UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2023

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 78257
(Address of principal executive offices) (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
8.50% Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprA	New York Stock Exchange
7.625% Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprB	New York Stock Exchange
9.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units	NSprC	New York Stock Exchange

Securities registered pursuant to 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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

Indicate by check mark whether the registrant has submitted electronically 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 ☐

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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the common units held by non-affiliates was approximately $1.7 billion based on the last sales price quoted as of June 30, 2023, the last business day of the registrant's most recently completed second quarter.

The number of common units outstanding as of January 31, 2024 was 126,532,875.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Proxy Statement for the registrant's 2024 annual meeting of unitholders, expected to be filed within 120 days after the end of the fiscal year covered by this Form 10-K, are incorporated by reference into Part III to the extent described therein.

NUSTAR ENERGY L.P.
FORM 10-K

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PART I

Unless otherwise indicated, the terms “NuStar,” “NuStar Energy,” “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 AND OTHER DISCLAIMERS

In this Form 10-K, 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 economic activity and the demand for or supply of crude oil, refined products, renewable fuel and anhydrous ammonia. 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. See Item 1A. “Risk Factors” 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-K. 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.

This Form 10-K contains trade names, trademarks and service marks of others, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this Form 10-K appear without the ® or ™ symbols.

ITEMS 1., 2. and 7. BUSINESS, PROPERTIES AND MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

NuStar Energy L.P. (NuStar Energy) is a publicly traded Delaware limited partnership. Our principal executive offices are located at 19003 IH-10 West, San Antonio, Texas 78257, and our telephone number is (210) 918-2000. Our business is managed under the direction of the board of directors of NuStar GP, LLC (the Board of Directors). NuStar GP, LLC is the general partner of our general partner, Riverwalk Logistics, L.P., both of which are wholly owned subsidiaries of ours. As of December 31, 2023, our limited partner interests consisted of the following:

- common units (NYSE: NS); and
- 8.50% Series A (NYSE: NSprA), 7.625% Series B (NYSE: NSprB) and 9.00% Series C (NYSE: NSprC) Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units (collectively, the Series A, B and C Preferred Units).

We are primarily engaged in the transportation, terminalling and storage of petroleum products and renewable fuels and the transportation of anhydrous ammonia. We also market petroleum products. The term “throughput” as used in this document generally refers to barrels of crude oil, refined product or renewable fuels, or tons of ammonia, as applicable, that pass through our pipelines, terminals or storage tanks.

We divide our operations into the following three reportable business segments: pipeline, storage and fuels marketing. As of December 31, 2023, our assets included 9,490 miles of pipeline and 63 terminal and storage facilities, which provide approximately 49 million barrels of storage capacity. We conduct our operations through our wholly owned subsidiaries, primarily NuStar Logistics, L.P. (NuStar Logistics) and NuStar Pipeline Operating Partnership L.P. (NuPOP). We generate revenue primarily from:

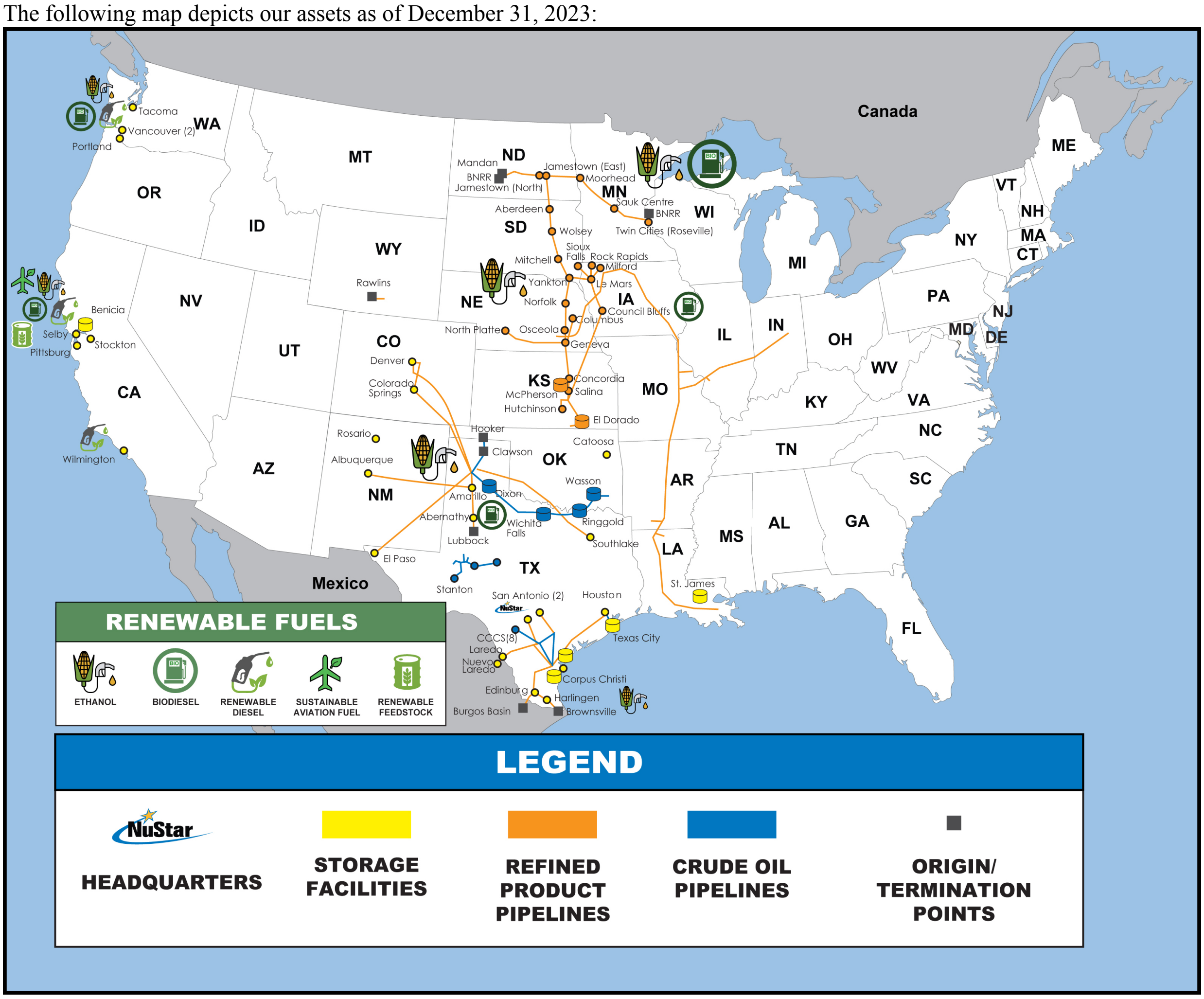
- tariffs for transportation through our pipelines;
- fees for the use of our terminal and storage facilities and related ancillary services; and
- sales of petroleum products.

The following factors affect our results of operations:

- economic factors and price volatility;
- industry factors, such as changes in the prices of petroleum products that affect demand or production, 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 we transport and/or store in our assets and the demand for products we sell.

See Item 1A. "Risk Factors" for additional discussion on how these factors could affect our operations.

The following map depicts our assets as of December 31, 2023:



Merger Agreement
On January 22, 2024, NuStar Energy entered into an Agreement and Plan of Merger (the Merger Agreement) with Sunoco LP, a Delaware limited partnership (Sunoco), Saturn Merger Sub, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of Sunoco (Merger Sub), Riverwalk Logistics, L.P., NuStar GP, LLC, and Sunoco GP LLC, a Delaware limited liability company and sole general partner of Sunoco (the Sunoco GP). The Merger Agreement provides that, among other things and on the terms and subject to the conditions set forth therein, Sunoco will acquire NuStar Energy in an all-equity transaction by means of a merger of Merger Sub with and into NuStar Energy (the Merger) with NuStar Energy surviving the Merger as a subsidiary of Sunoco.

On the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the Effective Time), each NuStar Energy common unit issued and outstanding immediately prior to the Effective Time will be converted into and shall thereafter represent the right to receive 0.400 of a common unit of Sunoco and, if applicable, cash in lieu of fractional units. In addition, prior to the Effective Time, we will declare and pay a special cash distribution to our common unitholders in the amount of $0.212 per common unit (the Special Distribution) (in addition to continuing to pay our quarterly distributions in the ordinary course, subject to certain conditions, until the Effective Time).

Each Series A, B and C Preferred Unit issued and outstanding immediately prior to the Effective Time will remain issued and outstanding from and after the Effective Time as limited partnership interests of the surviving entity having the same terms as are applicable to the applicable series of NuStar Energy preferred unit immediately prior to the Effective Time.

The completion of the Merger is subject to the fulfillment or waiver of certain conditions, including, among others: approval and adoption by NuStar Energy’s common unitholders of the Merger Agreement and the transactions contemplated thereby, including the Merger; expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; and the effectiveness of the registration statement on Form S-4 to be filed by Sunoco pursuant to which Sunoco common units to be issued in connection with the Merger are registered with the U.S. Securities and Exchange Commission (the SEC).

The Merger Agreement contains termination rights for each of NuStar Energy and Sunoco. Upon termination of the Merger Agreement under specified circumstances, including the termination by Sunoco in the event of an adverse recommendation change by our Board of Directors or by NuStar Energy to accept a Superior Proposal (as defined in the Merger Agreement), NuStar Energy would be required to pay Sunoco a termination fee of approximately $90.3 million.

Concurrently with the entry into the Merger Agreement, NuStar Energy and Sunoco entered into an agreement (the Support Agreement) with Energy Transfer LP (Energy Transfer), a Delaware limited partnership and the sole member of the Sunoco GP. The Support Agreement provides, among other things, that Energy Transfer will not transfer its ownership interest in the Sunoco GP, any of the Sunoco incentive distribution rights owned by it or any material portion of the Sunoco common units owned by it prior to the Effective Time. Energy Transfer has also agreed to be bound by the terms of the non-solicitation provisions in the Merger Agreement with respect to competing proposals for Sunoco and the Sunoco GP and to abide by certain covenants with respect to regulatory approvals, SEC filings, confidentiality and litigation, among other things.

The foregoing descriptions of the Merger Agreement and the Support Agreement and the transactions contemplated thereby, including the Merger, are summaries, do not purport to be complete and are qualified in their entirety by reference to the full text of the Merger Agreement and the Support Agreement, which are included in Item 15. “Exhibits and Financial Statement Schedules” as Exhibit 2.01 and Exhibit 10.54, respectively, and incorporated by reference herein.

Other Recent Developments
Redemptions of Series D Preferred Units. In the second and third quarters of 2023, we redeemed all of our outstanding Series D Cumulative Convertible Preferred Units (the Series D Preferred Units) for an aggregate net redemption price of $518.7 million. These redemptions were primarily funded with borrowings under our Revolving Credit Agreement, as defined below. Pursuant to our partnership agreement, the Series D Preferred Units were cancelled; therefore, the Series D Preferred Units no longer represent a limited partnership interest. For the year ended December 31, 2023, we recorded a loss of $0.55 per common unit attributable to the redemptions. See Note 17 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for more information.

Issuance of Common Units. On August 11, 2023, we issued 14,950,000 common units representing limited partner interests at a price of $15.35 per unit for net proceeds of approximately $222.0 million. We used these proceeds to repay outstanding borrowings under our Revolving Credit Agreement.

Debt Amendments. On June 30, 2023, we amended our $1.0 billion unsecured revolving credit agreement (as amended, the Revolving Credit Agreement), primarily to extend the maturity date from April 27, 2025 to January 27, 2027. On June 29, 2023, we amended our $100.0 million receivables financing agreement (as amended, the Receivables Financing Agreement) to extend the scheduled termination date from January 31, 2025 to July 1, 2026. See Note 12 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for more information.

Sale-Leaseback Transaction. On March 21, 2023, we consummated a sale-leaseback (the Sale-Leaseback Transaction) of our corporate headquarters facility and approximately 24 acres of underlying land located in San Antonio, Texas (the Corporate Headquarters) for $103.0 million and recognized a gain of $41.1 million. We used the proceeds to repay outstanding borrowings under our Revolving Credit Agreement. See Note 4 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for more information.

