

- Potential to expand the system organically
- Numerous bolt-on acquisition opportunities
- Platform enhances ability to develop larger takeaway capacity projects

Newly Constructed / Well Designed System

- Fully integrated crude system centered around transportation, providing customers with excellent access to multiple downstream end markets
 - Connection to nearly all destinations in Big Spring, Midland and Colorado City
- Newly-built assets with minimal annual maintenance capex expected

Stable Cash Flow

- System structured with long-term, fixed-fee contracts
 - Mainline transportation with ~92,000 bbl/d of ship-or-pay volume commitments and nearly 7 year average contract life
 - Pipeline gathering contract portfolio with an average life of over 10 years
 - 440,000 bbls of storage contracted with an average life of nearly 7 years
- Well-diversified customer base, including 16 upstream producers with a meaningful and active presence in the Midland Basin

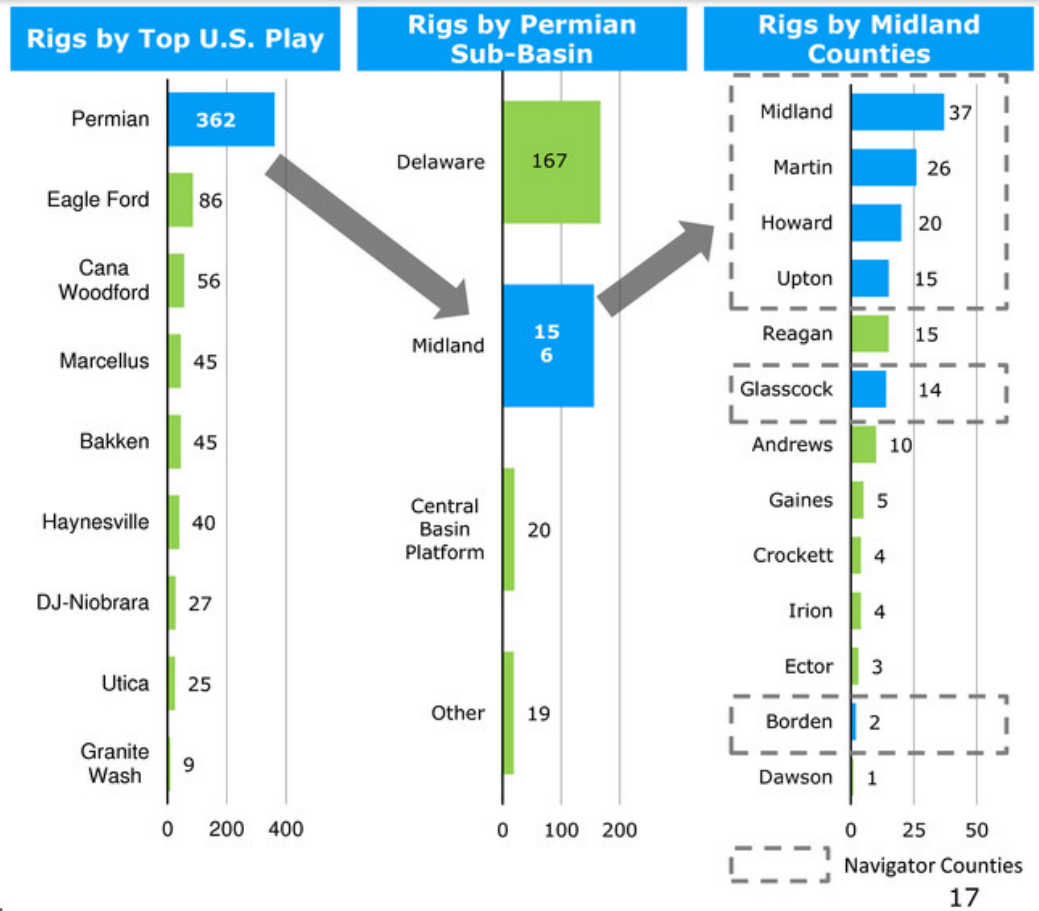
Navigator is in the Most Active Areas of the Midland



- Permian Basin has 362 rigs operating, representing ~40% of all U.S. onshore rig activity
 - 2.8x the rig count in the Bakken / Eagle Ford combined