Trends and Outlook

For the full-year 2024, we expect to fund all of our expenses, distribution requirements and capital expenditures using internally generated cash flows, as we did in 2021 through 2023. We plan to continue to manage our operations with fiscal discipline in order to best maximize unitholder value.

In 2024, we expect to continue to benefit from the positive revenue impact of the July 2023 tariff indexation increases on most of our pipeline systems, which serve as an important counterbalance to the impact of inflation on our business.

While many terminals in our storage segment are somewhat insulated from demand volatility by contracted rates for storage, index rate adjustments and minimum volume commitments, revenues at our St. James and Corpus Christi North Beach facilities continue to be negatively impacted by ongoing global economic uncertainty. Conversely, we expect our West Coast region to continue to benefit in 2024 from the completion of renewable fuels projects, which continue to expand the capacity of our renewable fuels distribution system.

In 2024, we expect our operations to continue to be impacted by inflation. We also expect to continue to be impacted by the high interest rate environment, which negatively affects the cost of our variable-rate debt, as well as our Series A, B and C Preferred Units, which have distribution rates that float along with interest rates. On the other hand, our ability to pass along rate increases reflecting changes in producer and/or consumer price indices to our customers, under tariffs and contracts, should help to counterbalance the impact of inflation on our costs. Additionally, we expect uncertain market conditions in 2024, stemming from the uncertainty regarding future actions by the U.S. Federal Reserve and the upcoming election year, among other factors, which could impact the cost of operating our assets and executing our capital projects in 2024 and beyond.

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. See Item 1A. “Risk Factors” for additional discussion on how these factors could affect our financial position, results of operations and cash flows.

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CONSOLIDATED RESULTS OF OPERATIONS

The following discussion of our results of operations should be read in conjunction with Item 8. “Financial Statements and Supplementary Data” included in this report, which contains additional detailed financial information about our segments in Note 24 of the Notes to Consolidated Financial Statements. A comparative discussion of our 2022 to 2021 results of operations can be found in Items 1., 2., and 7. “Business, Properties and Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 23, 2023.

The following table presents our consolidated financial results for the year ended December 31, 2023, compared to the year ended December 31, 2022:

	Year Ended December 31,		
	2023	2022	Change
	(Thousands of Dollars, Except Per Unit Data)		
Statement of Income Data:			
Revenues:			
Service revenues	$ 1,155,567	$ 1,120,249	$ 35,318
Product sales	478,620	562,974	(84,354)
Total revenues	1,634,187	1,683,223	(49,036)
Costs and expenses:			
Costs associated with service revenues	622,671	616,867	5,804
Costs associated with product sales	407,793	486,947	(79,154)
Other impairment loss	—	46,122	(46,122)
General and administrative expenses	129,846	117,116	12,730
Other depreciation and amortization expense	4,728	7,358	(2,630)
Total costs and expenses	1,165,038	1,274,410	(109,372)
Gain on sale of assets	41,075	—	41,075
Operating income	510,224	408,813	101,411
Interest expense, net	(241,364)	(209,009)	(32,355)
Other income, net	10,215	26,182	(15,967)
Income before income tax expense	279,075	225,986	53,089
Income tax expense	5,412	3,239	2,173
Net income	$ 273,663	$ 222,747	$ 50,916
Basic and diluted net income per common unit	$ 0.72	$ 0.36	$ 0.36

Consolidated Overview

Net income increased $50.9 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to higher operating income of $101.4 million, partially offset by an increase in interest expense, net of $32.4 million and a decrease in other income, net of $16.0 million. Operating income increased primarily due to a gain of $41.1 million related to the Sale-Leaseback Transaction in the first quarter of 2023, a non-cash pre-tax impairment loss of $46.1 million in the first quarter of 2022 and higher operating income from our pipeline segment in 2023. These increases were partially offset by lower operating income from our storage segment, excluding the 2022 impairment loss, and higher general and administrative expenses in 2023.

Total revenues decreased $49.0 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to lower product sales in our fuels marketing segment resulting from lower fuel prices. Service revenues increased in 2023 due to higher revenues from our pipeline segment, primarily due to higher average tariff rates, partially offset by lower revenues from our storage segment, resulting from current unfavorable market conditions affecting certain of our terminals.

Total costs and expenses decreased $109.4 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to lower fuel costs associated with product sales in our fuels marketing segment and a non-cash, pre-tax impairment loss of $46.1 million in the first quarter of 2022, partially offset by an increase in general and administrative expenses.

General and administrative expenses increased $12.7 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to an increase in rent expense of $6.5 million, mainly related to the Sale-Leaseback Transaction of our Corporate Headquarters in the first quarter of 2023 and higher compensation expenses in 2023.

Interest expense, net increased $32.4 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to higher interest rates on our variable rate debt and higher balances on our Revolving Credit Agreement, which was used to fund a portion of the Series D Preferred Unit redemptions. In addition, $4.8 million of Series D Preferred Unit distributions was classified in interest expense due to the redemptions.

Other income, net decreased $16.0 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to a gain of $16.4 million in 2022 for the amount by which the insurance recoveries related to the 2019 fire at our terminal facility in Selby, California exceeded our expenses incurred to date. The overall decrease was partially offset by higher foreign exchange rate gains of $4.5 million in 2023. See Notes 1 and 4 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for more information on the fire at our terminal facility in Selby, California and the sale of the Point Tupper terminal facility.

Basic and diluted net income per common unit increased $0.36 per common unit for the year ended December 31, 2023, compared to the year ended December 31, 2022, due to higher net income, partially offset by a loss of $0.55 per common unit related to the Series D Preferred Unit redemptions in 2023, compared to a loss of $0.31 per common unit related to the Series D Preferred Unit repurchase in 2022. See Notes 17 and 19 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for more information.

SEGMENTS AND RESULTS OF OPERATIONS

PIPELINE SEGMENT

As of December 31, 2023, our pipeline operations consist of the transportation of refined products, crude oil and anhydrous ammonia, including:

- refined product pipelines with an aggregate length of 2,915 miles and crude oil pipelines with an aggregate length of 2,070 miles in Texas, Oklahoma, Colorado and New Mexico (collectively, the Central West System);
- a 2,045-mile refined product pipeline originating in southern Kansas and terminating at Jamestown, North Dakota, with a western extension to North Platte, Nebraska and an eastern extension into Iowa (the East Pipeline);
- a 450-mile refined product pipeline originating at Marathon Petroleum Corporation's (Marathon) Mandan, North Dakota refinery and terminating in Minneapolis, Minnesota (the North Pipeline); and
- an approximately 2,000-mile anhydrous ammonia pipeline originating in the Louisiana delta area and then running north through the Midwestern United States to Missouri before forking east and west to terminate in Indiana and Nebraska (the Ammonia Pipeline).

The following table lists information about our pipeline assets:

	As of December 31, 2023			Throughput For the Year Ended December 31,	
Region / Pipeline System	**Length**	**Terminals**	**Tank Capacity**	**2023**	**2022**
	(Miles)		(Barrels)	(Barrels/Day)	
Central West System:					
McKee Refined Product System	1,981	—	—	182,840	160,490
Three Rivers System	378	—	—	119,453	114,294
Valley Pipeline System	271	—		59,885	58,335
Other	285	—	—	18,892	19,649
Central West Refined Products Pipelines	2,915	—	—	381,070	352,768
Corpus Christi Crude Pipeline System	538	8	2,157,000	317,346	385,720
McKee Crude System	388	—	1,039,000	153,410	132,197
Ardmore System	119	—	824,000	77,883	88,664
Permian Crude System	1,025	3	1,583,000	685,412	712,779
Central West Crude Oil Pipelines	2,070	11	5,603,000	1,234,051	1,319,360
Total Central West System	4,985	11	5,603,000	1,615,121	1,672,128
Central East System:					
East Pipeline	2,045	18	5,906,000	149,947	151,139
North Pipeline	450	4	1,503,000	45,739	48,148
Ammonia Pipeline	2,010	—	—	26,157	27,185
Total Central East System	4,505	22	7,409,000	221,843	226,472
Total	9,490	33	13,012,000	1,836,964	1,898,600

Description of Pipelines

Central West System. The Central West System covers a total of 4,985 miles, including refined product and crude oil pipelines. The refined product pipelines have an aggregate length of 2,915 miles (Central West Refined Products Pipelines) and transport gasoline, distillates (including diesel and jet fuel), renewable fuels, natural gas liquids and other products produced at the refineries to which they are connected, including Valero Energy Corporation's (Valero Energy) McKee, Corpus Christi and Three Rivers refineries.

The crude oil pipelines have an aggregate length of 2,070 miles (Central West Crude Oil Pipelines) and transport crude oil and other feedstocks to the refineries to which they are connected, including Valero Energy's McKee, Three Rivers and Ardmore refineries, or from the Permian Basin and Eagle Ford Shale regions to our North Beach marine export terminal or to third-party refineries in Corpus Christi, Texas. Our Corpus Christi Crude Pipeline System is composed of pipelines that transport crude oil from the Eagle Ford region to Corpus Christi, Texas, including eight terminals along those pipelines, with aggregate storage capacity of 2.2 million barrels. In addition, the Corpus Christi Crude Pipeline System is connected to third-party long-haul pipelines that transport crude oil from the Permian Basin region to Corpus Christi, Texas.

Our Permian Crude System consists of crude oil transportation, pipeline connection and storage assets located in the Midland Basin of West Texas, that aggregate receipts from wellhead connection lines into intra-basin trunk lines for delivery to regional hubs and to connections with third-party mainline takeaway pipelines. As of December 31, 2023, the system consists of 1,025 miles of pipelines and covers approximately 500,000 dedicated acres controlled by producers, with 369 receipt points. The Permian Crude System also includes three terminals in Texas, at Big Spring, Stanton and Colorado City, as well as several truck stations and other operational storage facilities, with aggregate storage capacity of 1.6 million barrels.

Central East System. The Central East System covers a total of 4,505 miles and consists of the East Pipeline, the North Pipeline and the Ammonia Pipeline.

The East Pipeline covers 2,045 miles and transports refined products and natural gas liquids north via pipelines to our terminals and third-party terminals along the system and to receiving pipeline connections in Kansas. Shippers on the East Pipeline primarily obtain refined products from refineries in Kansas, Oklahoma and Texas. The East Pipeline includes 18 terminals, with aggregate storage capacity of 4.5 million barrels and two tank farms with aggregate storage capacity of 1.4 million barrels at McPherson and El Dorado, Kansas.

The North Pipeline originates at Marathon's Mandan, North Dakota refinery and runs from west-to-east for approximately 450 miles to its termination in Minneapolis, Minnesota. The North Pipeline is also connected to CHS Inc.'s (CHS) Laurel, Montana refinery via a connection in Fargo, North Dakota to their Laurel Pipeline. The North Pipeline includes four terminals with aggregate storage capacity of 1.5 million barrels.

The approximately 2,000-mile Ammonia Pipeline originates in the Louisiana delta area, where it connects to three third-party marine terminals and three anhydrous ammonia plants located along the Mississippi River. The line then runs north through Louisiana and Arkansas into Missouri, where, at Hermann, Missouri, it splits into two branches, one of which goes east into Illinois and Indiana, while the other branch continues north into Iowa and then turns west into Nebraska. The Ammonia Pipeline is connected to multiple third-party-owned terminals, which include industrial facility delivery locations. Product is supplied to the pipeline from anhydrous ammonia plants in Louisiana and Arkansas, imported product delivered through marine terminals in Louisiana and a rail terminal in Iowa. Anhydrous ammonia is primarily used as agricultural fertilizer. It is also used as a feedstock to produce other nitrogen derivative fertilizers, Diesel Exhaust Fluid (DEF) and explosives.