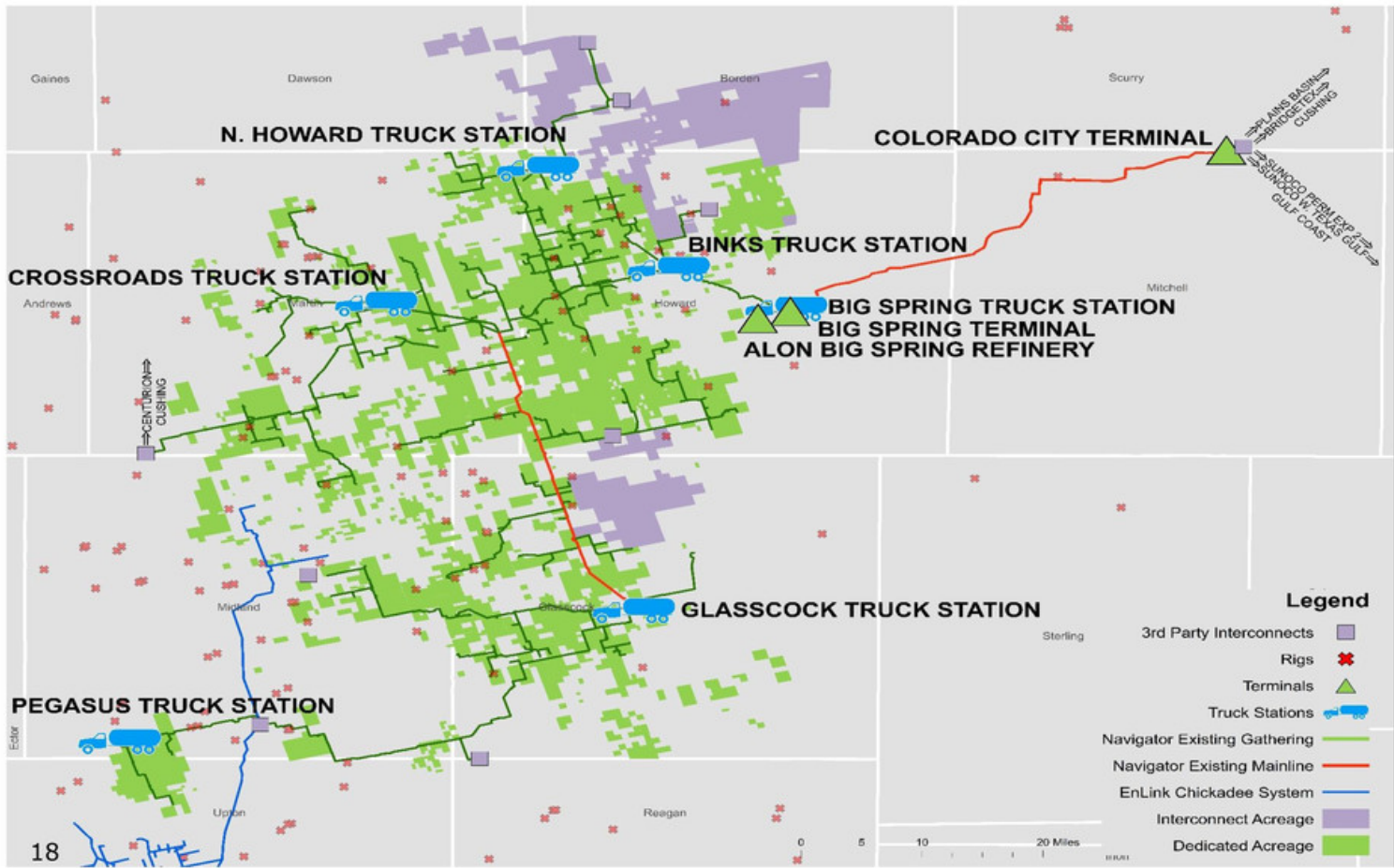
Navigator Overview:

- Fully integrated crude platform
 - ~625 miles of pipeline with 412,000 bbls/d of current capacity
 - 1 million bbls of storage capacity
- Pipeline gathering with over 500,000 dedicated acres
 - Nearly 5 million acres of "Areas of Mutual Interest," or "AMI"
- Delivery points into Midland, Colorado City and Big Spring



Source: Rig count per Baker Hughes data as of 5/26/2017

Navigator is an Integrated Crude System





- The Navigator purchase price was funded by a combination of equity and debt offerings, which is consistent with NuStar's targeted credit profile

NuStar GP Holdings IDR Waiver

- To demonstrate its strong support for the transaction, NuStar GP Holdings has agreed to temporarily forgo all IDR cash distributions to which it would be entitled from any NuStar Energy L.P. common equity issuances after signing the acquisition agreement:
 - For a period of ten (10) quarters from the date of the acquisition closing (starting with the distribution for the 2nd quarter of 2017)
 - Capped at \$22 million in the aggregate

Common Equity Offering

- On April 18, NuStar issued 14.4 million new common units for gross proceeds of ~\$665 million (including exercise of overallotment option)
 - Our offering was the largest ever "wall-crossed" MLP equity offering, as well as the largest MLP equity offering in 2017



Perpetual Preferred Offering

- On April 28, we issued 15.4 million Series B perpetual preferred units for gross proceeds of \$385 million (including exercise of overallotment option)
 - Fixed distribution rate of 7.625% for five years
 - Thereafter, floating distribution rate of three-month LIBOR plus 5.643%, callable at par after five years

Senior Notes Offering

- On April 28, we raised \$550 million by issuing 5.625% 10-year senior notes due April 28, 2027



- Expect assets to contribute \$40 to \$60 million of EBITDA¹ in 2017
 - Partially offset by \$10 to \$20 million of transaction related costs associated with closing the acquisition
 - See slide 30 for further detail on 2017 guidance estimates

- 2018 EBITDA multiple expected to be in the low teens

- EBITDA multiple expected to be in the high single digits by 2020

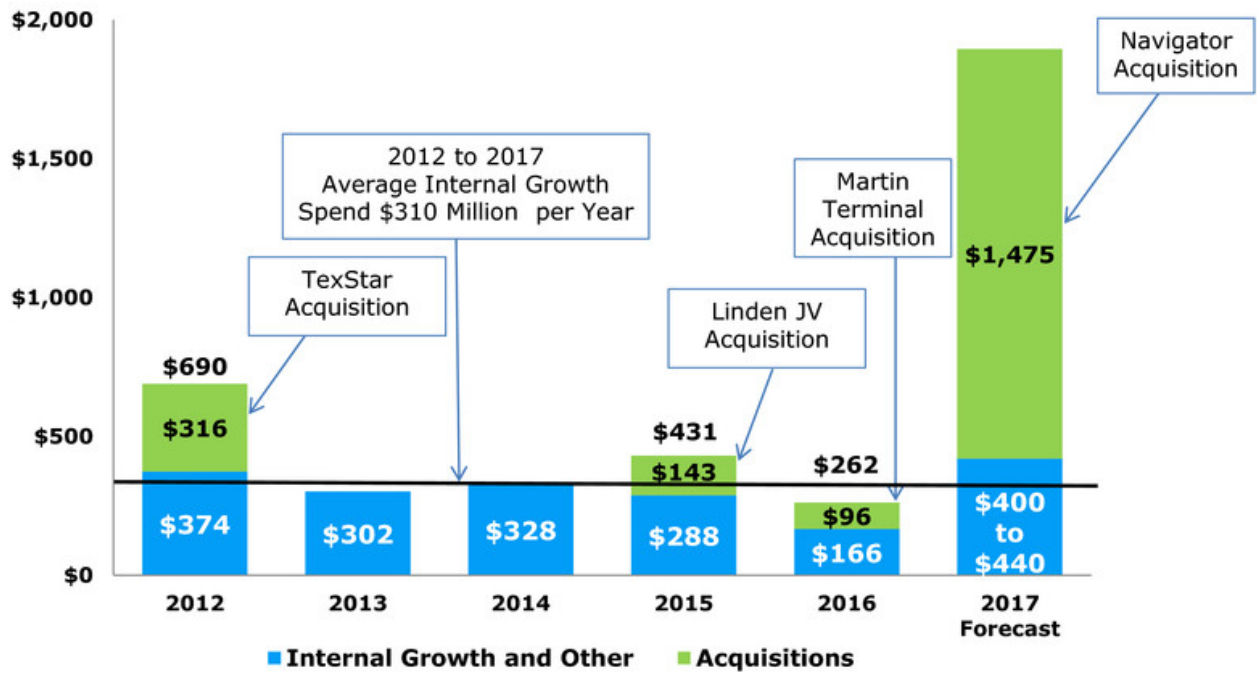
- Growth capital spending projected to be ~\$250 million over the next five years
 - ~\$100 million of spend to occur in 2017, post close, on expansion of the system
 - Majority of 2017 spend related to expansion of transportation system and gathering extensions