Pipeline Operations

We charge tariffs on a per-barrel basis for transporting refined products, crude oil and other feedstocks in our refined product and crude oil pipelines and on a per-ton basis for transporting anhydrous ammonia in the Ammonia Pipeline. Throughputs on the Ammonia Pipeline are converted from tons to barrels for reporting purposes only. Fees related to storage facilities included with these pipeline systems predominately relate to the volumes transported on the pipelines and are included in the respective pipeline tariff. As a result, these storage facilities are included in this segment instead of the storage segment. Other revenues include product sales of surplus pipeline loss allowance (PLA) volumes.

In general, shippers on our crude oil and refined product pipelines deliver petroleum products to our pipelines for transport to/from: (i) refineries that connect to our pipelines, (ii) third-party pipelines or terminals and (iii) our terminals for further delivery via marine vessels, pipelines or trucks. We charge our shippers tariff rates based on transportation from the origination point on the pipeline to the point of delivery.

Our pipelines are regulated by one or more of the following federal governmental agencies: the Federal Energy Regulatory Commission (the FERC), the Surface Transportation Board (the STB), the Department of Transportation (the DOT), the Environmental Protection Agency (the EPA) and the Department of Homeland Security. In addition, our pipelines are subject to the respective jurisdictions of the states those lines traverse. See "Rate Regulation" and "Environmental, Health, Safety and Security Regulation" below for additional discussion.

The majority of our pipelines are deemed to be "common carrier" lines. Common carrier activities are those for which transportation is available to any shipper who requests such services and satisfies the conditions and specifications for transportation. Published tariffs for our petroleum product pipeline shipments are (i) filed with the FERC for interstate pipeline shipments and (ii) filed with the relevant state authority for intrastate pipeline shipments.

We operate our pipelines remotely through an operational technology system called the Supervisory Control and Data Acquisition, or SCADA, system.

Demand for and Sources of Refined Products and Crude Oil
Throughput activity on our Central West Refined Product Pipelines and the East and North pipelines depends on the level of demand for refined products and other products in the markets served by those pipelines, as well as the ability and willingness of the refiners and marketers with access to the pipelines to supply that demand through our pipelines. Demand for renewable products handled by our pipeline systems, such as biodiesel and ethanol, is driven by the overall level of demand for refined products mentioned above, as well as regulatory requirements and our customers' goals to increase their use of renewable fuels.

The majority of the refined products delivered through the Central West Refined Product Pipelines and the North Pipeline are gasoline and diesel fuel that originate at refineries connected to our pipelines. Demand for motor fuels fluctuates as prices for these products fluctuate. Prices fluctuate for a variety of reasons, including the overall balance in supply and demand, which is affected by general economic conditions, among other factors. Prices for gasoline and diesel fuel usually increase in the warm weather months when people tend to drive automobiles more often and for longer distances.

Much of the refined products and natural gas liquids delivered through the East Pipeline, and a portion of volumes on the North Pipeline, are ultimately used as fuel for railroads, ethanol denaturant or in agricultural operations, including fuel for farm equipment, irrigation systems, trucks used for transporting crops and crop-drying facilities. Demand for refined products for agricultural use, and the relative mix of products required is affected by weather conditions in the markets served by the East and North pipelines. The agricultural sector is also affected by government agricultural policies and crop commodity prices. Although periods of drought suppress agricultural demand for some refined products, particularly those used for fueling farm equipment, the demand for fuel to power irrigation systems often increases during such times. The mix of refined products delivered for agricultural use varies seasonally, with gasoline demand peaking in early summer, diesel fuel demand peaking in late summer and propane demand highest in the fall.

Our refined product pipelines are also dependent upon adequate levels of production of refined products by refineries connected to the pipelines, directly or through connecting pipelines. The refineries are, in turn, dependent upon adequate supplies of suitable grades of crude oil. Certain of our Central West Refined Products Pipelines are connected directly to Valero Energy refineries and are subject to long-term throughput agreements with Valero Energy. If operations at one of these refineries were discontinued or significantly reduced, it could have a material adverse effect on our operations, although we would endeavor to minimize the impact by seeking alternative customers for those pipelines.

The North Pipeline is heavily dependent on Marathon's Mandan, North Dakota refinery, which primarily runs regionally-sourced crude oil (although it has the ability to process other crude oils), and an interruption in operations at the Marathon refinery could have a material adverse effect on our operations. In addition, the North Pipeline receives refined products from the Laurel, Montana refinery operated by CHS. The majority of the refined products transported through the East Pipeline are produced at three refineries located at McPherson and El Dorado, Kansas and Ponca City, Oklahoma, which are operated by CHS, HollyFrontier Corporation and Phillips 66, respectively. The East Pipeline also has access to Gulf Coast supplies of products through third-party connecting pipelines that receive products originating from Gulf Coast refineries.

Other than the Valero Energy refineries and the Marathon refinery described above, if operations at any one refinery were discontinued, we believe (assuming stable demand for refined products in markets served by the refined product pipelines) that the effects thereof would be short-term in nature, and our business would not be materially adversely affected over the long-term because such discontinued production could be replaced by other refineries or other sources.

Our crude oil pipelines are dependent on our customers' continued access to sufficient crude oil and sufficient demand for refined products for our customers to operate their refineries. The supply of crude oil production (domestic and foreign) could fluctuate with the price of crude oil. Changes in crude oil prices could also affect the exploration and production of shale plays, which could affect demand for crude oil pipelines serving those regions, such as our Corpus Christi Crude Pipeline System and Permian Crude System. During periods of sustained low prices, or uncertainty in regulatory changes that could increase costs or impose restrictions on operations, producers tend to reduce their capital spending and drilling activity and narrow their focus to assets in the most cost-advantaged regions.

In addition, certain of our crude oil pipelines, including the McKee System, are the primary source of crude oil for our customers' refineries. Therefore, these "demand-pull" pipelines are less affected by changes in crude oil prices. For example, refiners can benefit from lower crude oil prices if they are able to take advantage of lower feedstock prices in areas with healthy regional demand; however, as refined product inventories increase, refiners typically reduce their production rate, which may reduce the degree to which they are able to benefit from low crude prices.

Demand for and Sources of Anhydrous Ammonia

Our Ammonia Pipeline is currently the only major pipeline in the United States transporting anhydrous ammonia into the nation's corn belt. The pipeline is connected to domestic production facilities and also has the capability to receive products from outside the United States directly into the system.

Throughputs on our Ammonia Pipeline depend on overall demand for nitrogen fertilizer use, the price of natural gas, which is a feedstock for the production of anhydrous ammonia, and the level of demand for direct application of anhydrous ammonia as a fertilizer for crop production (Direct Application). Demand for Direct Application is dependent on the weather, as Direct Application is not effective when soil is either too wet or too dry.

Corn producers have fertilizer alternatives to anhydrous ammonia, such as liquid or dry nitrogen fertilizers. Liquid and dry nitrogen fertilizers are both less sensitive to weather conditions during application but are generally more costly than anhydrous ammonia. In addition, anhydrous ammonia has the highest nitrogen content of any nitrogen-derivative fertilizer.

Demand for anhydrous ammonia has been steady and somewhat insulated from volume fluctuations due to continued strong agricultural demand in the Midwest. However, global conflicts, such as the Russia-Ukraine conflict, can increase export demand, which could reduce the supply of anhydrous ammonia transported on our Ammonia Pipeline.

Customers

As discussed above, our customers include integrated oil companies, refining companies and others. The largest customer of our pipeline segment accounted for approximately 27% of the total segment revenues for the year ended December 31, 2023. No other single customer accounted for 10% or more of the total revenues of our pipeline segment.

Competition and Other Business Considerations

Because pipelines are generally the lowest-cost method for intermediate and long-haul movement of crude oil and refined products, our more significant competitors are common carrier and proprietary pipelines owned and operated by major integrated and large independent oil companies and other pipeline companies in our service areas. Competition between common carrier pipelines is based primarily on transportation charges, quality of customer service and proximity to end users. Trucks may deliver products competitively for short-haul destinations; however, trucking costs render that mode of transportation uncompetitive with pipeline options for long-haul destinations or for larger volumes.

Most of our refined product pipelines and certain of our crude oil pipelines within the Central West System are physically integrated with, and principally serve, refineries owned by Valero Energy. As a result, we do not believe that we will face significant competition for transportation services provided to the Valero Energy refineries we serve.

Certain of our crude oil pipelines serve areas and/or refineries that are affected by domestic shale oil production in the Eagle Ford, Permian Basin and Granite Wash regions. Our pipelines also face competition from other crude oil pipelines and truck transportation in these regions. However, some of that exposure is mitigated through our long-term contracts and minimum volume commitments with creditworthy customers.

Our East Pipeline and North Pipeline compete with an independent common carrier pipeline system owned by ONEOK, Inc. (ONEOK) that operates approximately 100 miles east of, and parallel to, the East Pipeline and in close proximity to the North Pipeline. Certain of the East Pipeline's and the North Pipeline's delivery terminals are in direct competition with ONEOK's terminals. Competition with ONEOK is based primarily on transportation charges, quality of customer service and proximity to end users.

Competitors of our Ammonia Pipeline include Midwest production facilities, nitrogen fertilizer substitutes and barge, truck and railroad transportation under certain market conditions.

Looking forward, we continue to see growing interest for utilization of ammonia as a source for renewable energy to power fuel-cell vehicles. While future uses for lower emission-producing "blue" and "green" ammonia are still developing, we are partnering with existing and potential customers to develop these projects, which could increase demand for and utilization of our Ammonia Pipeline.

Results of Operations

The following table presents operating highlights for the pipeline segment:

	Year Ended December 31, 2023	Year Ended December 31, 2022	Change
	(Thousands of Dollars, Except Barrel Data)		
Pipeline Segment:			
Crude oil pipelines throughput (barrels/day)	1,234,051	1,319,360	(85,309)
Refined products and ammonia pipelines throughput (barrels/day)	602,913	579,240	23,673
Total throughput (barrels/day)	1,836,964	1,898,600	(61,636)
Throughput and other revenues	$ 873,869	$ 828,191	$ 45,678
Operating expenses	214,751	210,719	4,032
Depreciation and amortization expense	175,930	178,802	(2,872)
Segment operating income	$ 483,188	$ 438,670	$ 44,518

Tariff indexations effective July 2022 and July 2023 increased the average tariff rates on most of our pipeline systems and resulted in higher revenues for the year ended December 31, 2023, compared to the year ended December 31, 2022.

Pipeline segment revenues increased $45.7 million, and throughputs decreased 61,636 barrels per day for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to:

- an increase in revenues of $31.1 million and an increase in throughputs of 43,563 barrels per day on our McKee System pipelines, primarily due to operational issues and a planned turnaround at a customer’s refinery in 2022, as well as higher demand on our pipeline serving the Denver, Colorado market in 2023; additionally, higher average tariff rates contributed to $9.7 million of the overall increase;
- an increase in revenues of $12.1 million, despite a decrease in throughputs of 3,601 barrels per day on our East and North pipelines combined; revenues increased primarily due to higher average tariff rates, while throughputs decreased primarily due to unfavorable market conditions and planned turnarounds at customers’ refineries in 2023;
- an increase in revenues of $7.2 million and an increase in throughputs of 1,550 barrels per day on our Valley Pipeline, primarily due to higher average tariff rates;
- an increase in revenues of $5.9 million and an increase in throughputs of 5,159 barrels per day on our Three Rivers System, partially due to higher demand on certain of our pipelines within this system and pipeline expansions that were placed in service in July 2022. Also, higher average tariff rates contributed to $4.0 million of the overall increase;
- an increase in revenues of $3.4 million, despite slightly lower throughputs of 1,028 barrels per day on our Ammonia Pipeline; revenues increased primarily due to higher average tariff rates;
- a decrease in revenues of $2.2 million and a decrease in throughputs of 27,367 barrels per day on our Permian Crude System, primarily due to decreased customer production supplying this system. Revenues also decreased $7.9 million due to lower commodity prices on PLA volumes and other products sold; these decreases were partially offset by higher average tariff rates in 2023;
- a decrease in revenues of $2.4 million and a decrease in throughputs of 10,781 barrels per day on our Ardmore System due to a turnaround at a customer’s refinery in the second quarter of 2023 and lower demand in 2023; and
- a decrease in revenues of $10.9 million and a decrease in throughputs of 68,374 barrels per day on our Corpus Christi Crude Pipeline System, primarily due to unfavorable market conditions and changes to a customer contract.