1 - Please see slides 31-35 for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures



Return to Growth

Expect \$400 to \$440 Million of Internal Growth Spending in 2017 (Dollars in Millions)



- 2017 Total Strategic Capital Spending (excluding Navigator Acquisition price), which includes Reliability Capital, is expected to be in the range of \$435 to \$495 million

Base Business Projects and Growth Opportunities – Included in 2017 Guidance



Navigator Expansion

- Purchased for \$1.475 billion
- Growth capital spending projected to be ~\$250 million over the next five years
- ~\$100 million of spend to occur in 2017 on expansion of the system

Mid-Continent Pipeline & Terminals

- Several projects have been completed or under development to increase distillate and propane supply throughout the Upper Midwest for an investment of approximately \$80 million
- Propane supply projects complete and in service
- Construction on remaining projects should be completed by the fourth quarter of 2017

Corpus Christi Terminal Acquisition

- Purchased 1.15 mmbbls of crude and refined products storage for \$93mm, net
- Assets located adjacent to existing NuStar Corpus Christi North Beach Terminal
- Completion of Port of Corpus Christi's new state-of-the-art dock in 2H 2017 will allow for increased volumes

Linden Terminal

- Constructing 500MBbls of new storage in the New York Harbor
- Expected cost of ~\$50 million in 2017
- Expect to complete construction in the first quarter of 2018

St. Eustatius Terminal

- Effective in the first quarter of 2017, recently recontracted 9.5 million barrels of storage
- Approximately \$100 million of facility enhancements with expected completion in 2017

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Growth Projects – Currently Evaluating \$1.0 to \$1.5 Billion



Crude Oil Pipeline Expansion

- Expansion of our Permian operations
- Expansion of our South Texas Crude Oil Pipeline System
- Solution to link the two systems and provide optionality to Corpus Christi, TX
 - In active discussion with potential shippers
 - Anticipate launching open season in the near future

Refined Product Pipeline Expansion

- South Texas refined product supply opportunities
- Gulf coast NGL opportunities

Terminal Expansion

- Opportunities to expand Northeast operations
- Additional tankage at our St. James Terminal
- Renewal opportunities on the East and West Coast

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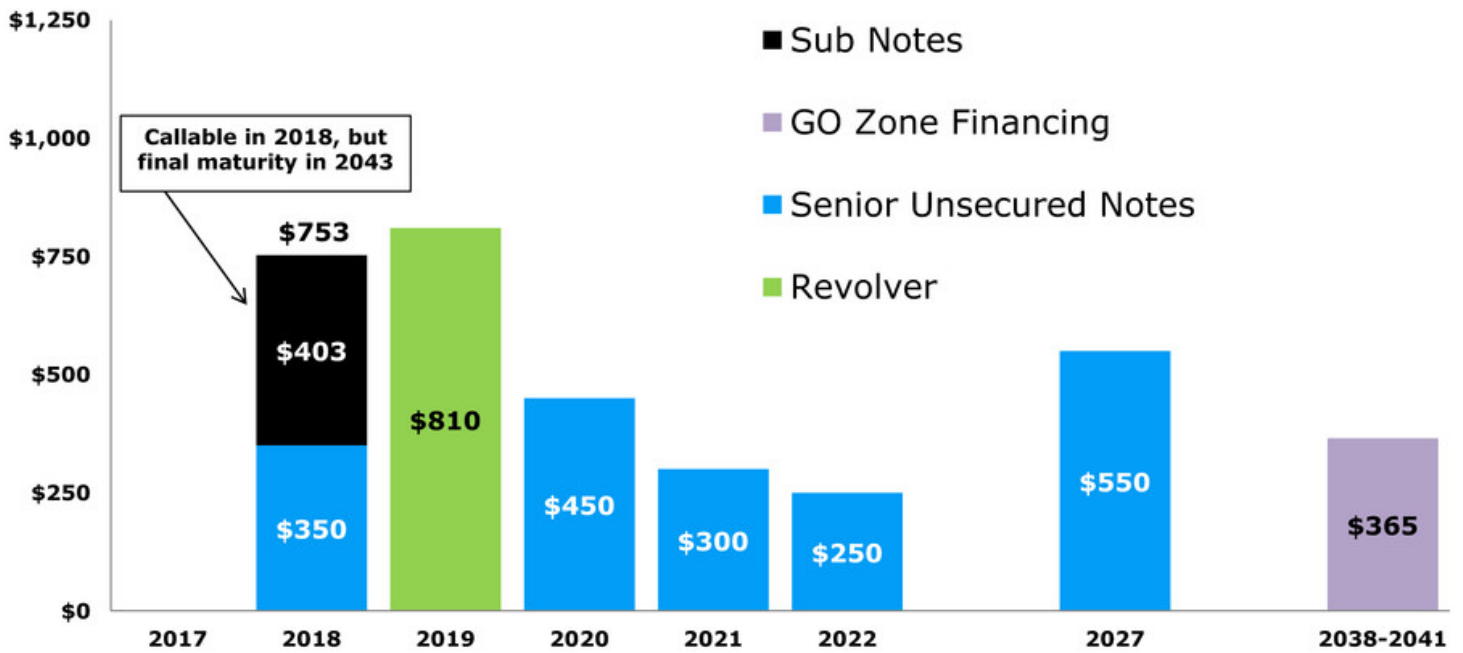
Q&A



Appendix

No Debt Maturities until 2018

(\$ in Millions)



Note: Debt maturities as of 3/31/17, adjusted for Navigator Acquisition

Capital Structure after Navigator Acquisition (\$ in Millions)



As of March 31, 2017 (Unaudited)	<u>Actual</u>	<u>As Adjusted</u>
\$1.5 billion Credit Facility	\$775	\$810
NuStar Logistics Notes (4.75%)	250	250
NuStar Logistics Notes (4.80%)	450	450
NuStar Logistics Notes (5.63%)	-	550
NuStar Logistics Notes (6.75%)	300	300
NuStar Logistics Notes (7.65%)	350	350
NuStar Logistics Sub Notes (7.63%)	403	403
GO Zone Bonds	365	365
Receivables Financing	61	-
Short-term Debt & Other	<u>70</u>	<u>(8)</u>
Total Debt	\$3,024	\$3,470
Total Partners' Equity	<u>1,570</u>	<u>2,600</u>
Total Capitalization	\$4,594	\$6,070

- Availability under \$1.5 billion Credit Facility (as of March 31, 2017): ~\$725 million
 - Debt to EBITDA¹ calculation per Credit Facility of 4.3x (as of March 31, 2017)
- As adjusted column includes net proceeds of \$657.5 from common equity issuance, \$543.8 million from senior note issuance and \$372.2 million from Series B perpetual preferred equity issuance used to finance the Navigator acquisition.

1 - Please see slides 31-35 for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures

2017 Guidance Summary



(\$ in Millions)	Annual EBITDA ¹	G&A Expenses	Reliability Capital Spending	Strategic Capital Spending
Previous Guidance	\$600 - \$650	\$100 - \$110	\$35 - \$55	\$380 - \$420
Impact of Navigator Acquisition	\$40 - \$60			\$90 - \$110
Transaction related costs Associated with Navigator	(\$10 - \$20)	\$10 - \$20		
Impact of Increased Customer Turnaround Activity	(\$10 - \$20)			
Deferred Strategic Project Spending, Primarily PEMEX LPG Project				(\$70 - \$90)
Current Guidance	\$620 - \$670	\$110 - \$130	\$35 - \$55	\$400 - \$440

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Reconciliation of Non-GAAP Financial Information



NuStar Energy L.P. utilizes financial measures, such as earnings before interest, taxes, depreciation and amortization (EBITDA), distributable cash flow (DCF) and distribution coverage ratio, which are not defined in U.S. generally accepted accounting principles (GAAP). Management believes these financial measures provide useful information to investors and other external users of our financial information because (i) they provide additional information about the operating performance of the partnership's assets and the cash the business is generating and (ii) investors and other external users of our financial statements benefit from having access to the same financial measures being utilized by management and our board of directors when making financial, operational, compensation and planning decisions.