Operating expenses increased $4.0 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to an increase of $2.8 million in maintenance and regulatory expenses across various pipelines.

Depreciation and amortization expense decreased $2.9 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to fully amortized definite-lived intangible assets.

STORAGE SEGMENT

Our storage segment is composed of our facilities that provide storage, handling and other services on a fee basis for refined products, crude oil, specialty chemicals, renewable fuels and other liquids. As of December 31, 2023, we owned and operated 29 terminal and storage facilities in the United States and one terminal in Nuevo Laredo, Mexico, with an aggregate storage capacity of 36.4 million barrels. The following table sets forth information about our terminal and storage facilities as of December 31, 2023:

Facility	Tank Capacity
	(Barrels)
Colorado Springs, CO	327,000
Denver, CO	110,000
Albuquerque, NM	250,000
Rosario, NM	167,000
Catoosa, OK	359,000
Abernathy, TX	161,000
Amarillo, TX	269,000
Corpus Christi, TX	410,000
Corpus Christi, TX (North Beach)	3,962,000
Edinburg, TX	345,000
El Paso, TX[(a)]	415,000
Harlingen, TX	286,000
Laredo, TX	218,000
San Antonio, TX[(b)]	379,000
Southlake, TX	569,000
Nuevo Laredo, Mexico	268,000
Central West Terminals	8,495,000
St. James, LA	9,906,000
Houston, TX	87,000
Gulf Coast Terminals	9,993,000
Los Angeles, CA	615,000
Pittsburg, CA	398,000
Selby, CA	2,672,000
Stockton, CA	818,000
Portland, OR	1,348,000
Tacoma, WA	391,000
Vancouver, WA[(b)]	775,000
West Coast Terminals	7,017,000
Benicia, CA	3,698,000
Corpus Christi, TX	4,030,000
Texas City, TX	3,141,000
Refinery Storage Tanks	10,869,000
Total	36,374,000

(a) We own a 67% undivided interest in the El Paso refined product terminal. The tank capacity represents the proportionate share of capacity attributable to our ownership interest.

(b) Location includes two terminal facilities.

Description of Terminal and Storage Facilities
Central West Terminals. Our Central West Terminals include terminals located in Texas, Oklahoma, New Mexico and Colorado, as well as one terminal located in Nuevo Laredo, Mexico, with an aggregate storage capacity of 8.5 million barrels. Most of these terminals are connected to our Central West Refined Product Pipelines. Our Corpus Christi North Beach terminal, located at the Port of Corpus Christi in Texas, has 4.0 million barrels of crude oil storage and supports our Corpus Christi Crude Pipeline System that transports crude oil from the Eagle Ford and Permian Basin regions to Corpus Christi for export or refineries owned by third parties. This facility also provides our customers with the flexibility to segregate and deliver crude oil and processed condensate and has access to four docks, including two private docks. We can accommodate Suezmax-class vessels and load crude oil onto marine vessels simultaneously on all four docks.

We refer to our pipelines that transport crude oil from the Eagle Ford and Permian Basin regions to Corpus Christi, together with our Corpus Christi North Beach terminal, as the Corpus Christi Crude System.

Gulf Coast Terminals. Our Gulf Coast Terminals have an aggregate storage capacity of 10.0 million barrels and include our St. James terminal, which is located on the Mississippi River near St. James, Louisiana, and one terminal located in Houston, Texas. Our St. James terminal has a total storage capacity of 9.9 million barrels and is located on almost 900 acres of land, some of which is undeveloped. The majority of the storage tanks and infrastructure are suited for light to medium crude oil, with certain tanks capable of fuel oil or heated crude oil storage. Additionally, the facility has one barge dock and two ship docks, and can accommodate exports up to Aframax-class vessels. Our St. James terminal is connected to (i) offshore pipelines in the Gulf of Mexico, (ii) long-haul pipelines that can receive crude oil from the Eagle Ford, Permian Basin, other domestic shale plays and Canada, and (iii) pipelines connecting to refineries in the Gulf Coast. The St. James terminal also has two unit train rail facilities that are served by the Union Pacific Railroad. Each facility has the capacity to simultaneously off-load 120 railcars, at a minimum, in a 24-hour period.

West Coast Terminals. Our West Coast Terminals include terminals located in California, Oregon and Washington, with an aggregate storage capacity of 7.0 million barrels. The largest of these terminals is our Selby, California terminal, with a total storage capacity of 2.7 million barrels. We have completed several renewable fuel storage projects at our West Coast Terminals over the last several years, and are able to receive and distribute renewable fuels across the West Coast, including renewable diesel, sustainable aviation fuel, ethanol, biodiesel and renewable feedstock. Our West Coast Terminals are connected to supply from various domestic and foreign sources.

Refinery Storage Tanks. We own crude oil storage tanks with an aggregate storage capacity of 10.9 million barrels that are physically integrated with and serve refineries owned by Valero Energy at Corpus Christi and Texas City, Texas and Benicia, California. We lease our refinery storage tanks to Valero Energy in exchange for a fixed fee.

Storage Operations
We generate storage segment revenues through 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). Our terminals also provide blending, additive injections, handling and filtering services, for which we charge additional fees.

Demand for Storage Services
The operations of our refined product terminals depend in large part on the level of demand for products stored in our terminals in the markets served by those assets. Demand for our terminalling services will generally increase or decrease with demand for refined products, and demand for refined products tends to increase or decrease with the relative strength of the economy. In addition, the forward pricing curve can have an impact on demand. For example, crude oil traders focus less on the current market commodity price than on whether that price is higher or lower than expected future market prices: if the future price for a product is believed to be higher than the current market price, or a “contango market,” traders are more likely to purchase and store products to sell in the future at the higher price. On the other hand, when the current price of crude oil nears or exceeds the expected future market price, or “backwardation,” traders are no longer incentivized to purchase and store product for future sale. Our storage terminal revenues are somewhat insulated from demand volatility due to contracted rates for storage and minimum volume commitments.

Crude oil delivered to our St. James and Corpus Christi North Beach terminals will generally increase or decrease with crude oil production rates in western Canada and the Bakken, Permian and Eagle Ford shale plays. In addition, the market price relationship between various grades of crude oil impacts the demand for our unit train facilities at our St. James terminal. Although the Permian and Eagle Ford shale plays are partially insulated from negative economic conditions due to the low break-even point, our Corpus Christi exports have not returned to pre-pandemic levels due to lower global demand for refined products and crude oil and increased competition in crude oil export markets out of the U.S. Overall, refinery production rates, drilling activity and overall consumer demand in the U.S. rebounded in 2021, bringing demand for most of our terminal and storage facilities back to pre-pandemic levels. However, the detrimental impact of the pandemic, amplified by the Russia-Ukraine conflict, has continued to affect current global demand, resulting in a decline in crude oil exports from our Corpus Christi North Beach facility, and the current volatile and backwardated market has led to customers not renewing expiring contracts, primarily at our St. James terminal.

Demand for renewable diesel, renewable jet fuel, ethanol and other renewable fuels continues to grow in markets served by our West Coast terminals due to new regulations with aggressive carbon emissions reduction goals. As this demand growth is expected to continue, we have completed, and continue to develop, renewable fuel storage projects at our West Coast terminals to meet this demand.

Customers

We provide storage and terminalling services for crude oil, refined products and other products to many of the world's largest producers of crude oil, integrated oil companies, chemical companies, oil traders and refiners. In addition, our blending capabilities in our storage assets have attracted customers who have leased capacity primarily for blending purposes. The largest customer of our storage segment accounted for approximately 39% of the total revenues of the segment for the year ended December 31, 2023. No other customer accounted for 10% or more of the total revenues of the storage segment.

Competition and Other Business Considerations

Many major energy and chemical companies own extensive terminal storage facilities. Although such terminals often have the same capabilities as terminals owned by independent operators, they generally do not provide terminalling services to third parties. In many instances, even major energy and chemical companies that have storage and terminalling facilities are also significant customers of independent terminal operators, especially terminals located in cost-effective locations near key transportation links, such as deep-water ports. Major energy and chemical companies also need independent terminal storage when their proprietary storage facilities are inadequate, due to size constraints, the nature of the stored material or specialized handling requirements.

Independent terminal owners generally compete on the basis of the location and versatility of terminals, service and price. A favorably located terminal will have access to various cost-effective transportation modes both to and from the terminal. Transportation modes typically include waterways, railroads, roadways and pipelines.

Terminal versatility is a function of the operator's ability to offer complex handling requirements for diverse products. The services typically provided by the terminal include, among other things, the safe storage of the product at specified temperature, moisture and other conditions, as well as receipt at and delivery from the terminal, all of which must comply with applicable environmental regulations. A terminal operator's ability to obtain attractive pricing is often dependent on the quality, versatility and reputation of the facilities owned by the operator. Operators with versatile storage capabilities typically require less modification prior to usage, ultimately making the storage cost to the customer more attractive. On the West Coast, regulatory priorities continue to increase demand for renewable fuels in the region, while at the same time, obtaining permits for greenfield projects remains difficult, which both add more value to our existing assets.

Our crude oil refinery storage tanks are physically integrated with and serve refineries owned by Valero Energy, and we have entered into various agreements with Valero Energy governing the use of these tanks. As a result, we believe that we will not face significant competition for our services provided to those refineries.

Results of Operations

Point Tupper Terminal Disposition. In the first quarter of 2022, we recognized a non-cash pre-tax impairment loss of $46.1 million related to our Point Tupper terminal facility, which was sold on April 29, 2022 (the Point Tupper Terminal Disposition). See Note 4 of the Notes to Consolidated Financial Statements in Item 8. "Financial Statements and Supplementary Data" for further discussion of this disposition.

The following table presents operating highlights for the storage segment:

	Year Ended December 31, 2023	Year Ended December 31, 2022	Change
	(Thousands of Dollars, Except Barrel Data)		
Storage Segment:			
Throughput (barrels/day)	448,331	480,129	(31,798)
Throughput terminal revenues	$ 104,495	$ 110,591	$ (6,096)
Storage terminal revenues	215,104	223,958	(8,854)
Total revenues	319,599	334,549	(14,950)
Operating expenses	156,938	154,270	2,668
Depreciation and amortization expense	75,052	73,076	1,976
Impairment loss	—	46,122	(46,122)
Segment operating income	$ 87,609	$ 61,081	$ 26,528

Throughput terminal revenues decreased $6.1 million, and throughputs decreased 31,798 barrels per day for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to a decrease in revenues of $13.2 million and a decrease in throughputs of 51,361 barrels per day at our Corpus Christi North Beach terminal, due to unfavorable market conditions and changes to a customer contract. These decreases were partially offset by an increase in revenues of $7.1 million and an increase in throughputs of 19,563 barrels per day at our Central West Terminals, primarily due to higher demand.

Storage terminal revenues decreased $8.9 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to:

- a decrease in revenues of $29.7 million at our St. James terminal due to customers not renewing expiring contracts in the current backwardated market; and
- a decrease in revenues of $9.6 million due to the Point Tupper Terminal Disposition in April 2022.

These decreases were partially offset by the following:

- an increase in revenues of $26.4 million at our West Coast Terminals, primarily due to new contracts and rate escalations across various terminals, combined with higher throughput and handling fees, mainly at our Stockton terminal; and
- an increase in revenues of $4.3 million, primarily due to rate escalations at our Central West Terminals and at our refinery storage tanks.