Our board of directors and management use EBITDA and/or DCF when assessing the following: (i) the performance of our assets, (ii) the viability of potential projects, (iii) our ability to fund distributions, (iv) our ability to fund capital expenditures and (v) our ability to service debt. In addition, our board of directors uses a distribution coverage ratio, which is calculated based on DCF, as the metric for determining the company-wide bonus and the vesting of performance units awarded to management. Our board of directors believes DCF appropriately aligns management's interest with our unitholders' interest in increasing distributions in a prudent manner. DCF is a widely accepted financial indicator used by the master limited partnership (MLP) investment community to compare partnership performance. DCF is used by the MLP investment community, in part, because the value of a partnership unit is partially based on its yield, and its yield is based on the cash distributions a partnership can pay its unitholders.

None of these financial measures are presented as an alternative to net income, or for any period presented reflecting discontinued operations, income from continuing operations. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with GAAP. For purposes of segment reporting, we do not allocate general and administrative expenses to our reported operating segments because those expenses relate primarily to the overall management at the entity level. Therefore, EBITDA reflected in the segment reconciliations exclude any allocation of general and administrative expenses consistent with our policy for determining segmental operating income, the most directly comparable GAAP measure.

Reconciliation of Non-GAAP Financial Information (continued)



The following is a reconciliation of operating income to EBITDA for the pipeline segment (in thousands of dollars):

	Year Ended December 31,								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Operating income	\$ 135,086	\$ 139,869	\$ 148,571	\$ 146,403	\$ 158,590	\$ 208,293	\$ 245,233	\$ 270,349	\$ 248,238
Plus depreciation and amortization expense	50,749	50,528	50,617	51,165	52,878	68,871	77,691	84,951	89,554
EBITDA	\$ 185,835	\$ 190,397	\$ 199,188	\$ 197,568	\$ 211,468	\$ 277,164	\$ 322,924	\$ 355,300	\$ 337,792

The following is a reconciliation of operating income (loss) to EBITDA for the storage segment (in thousands of dollars):

	Year Ended December 31,								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Operating income (loss)	\$ 141,079	\$ 171,245	\$ 178,947	\$ 196,508	\$ 198,842	\$ (127,484)	\$ 183,104	\$ 217,818	\$ 214,801
Plus depreciation and amortization expense	66,706	70,888	77,071	82,921	88,217	99,868	103,848	116,768	118,663
EBITDA	\$ 207,785	\$ 242,133	\$ 256,018	\$ 279,429	\$ 287,059	\$ (27,616)	\$ 286,952	\$ 334,586	\$ 333,464
Impact from non-cash goodwill impairment charges						304,453			
Adjusted EBITDA						\$ 276,837			

The following is a reconciliation of operating income to EBITDA for the fuels marketing segment (in thousands of dollars):

	Year Ended December 31,		
	2011	2014	2016
Operating income	\$ 71,854	\$ 24,805	\$ 3,406
Plus depreciation and amortization expense	20,949	16	-
EBITDA	\$ 92,803	\$ 24,821	\$ 3,406

Reconciliation of Non-GAAP Financial Information (continued)



The following are the non-GAAP reconciliations of income from continuing operations to EBITDA from continuing operations and for the calculation of EBITDA for each of our segments as a percentage of total segment EBITDA (in thousands of dollars, except percentage data):

	<u>Year Ended December 31, 2011</u>		<u>Year Ended December 31, 2014</u>		<u>Year Ended December 31, 2016</u>	
	<u>Consolidated</u>		<u>Consolidated</u>		<u>Consolidated</u>	
Income from continuing operations	\$	218,674	\$	214,169	\$	150,003
Interest expense, net		81,539		131,226		138,350
Income tax expense		18,555		10,801		11,973
Depreciation and amortization expense		161,773		191,708		216,736
EBITDA from continuing operations		480,541		547,904		517,062
General and administrative expenses		103,050		96,056		98,817
Other expense (income), net		3,573		(4,499)		58,783
Equity in earnings of joint ventures		(11,458)		(4,796)		-
Segment EBITDA	\$	575,706	\$	634,665	\$	674,662
		Segment EBITDA		Segment EBITDA		Segment EBITDA
		Percentage (a)		Percentage (a)		Percentage (a)
Pipeline segment (see previous slide for EBITDA reconciliation)	\$	197,568	\$	322,924	\$	337,792
		34%		51%		50%
Storage segment (see previous slide for EBITDA reconciliation)		279,429		286,952		333,464
		49%		45%		49%
Fuels marketing segment (see previous slide for EBITDA reconciliation)		92,803		24,821		3,406
		16%		4%		1%
Elimination/consolidation		5,906		(32)		-
		1%		-		-
Segment EBITDA	\$	575,706	\$	634,665	\$	674,662
		100%		100%		100%

(a) Segment Percentage calculated as segment EBITDA for each segment divided by total segment EBITDA.