Operating expenses increased $2.7 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to the following:

- an increase in maintenance and regulatory expenses of $3.1 million, across various terminals;
- an increase of $2.8 million in ad valorem taxes due to higher property valuations;
- increases in reimbursable and other expenses of $2.5 million that have corresponding increases in revenue, primarily at our West Coast Terminals, partially offset by lower reimbursable expenses at our St. James terminal; and
- an increase of $1.8 million at our Corpus Christi North Beach terminal due to changes in a customer contract.

These increases were partially offset by a decrease in operating expenses of $7.9 million due to the sale of our Point Tupper Terminal Operations during the second quarter of 2022.

Depreciation and amortization expense increased $2.0 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to expansion projects at our West Coast Terminals.

FUELS MARKETING SEGMENT

Our fuels marketing segment sells petroleum products primarily through our bunkering operations in the Gulf Coast and 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. Fluctuations in global demand for crude oil, which was caused by many economic factors outside of our control, has caused volatility in commodity prices and volumes for our blending operations and bunker fuel sales in 2022 and 2023.

Competition and Customers

In the sale of bunker fuel, we compete with ports offering bunker fuels that are along the route of travel of the vessel. Customers for bunker fuel sales are primarily ship owners, marketers and traders. One of our customers, a marketer of petroleum products, was the largest customer of our fuels marketing segment and accounted for approximately 11% of the total segment revenues for the year ended December 31, 2023. No other customer accounted for a significant portion of the total revenues of the fuels marketing segment for the year ended December 31, 2023.

Results of Operations

The following table presents operating highlights for the fuels marketing segment:

	Year Ended December 31, 2023	Year Ended December 31, 2022	Change
	(Thousands of Dollars)		
Fuels Marketing Segment:			
Product sales	$ 440,725	$ 520,486	$ (79,761)
Cost of goods	405,992	484,477	(78,485)
Gross margin	34,733	36,009	(1,276)
Operating expenses	1,807	2,473	(666)
Segment operating income	$ 32,926	$ 33,536	$ (610)

Product sales decreased $79.8 million, and cost of goods decreased $78.5 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to lower fuel prices for our bunkering operations. Gross margin decreased $1.3 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, as a decrease of $2.8 million in gross margin from our bunkering operations and a decrease of $2.8 million in gross margin from other product sales more than offset higher blending gross margins of $4.3 million, all primarily due to lower fuel prices.

Segment operating income decreased $0.6 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, due to the changes in gross margins described above, partially offset by a decrease in operating expenses of $0.7 million, primarily related to our bunkering operations.

LIQUIDITY AND CAPITAL RESOURCES

The following sections are included in Liquidity and Capital Resources:

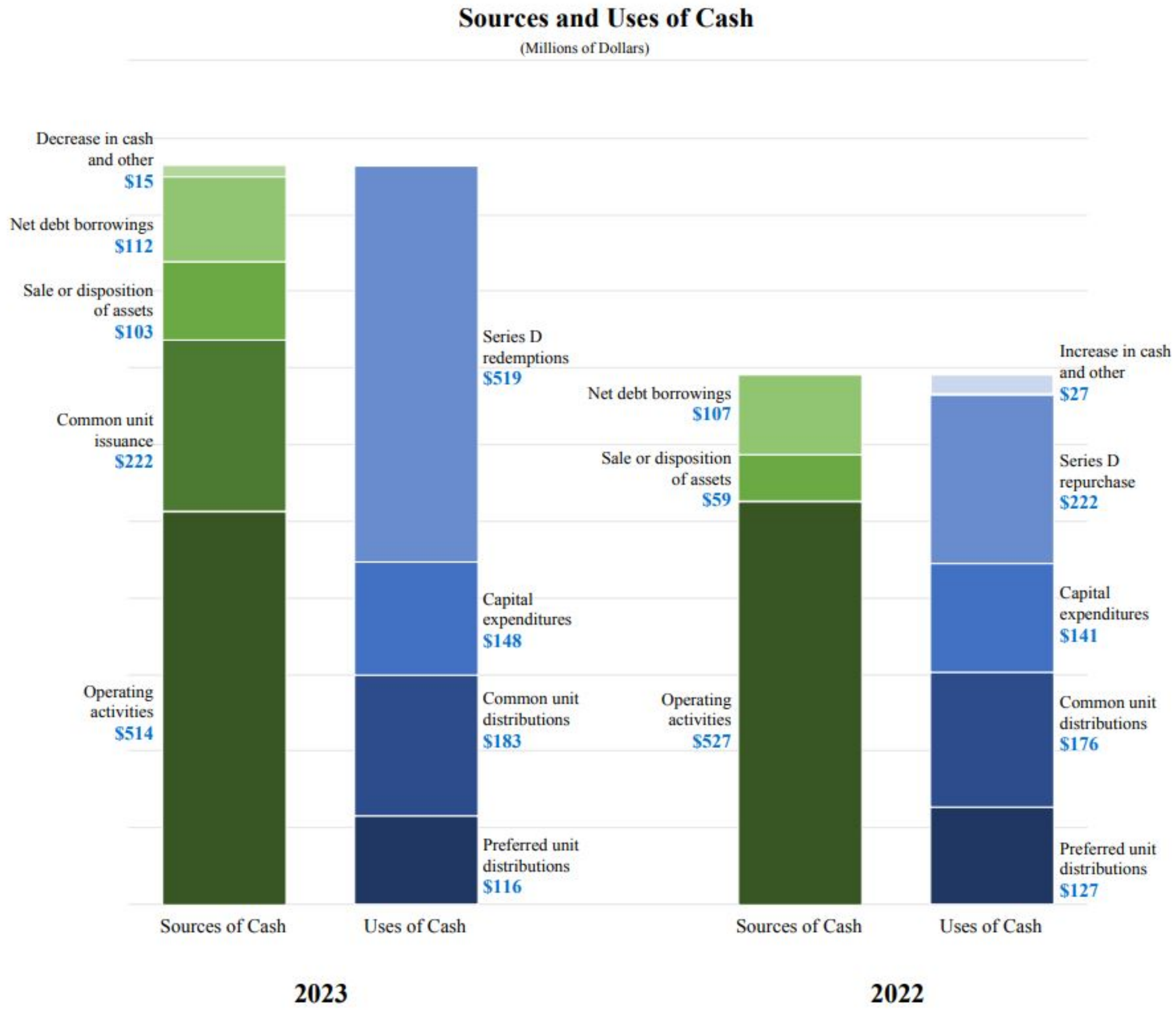
- Overview
- Cash Flows
- Sources of Liquidity
- Material Cash Requirements

OVERVIEW

Our primary cash requirements include distributions to our limited partners, debt service, capital expenditures and operating expenses. Our partnership agreement requires that we distribute all Available Cash (as defined in our partnership agreement) to our common limited partners each quarter. Available Cash is generally defined as all cash receipts less cash disbursements, including distributions to our preferred unit holders, and cash reserves established by our general partner, in its sole discretion. 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 sale of assets.

In the first quarter of 2023, we completed the Sale-Leaseback Transaction for $103.0 million, and in the third quarter of 2023, we issued 14,950,000 common units for net proceeds of approximately $222.0 million. We used the proceeds from these transactions to repay outstanding borrowings under our Revolving Credit Agreement, which facilitated the redemption of 16,346,650 of the Series D Preferred Units, representing all outstanding Series D Preferred Units. Additionally, in the second quarter of 2023, we extended the maturity date on our Revolving Credit Agreement to January 27, 2027, and extended the scheduled termination date on our Receivables Financing Agreement to July 1, 2026. Similarly, in 2022, we had reduced our leverage to position ourselves to repurchase 6,900,000 of the Series D Preferred Units in November 2022, representing approximately one-third of the outstanding units at that time, using borrowings under our Revolving Credit Agreement.

As illustrated in the chart below, in 2023 and 2022, we funded all our expenses, distribution requirements and capital expenditures using cash from operating activities.



For the full-year 2024, we expect to fund all our expenses, distribution requirements and capital expenditures using internally generated cash flows. We have no long-term debt maturities until 2025.

CASH FLOWS

A discussion of our cash flows and other changes in financial position for 2021 can be found in Items 1., 2. and 7. "Business, Properties and Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 23, 2023.

The following table summarizes our cash flows from operating, investing and financing activities (see also our Consolidated Statements of Cash Flows in Item 8. "Financial Statements and Supplementary Data").

	Year Ended December 31,	
	2023	2022
	(Thousands of Dollars)	
Net cash provided by (used in):		
Operating activities	$ 514,269	$ 527,549
Investing activities	(23,240)	(84,365)
Financing activities	(502,430)	(434,953)
Effect of foreign exchange rate changes on cash	40	707
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (11,361)	$ 8,938

Net cash provided by operating activities decreased $13.3 million for the year ended December 31, 2023, compared to the year ended December 31, 2022. The increase in net income of $50.9 million was more than offset by noncash adjustments to reconcile to net cash provided by operating activities. In addition, our working capital decreased by $10.6 million for the year ended December 31, 2023 and $0.7 million for the year ended December 31, 2022. Generally, working capital requirements are affected by our accounts receivable, accounts payable and accrued liability balances, which vary depending on the timing of payments.

Net cash used in investing activities decreased $61.1 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to proceeds of approximately $103.0 million from the Sale-Leaseback Transaction in the first quarter of 2023, compared to proceeds from asset sales of $59.3 million in 2022. Additionally, for the year ended December 31, 2023 compared to the year ended December 31, 2022, cash outflows related to capital expenditures decreased an aggregate $14.9 million. Investing activities also include insurance proceeds of $12.4 million for the year December 31, 2023, compared to insurance proceeds of $9.8 million for the December 31, 2022, both related to the 2019 Selby terminal fire.

Net cash used in financing activities increased $67.5 million for the year ended December 31, 2023, compared to the year ended December 31, 2022, primarily due to the redemption of the outstanding Series D Preferred Units for $518.7 million in 2023, compared to the repurchase of outstanding Series D Preferred Units for $222.4 million in 2022, partially offset by the issuance of common units in the third quarter of 2023 for approximately $222.0 million.

SOURCES OF LIQUIDITY

Revolving Credit Agreement

As of December 31, 2023, our Revolving Credit Agreement had $652.4 million available for borrowing and $343.0 million of borrowings outstanding. Letters of credit issued under our Revolving Credit Agreement totaled $4.6 million as of December 31, 2023 and limit the amount we can borrow under our Revolving Credit Agreement. Obligations under our Revolving Credit Agreement are guaranteed by NuStar Energy and NuPOP.

Our 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 ending December 31, 2023, the Consolidated Debt Coverage Ratio (as defined in the Revolving Credit Agreement) may 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. Our Revolving Credit Agreement also contains customary restrictive covenants, such as limitations on indebtedness, liens, mergers, asset transfers and certain investing activities. As of December 31, 2023, our Consolidated Debt Coverage Ratio was 3.85x and our Consolidated Interest Coverage Ratio was 2.18x.

On June 30, 2023, we amended our Revolving Credit Agreement, primarily to extend the maturity date from April 27, 2025 to January 27, 2027. The amendment also includes a requirement that we must demonstrate and certify, prior to using any borrowings under our Revolving Credit Agreement to redeem certain unsecured indebtedness or prior to their redemption/repurchase, the Series D Preferred Units, that the sum of our Revolving Credit Agreement availability and unrestricted cash

balance is no less than $150.0 million on a pro forma basis both before and immediately after giving effect to the borrowing and the redemption. On January 28, 2022, we amended and restated our Revolving Credit Agreement to, among other items:
(i) increase the maximum amount of letters of credit capable of being issued from $400.0 million to $500.0 million; (ii) replace London Interbank Offering Rate, or LIBOR, benchmark provisions with customary secured overnight financing rate, or SOFR, benchmark provisions; (iii) remove the 0.50x increase permitted in our Consolidated Debt Coverage Ratio for certain rolling periods in which an acquisition for aggregate net consideration of at least $50.0 million occurs; and (iv) add baskets and exceptions to certain negative covenants.