Reconciliation of Non-GAAP Financial Information (continued)



The following is a reconciliation of income from continuing operations to EBITDA from continuing operations and DCF from continuing operations (in thousands of dollars, except ratio data):

	For the Twelve Months Ended											
	Sept. 30, 2014	Dec. 31, 2014	Mar. 31, 2015	Jun. 30, 2015	Sept. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	Jun. 30, 2016	Sept. 30, 2016	Dec. 31, 2016	Mar. 31, 2017	
Income from continuing operations	\$ (116,202)	\$ 214,169	\$ 298,298	\$ 295,436	\$ 301,335	\$ 305,946	\$ 236,222	\$ 234,414	\$ 220,539	\$ 150,003	\$ 150,542	
Interest expense, net	132,208	131,226	129,901	129,603	130,044	131,868	133,954	135,359	136,933	138,350	140,641	
Income tax expense	14,983	10,801	9,071	10,310	10,281	14,712	15,195	16,361	14,208	11,973	12,028	
Depreciation and amortization expense	188,570	191,708	197,935	202,764	206,466	210,210	210,895	211,781	213,426	216,736	220,458	
EBITDA from continuing operations	\$ 219,559	\$ 547,904	\$ 635,205	\$ 638,113	\$ 648,126	\$ 662,736	\$ 596,266	\$ 597,915	\$ 585,106	\$ 517,062	\$ 523,669	
Equity in losses (earnings) of joint ventures	11,604	(4,796)	(9,102)	(5,808)	(3,059)	-	-	-	-	-	-	
Interest expense, net	(132,208)	(131,226)	(129,901)	(129,603)	(130,044)	(131,868)	(133,954)	(135,359)	(136,933)	(138,350)	(140,641)	
Reliability capital expenditures	(29,862)	(28,635)	(30,674)	(29,464)	(32,439)	(40,002)	(39,221)	(44,497)	(43,770)	(38,155)	(37,160)	
Income tax expense	(14,983)	(10,801)	(9,071)	(10,310)	(10,281)	(14,712)	(15,195)	(16,361)	(14,208)	(11,973)	(12,028)	
Distributions from joint venture	8,048	7,587	7,721	6,993	4,208	2,500	-	-	-	-	-	
Mark-to-market impact of hedge transactions (a)	(90)	6,125	4,991	(261)	(132)	(5,651)	152	4,474	5,372	10,317	3,047	
Unit-based compensation (b)	-	-	-	-	-	-	1,086	2,208	3,499	5,619	6,621	
Other items (c)	323,764	19,732	(34,471)	(36,351)	(41,628)	(44,032)	10,110	11,518	19,185	73,846	74,075	
Preferred unit distributions	-	-	-	-	-	-	-	-	-	(1,925)	(6,738)	
DCF from continuing operations	\$ 385,832	\$ 405,890	\$ 434,698	\$ 433,309	\$ 434,751	\$ 428,971	\$ 419,244	\$ 419,898	\$ 418,251	\$ 416,441	\$ 410,845	
Less DCF from continuing operations available to general partner	51,064	51,064	51,064	51,064	51,064	51,064	51,064	51,064	51,164	51,284	51,417 (d)	
DCF from continuing operations available to limited partners	\$ 334,768	\$ 354,826	\$ 383,634	\$ 382,245	\$ 383,687	\$ 377,907	\$ 368,180	\$ 368,834	\$ 367,087	\$ 365,157	\$ 359,428	
Distributions applicable to limited partners	\$ 341,140	\$ 341,140	\$ 341,140	\$ 341,140	\$ 341,140	\$ 341,140	\$ 341,140	\$ 341,140	\$ 341,798	\$ 342,598	\$ 343,485 (d)	
Distribution coverage ratio (e)	0.98x	1.04x	1.12x	1.12x	1.12x	1.11x	1.08x	1.08x	1.07x	1.07x	1.05x (d)	

(a) DCF from continuing operations excludes the impact of unrealized mark-to-market gains and losses that arise from valuing certain derivative contracts, as well as the associated hedged inventory. The gain or loss associated with these contracts is realized in DCF from continuing operations when the contracts are settled.