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 the Receivables Financing Agreement with a third-party lender and agreements with certain of NuStar Energy's wholly owned subsidiaries (together with the Receivables Financing Agreement, the Securitization Program). The amount available for borrowing under the Receivables Financing Agreement is based on the availability of eligible receivables and other customary factors and conditions. The Securitization Program contains various customary affirmative and negative covenants and default, indemnification and termination provisions, and the Receivables Financing Agreement provides for acceleration of amounts owed upon the occurrence of certain specified events. On June 29, 2023, we amended the Receivables Financing Agreement to extend the scheduled termination date from January 31, 2025 to July 1, 2026. On January 28, 2022, the Receivables Financing Agreement was amended to, among other items: (i) reduce the floor rate in the calculation of our borrowing rates; and (ii) replace provisions related to the LIBOR rate of interest with references to SOFR rates of interest.

See Note 12 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for a discussion of our debt agreements.

Issuance of Common Units
We used the net proceeds of approximately $222.0 million from the issuance of common units on August 11, 2023 to repay outstanding borrowings under our Revolving Credit Agreement. See Note 18 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for additional information.

Asset Sales
We used the proceeds of approximately $103.0 million from the sale of our Corporate Headquarters on March 21, 2023 and approximately $60.0 million from the Point Tupper Terminal Disposition on April 29, 2022 to repay outstanding borrowings under our Revolving Credit Agreement. See Note 4 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for further discussion of these asset sales.

MATERIAL CASH REQUIREMENTS
Capital Expenditures
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 year ended December 31:			
2023	$ 119,513	$ 27,995	$ 147,508
2022	$ 107,855	$ 32,775	$ 140,630

Strategic capital expenditures for the years ended December 31, 2023 and December 31, 2022 primarily consisted of expansion projects on our Permian Crude System and Central West Refined Products Pipelines, and biofuel and other projects at our West Coast Terminals, as well as connection projects on our Ammonia Pipeline in 2023. Reliability capital expenditures primarily related to maintenance upgrade projects at our terminals and on our Ammonia Pipeline.

We expect our strategic capital expenditures for the year ended December 31, 2024 to be concentrated on expansion projects to accommodate production growth in the Permian Basin and projects to expand our renewable fuels network on the West Coast. We continue to evaluate our capital budget and internal growth projects can be accelerated or scaled back depending on market conditions or customer demand.

Series D Preferred Units Redemption and Repurchase

We redeemed or repurchased all the Series D Preferred Units, as shown below:

Transaction	Transaction Date	Number of Units	Price per Unit, including Accrued Distributions		Total Price, including Accrued Distributions	
					(Thousands of Dollars)	
Redemption	September 12, 2023	8,286,650	$	32.59	$	270,062
Redemption	July 31, 2023	2,560,000	$	32.18	$	82,381
Redemption	June 30, 2023	5,500,000	$	31.88	$	175,340
Repurchase	November 22, 2022	6,900,000	$	32.73	$	225,837

See Note 17 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for additional information.

Distributions

Preferred Units. Distributions on our outstanding 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. See Notes 17 and 18 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for additional information.

Series D Preferred Units. Prior to their redemption and/or repurchase, the distribution rates on the outstanding Series D Preferred Units were as follows: (i) 9.75% per annum ($0.619 per unit per distribution period) for the first two years (beginning with the September 17, 2018 distribution); (ii) 10.75% per annum ($0.682 per unit per distribution period) for years three through five; and (iii) the greater of 13.75% per annum ($0.872 per unit per distribution period) or the distribution per common unit thereafter. The number of Series D Preferred Units outstanding as of December 31, 2022 was 16,346,650, and due to the redemptions and repurchase discussed above, the Series D Preferred Units were cancelled and no longer represent a limited partner interest.

The distribution rate on the Series D Preferred Units increased on June 15, 2023, to the greater of 13.75% per annum ($0.872 per unit per distribution period) or the distribution per common unit. Distributions accrued for redeemed Series D Preferred Units from the notification dates to the redemption dates are reported in “Interest expense, net” on the consolidated statements of income and are excluded from total distributions below for the applicable periods. Distribution information on the Series D Preferred Units was as follows:

Distribution Period	Distribution Rate per Unit		Total Distribution	
			(Thousands of Dollars)	
June 15, 2023 - September 12, 2023	$	0.872	$	5,134
March 15, 2023 - June 14, 2023	$	0.682	$	10,315
December 15, 2022 - March 14, 2023	$	0.682	$	11,148
September 15, 2022 - December 14, 2022	$	0.682	$	14,337
June 15, 2022 - September 14, 2022	$	0.682	$	15,854
March 15, 2022 - June 14, 2022	$	0.682	$	15,854
December 15, 2021 - March 14, 2022	$	0.682	$	15,854

Series A, B and C Preferred Units. Information on our Series A, B and C Preferred Units is shown below:

Units	Units Issued and Outstanding as of December 31, 2023	Optional Redemption Date/Date When Distribution Rate Became Floating	Floating Annual Rate (as a Percentage of the $25.00 Liquidation Preference Per Unit)
Series A Preferred Units	9,060,000	December 15, 2021	Three-month LIBOR[(a)] plus 6.766%
Series B Preferred Units	15,400,000	June 15, 2022	Three-month LIBOR[(a)] plus 5.643%
Series C Preferred Units	6,900,000	December 15, 2022	Three-month LIBOR[(a)] plus 6.88%

(a) Beginning with the distribution period starting on September 15, 2023, LIBOR was replaced with the corresponding CME Term SOFR plus the applicable tenor spread adjustment of 0.26161%.

Distribution information on our Series A, B and C Preferred Units is as follows (thousands of dollars, except per unit data):

	Series A Preferred Units		Series B Preferred Units		Series C Preferred Units	
Distribution Period	Distribution Rate per Unit	Total Distribution	Distribution Rate per Unit	Total Distribution	Distribution Rate per Unit	Total Distribution
December 15, 2023 - March 14, 2024	$ 0.77533	$ 7,024	$ 0.70515	$ 10,859	$ 0.78246	$ 5,399
September 15, 2023 - December 14, 2023	$ 0.77736	$ 7,043	$ 0.70717	$ 10,890	$ 0.78448	$ 5,413
June 15, 2023 - September 14, 2023	$ 0.76715	$ 6,950	$ 0.69696	$ 10,733	$ 0.77428	$ 5,343
March 15, 2023 - June 14, 2023	$ 0.73169	$ 6,629	$ 0.66150	$ 10,187	$ 0.73881	$ 5,098
December 15, 2022 - March 14, 2023	$ 0.71889	$ 6,513	$ 0.64871	$ 9,990	$ 0.72602	$ 5,010
September 15, 2022 - December 14, 2022	$ 0.64059	$ 5,804	$ 0.57040	$ 8,784	$ 0.56250	$ 3,881
June 15, 2022 - September 14, 2022	$ 0.54808	$ 4,966	$ 0.47789	$ 7,360	$ 0.56250	$ 3,881
March 15, 2022 - June 14, 2022	$ 0.47817	$ 4,332	$ 0.47657	$ 7,339	$ 0.56250	$ 3,881
December 15, 2021 - March 14, 2022	$ 0.43606	$ 3,951	$ 0.47657	$ 7,339	$ 0.56250	$ 3,881

On January 25, 2024, our Board of Directors declared quarterly distributions with respect to the Series A, B and C Preferred Units to be paid on March 15, 2024 to holders of record as of March 1, 2024.

Common Units. Under our partnership agreement, distribution payments are required to be 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. On January 25, 2024, our Board of Directors declared distributions with respect to our common units for the quarter ended December 31, 2023. The following table summarizes information about cash distributions to our common limited partners applicable to the period in which the distributions were earned:

Quarter Ended	Cash Distributions Per Unit	Total Cash Distributions	Record Date	Payment Date
		(Thousands of Dollars)		
December 31, 2023	$ 0.40	$ 50,607	February 7, 2024	February 13, 2024
September 30, 2023	0.40	50,358	November 7, 2023	November 14, 2023
June 30, 2023	0.40	44,363	August 8, 2023	August 14, 2023
March 31, 2023	0.40	44,396	May 8, 2023	May 12, 2023
Year ended December 31, 2023	$ 1.60	$ 189,724		
Year ended December 31, 2022	$ 1.60	$ 176,746		

Debt Obligations

The following table summarizes our debt obligations:

	Maturity		Outstanding Obligations as of December 31, 2023
			(Thousands of Dollars)
5.75% senior notes	October 1, 2025	$	600,000
6.00% senior notes	June 1, 2026	$	500,000
Receivables Financing Agreement, 7.0% as of December 31, 2023	July 1, 2026	$	69,800
Revolving Credit Agreement, 8.0% as of December 31, 2023	January 27, 2027	$	343,000
5.625% senior notes	April 28, 2027	$	550,000
6.375% senior notes	October 1, 2030	$	600,000
GoZone Bonds, 5.85% - 6.35%	2038 thru 2041	$	322,140
Subordinated notes, 12.4% as of December 31, 2023	January 15, 2043	$	402,500

We believe that, as of December 31, 2023, we are in compliance with the financial covenants applicable to our debt obligations. A default under certain of our debt agreements would be considered an event of default under other of our debt obligations.

Receivables Financing Agreement and Revolving Credit Agreement. Borrowings under the Receivables Financing Agreement bear interest, at NuStar Finance's option, at a base rate or a SOFR rate, each as defined in the Receivables Financing Agreement. Borrowings under our Revolving Credit Agreement bear interest, at our option, at an alternate base rate or a SOFR rate, each as defined in the Revolving Credit Agreement. The interest rate on our Revolving Credit Agreement and certain fees under the Receivables Financing Agreement, are the only debt arrangements that are subject to adjustment if our debt rating is downgraded or upgraded by certain credit rating agencies. 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	Positive

Gulf Opportunity Zone Revenue Bonds. As reflected in the table below, the holders of the Series 2008, Series 2010B and Series 2011 GoZone Bonds are required to tender their bonds at the applicable mandatory purchase date in exchange for 100% of the principal plus accrued and unpaid interest, after which these bonds are expected to be remarketed with a new interest rate established. Each of the Series 2010 and Series 2010A GoZone Bonds is subject to redemption on or after June 1, 2030 by the Parish of St. James, at our option, in whole or in part, at a redemption price of 100% of the principal amount to be redeemed plus accrued interest. The following table summarizes the GoZone Bonds outstanding as of December 31, 2023:

Series	Date Issued		Amount Outstanding	Interest Rate	Mandatory Purchase Date	Optional Redemption Date	Maturity Date
			(Thousands of Dollars)				
Series 2008	June 26, 2008	$	55,440	6.10 %	June 1, 2030	n/a	June 1, 2038
Series 2010	July 15, 2010		100,000	6.35 %	n/a	June 1, 2030	July 1, 2040
Series 2010A	October 7, 2010		43,300	6.35 %	n/a	June 1, 2030	October 1, 2040
Series 2010B	December 29, 2010		48,400	6.10 %	June 1, 2030	n/a	December 1, 2040
Series 2011	August 9, 2011		75,000	5.85 %	June 1, 2025	n/a	August 1, 2041
	Total	$	322,140				

NuStar Logistics Subordinated Notes. NuStar Logistics' $402.5 million of fixed-to-floating rate subordinated notes (the Subordinated Notes). Effective with the quarterly interest periods starting after June 30, 2023, the interest rate on the Subordinated Notes is equal to the sum of the three-month CME term SOFR plus the applicable tenor spread adjustment of 0.26161% for the related quarterly interest period plus 6.734%, payable quarterly, unless payment is deferred in accordance with the terms of the notes. NuStar Logistics may elect to defer interest payments on the Subordinated Notes on one or more occasions for up to five consecutive years. Deferred interest will accumulate additional interest at a rate equal to the interest rate then applicable to the Subordinated Notes until paid. If NuStar Logistics elects to defer interest payments, NuStar Energy cannot declare or make cash distributions with respect to, or redeem, purchase or make a liquidation payment with respect to, its equity securities during the period that interest payments are deferred.