(b) In connection with the employee transfer from NuStar GP, LLC on March 1, 2016, we assumed obligations related to awards issued under a long-term incentive plan, and we intend to satisfy the vestings of equity-based awards with the issuance of our units. As such, the expenses related to these awards are considered non-cash and added back to DCF. Certain awards include distribution equivalent rights (DERs). Payments made in connection with DERs are deducted from DCF.

(c) Other items mainly consist of (i) adjustments for throughput deficiency payments and construction reimbursements for all periods presented, (ii) a \$58.7 million non-cash impairment charge on the Axeon term loan in the fourth quarter of 2016, (iii) a \$56.3 million non-cash gain associated with the Linden terminal acquisition in the first quarter of 2015 and (iv) a non-cash goodwill impairment charge totaling \$304.5 million in the fourth quarter of 2013.

(d) For the three months ended March 31, 2017, amounts adjusted to exclude distributions that were paid on the 14,375,000 common units that were issued April 18, 2017.

(e) Distribution coverage ratio is calculated by dividing DCF from continuing operations available to limited partners by distributions applicable to limited partners.

Reconciliation of Non-GAAP Financial Information (continued)



The following are reconciliations of projected net income to projected EBITDA (in thousands of dollars):

	Year Ended December 31, 2017	
	Current Guidance	Previous Guidance
Projected net income	\$ 175,000 - 190,000	\$ 210,000 - 240,000
Projected interest expense, net	175,000 - 185,000	150,000 - 155,000
Projected income tax expense	10,000 - 15,000	10,000 - 15,000
Projected depreciation and amortization expense	260,000 - 280,000	230,000 - 240,000
Projected EBITDA	\$ 620,000 - 670,000	\$ 600,000 - 650,000

The following is a reconciliation of projected operating income to projected EBITDA for Navigator (in thousands of dollars):

	Year Ended
	December 31, 2017
Projected operating income	\$ 10,000 - 20,000
Projected depreciation and amortization expense	30,000 - 40,000
Projected EBITDA	\$ 40,000 - 60,000

The following is the non-GAAP reconciliation for the calculation of our Consolidated Debt Coverage Ratio, as defined in our \$1.5 billion five-year revolving credit agreement (the Revolving Credit Agreement) (in thousands of dollars, except ratio data):

	For the Four Quarters Ended	
	March 31, 2017	
Net income	\$	150,542
Interest expense, net		140,641
Income tax expense		12,028
Depreciation and amortization expense		220,458
EBITDA		523,669
Other expense (a)		58,472
Mark-to-market impact on hedge transactions (b)		3,047
Pro forma effect of acquisitions (c)		7,758
Material project adjustments (d)		10,515
Consolidated EBITDA, as defined in the Revolving Credit Agreement	\$	603,461
Total consolidated debt	\$	3,025,584
NuStar Logistics' 7.625% fixed-to-floating rate subordinated notes		(402,500)
Proceeds held in escrow associated with the Gulf Opportunity Zone Revenue Bonds		(41,476)
Consolidated Debt, as defined in the Revolving Credit Agreement	\$	2,581,608
Consolidated Debt Coverage Ratio (Consolidated Debt to Consolidated EBITDA)		4.3x

(a) This adjustment consists mainly of a \$58.7 million non-cash impairment charge on the Axeon term loan in the fourth quarter of 2016.

(b) This adjustment represents the unrealized mark-to-market gains and losses that arise from valuing certain derivative contracts, as well as the associated hedged inventory. The gain or loss associated with these contracts is realized in net income when the contracts are settled.

(c) This adjustment represents the pro forma effect of the Martin Terminal Acquisition as if we had completed the acquisition on January 1, 2016.

(d) This adjustment represents the percentage of the projected Consolidated EBITDA attributable to any Material Project, as defined in the Revolving Credit Agreement, based on the current completion percentage.