Guarantor Summarized Financial Information. NuStar Energy has no operations, and its assets consist primarily 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 (i) ranks equally in right of payment with all other existing and future unsecured senior indebtedness of that guarantor, (ii) 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 (iii) 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 is 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. See Note 12 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for a discussion of our debt agreements.

The following tables present summarized combined balance sheet and income statement 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.

	December 31, 2023 (Thousands of Dollars)	
Summarized Combined Balance Sheet Information for the Guarantor Issuer Group:		
Current assets	$	42,000
Long-term assets	$	3,160,956
Current liabilities (a)	$	135,366
Long-term liabilities, including long-term debt	$	3,487,719

(a) Excluding $1,894.0 million of net intercompany payables due to the non-guarantor subsidiaries from the Guarantor Issuer Group.

Long-term assets for the non-guarantor subsidiaries totaled $1,548.3 million as of December 31, 2023.

	Year Ended December 31, 2023 (Thousands of Dollars)	
Summarized Combined Income Statement Information for the Guarantor Issuer Group:		
Revenues	$	830,406
Operating income	$	333,986
Interest expense, net	$	(239,113)
Net income	$	96,178

Revenues and net income for the non-guarantor subsidiaries totaled $803.8 million and $177.5 million, respectively, for the year ended December 31, 2023.

Contractual Obligations

The following table presents our contractual obligations and commitments as of December 31, 2023:

	Current	Long-Term
	(Thousands of Dollars)	
Long-term debt maturities	$ —	$ 3,387,440
Interest payments	238,001	1,506,912
Operating leases	14,267	238,031
Finance leases	7,067	67,000
Purchase obligations	6,406	12,893
Total	$ 265,741	$ 5,212,276

The interest payments calculated for our variable-rate, long-term debt are based on interest rates and the outstanding borrowings as of December 31, 2023. The interest payments on our fixed-rate debt are based on the stated interest rates and the outstanding borrowings as of December 31, 2023. See Note 12 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for additional information.

Our operating leases consist primarily of land and dock leases at various terminal facilities and the operating lease agreement to lease back the Corporate Headquarters in the first quarter of 2023 (the HQ Lease Agreement), as further discussed in Notes 4 and 15 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data.” The HQ Lease Agreement has an initial term of 20 years, with two renewal options of ten years each.

Our finance leases consist primarily of a dock lease at our Corpus Christi North Beach terminal with a remaining term of approximately two years and three additional five-year renewal periods that also includes a commitment for minimum dockage and wharfage throughput volumes. See Note 15 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for additional information on our operating and finance leases.

A purchase obligation is an enforceable and legally binding agreement to purchase goods or services that specifies significant terms, including (i) fixed or minimum quantities to be purchased, (ii) fixed, minimum or variable price provisions and (iii) the approximate timing of the transaction. See Note 14 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for additional information on our purchase obligations.

Pension and Other Postretirement Benefit Plan Contributions

During 2023, we contributed $11.2 million and $0.5 million to our pension and postretirement benefit plans, respectively. In 2024, we expect to contribute approximately $10.2 million to our pension and postretirement benefit plans and will monitor our funding status to determine if any contributions are required by regulations or laws, or with respect to unfunded plans, necessary to fund current benefits. Pension and postretirement benefit plans funding beyond 2024 is uncertain as the funding varies from year to year based upon changes in the fair value of the plan assets and actuarial assumptions.

A change of 0.25% in the specified assumptions would have the following effects to our pension and postretirement benefit obligations and costs:

	Pension Benefits	Other Postretirement Benefits
	(Thousands of Dollars)	
Increase in benefit obligation as of December 31, 2023 resulting from:		
Discount rate decrease	$ 3,300	$ 400
Compensation rate increase	$ 600	n/a
(Decrease) increase in net periodic benefit cost for the year ending December 31, 2024 resulting from:		
Discount rate decrease	$ (200)	$ —
Expected long-term rate of returns on plan assets decrease	$ 400	n/a
Compensation rate increase	$ 100	n/a

See Notes 2 and 21 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data” for additional information.

Environmental, Health and Safety
As described below under “Environmental, Health, Safety and Security Regulation,” our operations in the U.S. and Mexico are subject to extensive international, federal, state and local environmental laws and regulations, 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.

The balance of and changes in our accruals for environmental matters as of and for the years ended December 31, 2023 and 2022 are included in Note 13 of the Notes to Consolidated Financial Statements in Item 8. “Financial Statements and Supplementary Data.” We believe that we have adequately accrued for our environmental exposures.

HUMAN CAPITAL

We strive to make NuStar a safe, positive, inclusive and rewarding workplace, with competitive compensation, benefits and health and wellness programs and opportunities for our employees to grow and develop in their careers.

Our Employees
As of December 31, 2023, we had 1,184 employees, of which 1,173 are based in the United States and 11 are based in Mexico. Only 1.1 percent of our employees are represented under collective bargaining agreements. In the United States, 487 of our employees work at our headquarters in San Antonio, Texas, with the remaining 686 employees working at other locations.

We believe that having a workforce composed of diverse employees with wide-ranging backgrounds, experiences and ideas makes our company stronger. As of December 31, 2023:
- 19.1% of all of our employees and 29.0% of our employees at senior manager level and above are female; and
- 34.8% of our U.S. employees and 24.5% of our U.S. employees at senior manager level and above are minorities (as defined by the U.S. Equal Opportunity Employment Commission).

Employee Benefits and NuStar’s Culture
We provide opportunities for our employees to develop and enhance their skills through defined career paths, professional training, educational reimbursement and leadership and development programs, as well as regular training regarding safety, operations, ethics (including our Code of Business Conduct and Ethics), human resources topics and cybersecurity. In addition, we support our employees by providing competitive compensation and benefits.

We benchmark our compensation programs through market surveys to help offer competitive packages to attract and retain high-performing employees. Our compensation department also evaluates company-wide racial and gender equity by job-profile each time an employee is hired or recommended for a promotion. This helps to ensure that compensation levels are equitable for all employees regardless of race or gender.

Our benefits and health and wellness programs include life and health insurance (medical, dental and vision), prescription drug benefits, flexible spending accounts, paid sick leave, vacation, short- and long-term disability, mental and behavioral health resources, retirement benefits (including 401(k) and pension), educational reimbursement, a disaster relief fund that provides cash grants (that do not have to be repaid) to employees undergoing difficult circumstances, an employee assistance program and employee recognition programs. We also are committed to supporting the communities in which we operate, and we organize opportunities for our employees to participate in and enrich our communities through a variety of initiatives, such as fundraising activities, community clean-up projects and educational programs.

Our culture is driven by our nine guiding principles: safety; integrity; commitment; make a difference; teamwork; respect; communication; excellence; and pride. We believe that these principles are the building blocks for our success and have helped us to recruit and retain our employees and make NuStar a great place to work. We have been recognized on FORTUNE’S “100 Best Companies to Work For” list 13 times, FORTUNE’S “Best Workplaces for Millennials” list five times, the “Best Places For Working Parents” list three times, and Latino Leader Magazine’s “Best Companies for Latinos to Work” list three times. We also were recognized as a top employer by regional and local publications, including being recognized as a top employer in Texas by FORTUNE. In addition, we were recently recognized on Newsweek’s “America’s Most Trustworthy Companies” and “World’s Most Trustworthy Companies” lists. Many of these awards are based on confidential surveys of our employees. In addition, we monitor our ability to retain our employees through our voluntary turnover rate (the percentage of our total employees who voluntarily leave our company, other than through retirement). As of December 31, 2023, our voluntary turnover rate over the last five years has averaged 3.8%, and 231 of our employees have been employed by NuStar or predecessor entities for at least 20 years.

Safety
Safety is our first priority. In managing our business, we focus on the safety of our employees and contractors, as well as the communities in which we operate. We have implemented safety programs and management practices to promote a culture of safety, including required training for field and office employees and contractors, as well as specific qualifications and certifications for field employees and contractors. To further emphasize the importance of safety at NuStar, our Board of Directors receives a comprehensive annual report and monthly updates regarding our health, safety and environmental performance. The Compensation Committee of our Board of Directors also evaluates our overall environmental, social and governance (ESG) performance and our health, safety and environmental performance together annually as one of the metrics used to determine the annual incentive bonus for all of our employees, including our executive officers, which we believe reinforces the importance of maintaining safe, responsible operations and focusing on ESG excellence.

We are proud of NuStar's safety performance. Our 2023 total recordable incident rate (TRIR) of 0.55 was better than the 3.60 average most recently reported by the U.S. Bureau of Labor Statistics (BLS) for the bulk terminals industry and in line with the 0.50 average most recently reported by BLS for the pipeline transportation industry. Our 2023 days away, restricted or transferred rate (DART) of 0.39 was better than the 2.80 average most recently reported by BLS for the bulk terminals industry and in line with the 0.30 average most recently reported by BLS for the pipeline transportation industry. NuStar also participates in the Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program (VPP), which promotes effective worksite health and safety. Achieving VPP Star status requires rigorous OSHA review and audit, and requires recertification every three to five years. As of December 31, 2023, approximately 92% of our eligible U.S. terminals have attained VPP Star status. NuStar also has received the International Liquids Terminals Association's Safety Excellence Award 13 times.

Sustainability Report
We publish a Sustainability Report, which covers topics similar to those described above, including our guiding principles; operations and economic impact; environmental and safety programs; sustainability; renewable fuels-related services; policies and statistics (including greenhouse gas emissions disclosures); employee development and training; diversity and inclusion; community involvement and development; recent awards; risk management; cybersecurity; and governance. Our Sustainability Report can be viewed at https://sustainability.nustarenergy.com. Our Sustainability Report and the information contained on our website are not part of this Annual Report on Form 10-K, are not "soliciting materials," are not deemed filed with the SEC and are not to be incorporated by reference into any of NuStar Energy's filings under the Securities Act of 1933 or the Securities Act of 1934, as amended, respectively.

PROPERTIES

Our principal properties are described above under the caption "Segments and Results of Operations" above, and that information is incorporated herein by reference. We believe that we have satisfactory title to all of our properties. Although title to these properties is subject to encumbrances in some cases, such as customary interests generally retained in connection with the acquisition of real property, liens for current taxes and other burdens and easements, and restrictions or other encumbrances, including those related to environmental liabilities associated with historical operations, to which the underlying properties were subject at the time of acquisition by us or our predecessors, we believe that none of these burdens will materially detract from the value of these properties or from our interest in these properties or will materially interfere with their use in the operation of our business. In addition, we believe that we have obtained sufficient right-of-way grants and permits from public authorities and private parties for us to operate our business in all material respects as described in this report. We perform scheduled maintenance on all of our pipelines, terminals, crude oil tanks and related equipment and make repairs and replacements when necessary or appropriate. We believe that our pipelines, terminals, crude oil tanks and related equipment have been constructed and are maintained in all material respects in accordance with applicable federal, state and local laws and the regulations and standards prescribed by the American Petroleum Institute, the DOT and accepted industry practice.

RATE REGULATION

Several of our crude oil and refined products pipelines are interstate common carrier pipelines, which are subject to regulation by the FERC under the Interstate Commerce Act (ICA) and the Energy Policy Act of 1992 (the EP Act). The ICA and its implementing regulations give the FERC authority to regulate the rates charged for service on interstate common carrier pipelines and generally require the rates and practices of interstate liquids pipelines to be just, reasonable, not unduly discriminatory and not unduly preferential. The ICA also requires tariffs that set forth the rates a common carrier pipeline charges for providing transportation services on its interstate common carrier liquids pipelines, as well as the rules and regulations governing these services, to be maintained on file with the FERC and posted publicly. The EP Act deemed certain rates in effect prior to its passage to be just and reasonable and limited the circumstances under which a complaint can be made against such “grandfathered” rates. The EP Act and its implementing regulations also allow interstate common carrier liquids pipelines to annually index their rates up to a prescribed ceiling level and generally require that such pipelines index their rates down to the prescribed ceiling level if the index is negative. In addition, the FERC retains cost-of-service ratemaking, market-based rates and settlement rates as alternatives to the indexing approach.

Our ammonia pipeline is subject to regulation by the STB pursuant to the ICA applicable to such pipelines (which differs from the ICA applicable to interstate liquids pipelines). Under that regulation, the ammonia pipeline’s rates, classifications, rules and practices related to the interstate transportation of anhydrous ammonia must be reasonable and, in providing interstate transportation, the ammonia pipeline may not subject a person, place, port or type of traffic to unreasonable discrimination. Similar to the crude and refined products pipelines, the rates for transportation services on the ammonia pipeline are required to be in a tariff which is posted publicly on our website, however, that tariff is not required to be on file with the STB. The STB does not prescribe an indexing approach similar to the EP Act but rates under the STB must be reasonable and the pipeline may not subject a person, place, port or type of traffic to unreasonable discrimination.

In addition to federal regulatory body oversight, various states, including Colorado, Kansas, Louisiana, North Dakota and Texas, maintain commissions focused on the rates and practices of common carrier pipelines offering services within their borders. Although the applicable state statutes and regulations vary, they generally require that intrastate pipelines publish tariffs setting forth all rates, rules and regulations applying to intrastate service, and generally require that pipeline rates and practices be just, reasonable and nondiscriminatory.

Shippers may challenge tariff rates, rules and regulations on our pipelines. In most instances, state commissions have not initiated investigations of the rates or practices of pipelines in the absence of shipper complaints. There are no pending challenges or complaints regarding our tariffs or tariff rates.

ENVIRONMENTAL, HEALTH, SAFETY AND SECURITY REGULATION

Our operations are subject to extensive international, federal, state and local environmental laws and regulations, in the U.S. and in Mexico, 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. In 2023, our capital expenditures attributable to compliance with environmental regulations were $5.5 million, and we currently project environmental regulatory compliance spending of approximately $12.5 million in 2024.

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. The principal environmental, health, safety and security risks associated with our operations relate to unauthorized emissions into the air, releases into soil, surface water or groundwater, personal injury and property damage. We have adopted policies, practices, systems and procedures designed to comply with the laws and regulations, and to help minimize and mitigate these risks, limit the liability that could result from such events, prevent material environmental or other damage, ensure the safety of our employees and the public and secure our pipelines, terminals and operations. Compliance with environmental, health, safety and security laws, regulations and related permits increases our capital expenditures and operating expenses, and violation of these laws, regulations or permits could result in significant civil and criminal liabilities, injunctions or other penalties. Future governmental actions could result in more restrictive laws and regulations, which could increase required capital expenditures and operating expenses. At this time, we are unable to estimate either the impact, if any, of potential future regulation and/or legislation on our financial condition or results of operations, or the amount and timing of such possible future expenditures or expenses. The risk of additional compliance expenditures, expenses and liabilities are inherent to government-regulated industries, including midstream energy. As a result, there can be no assurances that significant expenditures, expenses and liabilities will not be incurred in the future. However, while compliance may affect our capital expenditures and operating expenses, we believe that the cost of such compliance will not have a material impact on our competitive position, financial condition or results of operations. Further, we do not believe that our cost of compliance is proportionately greater than the cost to other companies operating in our industry.

Discussed below are the primary U.S. environmental, health, safety and security laws applicable to our operations. Compliance with or violations of any of these laws and related regulations could result in significant expenditures, expenses and liabilities.

Occupational, Safety and Health
We are subject to the Occupational Safety and Health Act, as amended, and analogous or more stringent international, state and local laws and regulations for the protection of worker safety and health. In addition, we have operations subject to the

Occupational Safety and Health Administration’s Process Safety Management regulations. These regulations apply to processes that involve certain chemicals at or above specified thresholds.

Fuel Standards and Renewable Energy
International, federal, state and local laws and regulations regulate the fuels we transport and store for our customers. Changes in these laws or regulations could affect our earnings, including by reducing our throughput volumes, or require capital expenditures and expenses to segregate and separately store fuels. In addition, several federal and state programs require, subsidize or encourage the purchase and use of competing fuels or energy, renewable energy, electric battery-powered motor vehicle engines and renewable fuels and blending additives, like ethanol, biodiesel and renewable diesel. These programs may over time offset projected increases or reduce the demand for refined products, particularly gasoline, in certain markets. However, the increased production and use of renewable fuels may also create opportunities for pipeline transportation and fuel blending. Other legislative changes in the future may similarly alter the expected demand and supply projections for refined products in ways that cannot be predicted.

Hazardous Substances and Hazardous Waste
The Federal Comprehensive Environmental Response, Compensation and Liability Act, referred to as CERCLA or “Superfund,” and analogous or more stringent international, state and local laws and regulations, impose restrictions and liability related to the release, threatened release, disposal and remediation of hazardous substances. This liability can be joint and several strict liability, without regard to fault or the legality of the original release or disposal. Current operators of a facility, past owners or operators of a facility and parties who arranged for the disposal of a hazardous substance can be held liable under these laws and regulations.

We currently own, lease, and operate on, and have in the past owned, leased and operated on, properties and at facilities that handled, transported and stored hazardous substances. Despite our compliance with applicable requirements and industry standards, hazardous substances may have been released on or under our facilities and properties, or on or under locations where these substances were taken for disposal. We are currently remediating subsurface contamination at several facilities, and, based on currently available information, we believe the costs related to these remedial activities should not materially affect our financial condition or results of operations. However, the aggregate total cost of remediation projects can be difficult to estimate, and there are no assurances that the cost of future remedial activities will not become material. Further, applicable laws or regulation, including those dictating the degree of remediation required, may be revised to be more restrictive in the future. As a result, we are unable to estimate the effect of future regulation on our financial condition or results of operations or the amount and timing of future expenditures required to comply with such possible regulatory changes.

The Federal Resource Conservation and Recovery Act, as amended, and analogous or more stringent international, state and local laws and regulations impose restrictions and strict controls regarding the handling and disposal of wastes, including hazardous wastes. We generate hazardous wastes and it is possible that additional wastes, which could include wastes currently generated during operations, will be designated as hazardous wastes in the future. Hazardous wastes are subject to more rigorous requirements than are non-hazardous wastes.

Air
The Federal Clean Air Act, as amended, and various applicable international, state and local laws and regulations impose restrictions and strict controls regarding emission into the air, including greenhouse gas emissions. These laws and regulations generally require permits issued by applicable federal, state or local authorities for emissions, and impose monitoring and reporting requirements. Such laws and regulations can also require pre-approval for the construction or modification of certain operations or facilities expected to produce or increase air emissions.

Water
The Federal Water Pollution Control Act, as amended, also known as the Clean Water Act, the federal Spill Prevention, Control, and Countermeasure and Facility Response Plan Rules and analogous or more stringent international, state and local laws and regulations impose restrictions and strict controls regarding the discharge of pollutants into state waters or waters of the United States. The discharge of pollutants into waters is generally prohibited, except in accordance with a permit issued by applicable federal or state authorities. The Oil Pollution Act further regulates the discharge of oil, and the response to and liability for oil spills, and the Rivers and Harbors Act regulates pipelines crossing navigable waters.

Pipeline and Other Asset Integrity, Safety and Security
Our pipeline, storage tank and other operations are subject to extensive international, federal, state and local laws and regulations governing integrity, safety and security, including those in Title 49 of the U.S. Code and its implementing regulations. These laws and regulations include the Pipeline and Hazardous Materials Safety Administration's requirements for safe pipeline design, construction, operation, maintenance, inspection, testing and corrosion control, control rooms and qualification programs for operating personnel. In addition, we have marine terminal operations subject to Coast Guard safety, integrity and security regulations and standards. We also have operations subject to the Department of Homeland Security Chemical Facility Anti-Terrorism Standards and security guidelines and directives issued by the Transportation Security Administration.

We take proactive steps to protect our company, systems and data from cyberattacks. See Item 1C. "Cybersecurity" for our cybersecurity considerations.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP) requires management to select accounting policies and to make estimates and assumptions related thereto that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The following summary provides further information on our accounting policies that involve critical accounting estimates due to judgments made by management and the sensitivity of these estimates to deviations of actual results from management's assumptions. The critical accounting estimates should be read in conjunction with Note 2 of the Notes to Consolidated Financial Statements in Item 8. "Financial Statements and Supplementary Data," which summarizes our significant accounting policies.

Impairment of Long-Lived Assets
We test long-lived assets for recoverability whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. We evaluate recoverability using undiscounted estimated net cash flows generated by the related asset or asset group. If the results of that evaluation indicate that the undiscounted cash flows are less than the carrying amount of the asset (i.e., the asset is not recoverable), we perform an impairment analysis. If our intent is to hold the asset for continued use, we determine the amount of impairment as the amount by which the net carrying value exceeds its fair value. If our intent is to sell the asset, and the criteria required to classify an asset as held for sale are met, we determine the amount of impairment as the amount by which the net carrying amount exceeds its fair value less costs to sell.

In determining the existence of an impairment of the carrying value of an asset, we make a number of subjective assumptions as to:
- whether there is an event or circumstance that may indicate that the carrying amount of an asset may not be recoverable;
- the grouping of assets;
- the intention of holding, abandoning or selling an asset;
- the forecast of undiscounted expected future cash flows with respect to an asset or asset group; and
- if an impairment exists, the fair value of the asset or asset group.

Our estimates of undiscounted future cash flows include: (i) discrete financial forecasts, which rely on management's estimates of revenue and operating expenses; (ii) long-term growth rates; and (iii) estimates of useful lives of the assets. The identification of impairment indicators and the estimates of future undiscounted cash flows are highly subjective and 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 could differ significantly from actual results and could cause a different conclusion about the recoverability of our assets. If we determined one or more assets was impaired, the amount of impairment could be material to our results of operations.

Impairment of Goodwill
We perform an assessment of goodwill annually or more frequently if events or changes in circumstances warrant. We have the option to first perform a qualitative annual assessment to determine whether it is necessary to perform a quantitative goodwill impairment test. A qualitative assessment includes, among other things, industry and market considerations, overall financial performance, other entity-specific events and events affecting individual reporting units. If, after assessing the totality of events or circumstances for each reporting unit, we determine that it is more likely than not that the carrying value exceeds its fair value, then we would perform a quantitative impairment test for that reporting unit.

We recognize an impairment of goodwill if the carrying value of a reporting unit that contains goodwill exceeds its estimated fair value. In order to estimate the fair value of the reporting unit, including 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 assets' existing service potential.

We calculate the estimated fair value of each of our reporting units using a weighted average of values calculated using 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, 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 for comparable entities. Our fair value estimates are sensitive to typical valuation assumptions, particularly our estimates for the weighted-average cost of capital used for the income approach and the guideline public company and guideline transaction multiples used for the market approach.

NEW ACCOUNTING PRONOUNCEMENTS

See Note 3 of the Notes to Consolidated Financial Statements in Item 8. "Financial Statements and Supplementary Data" for a discussion of new accounting pronouncements.

AVAILABLE INFORMATION

Our internet website address is www.nustarenergy.com. Information contained on our website is not part of this report. Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments thereto, filed with (or furnished to) the SEC are available on our website, free of charge, as soon as reasonably practicable after we file or furnish such material (select the "Investors" link, then the "SEC Filings" link). We also post our corporate governance guidelines, code of business conduct and ethics, code of ethics for senior financial officers and the charters of our board's committees on our website free of charge (select the "Investors" link, then the "Corporate Governance" link).

Our governance documents are available in print to any unitholder that makes a written request to Corporate Secretary, NuStar Energy L.P., 19003 IH-10 West, San Antonio, Texas 78257 or corporatesecretary@nustarenergy.com.

ITEM 1A. RISK FACTORS

RISKS RELATED TO SUNOCO'S PROPOSED ACQUISITION OF NUSTAR

The Merger is subject to a number of conditions to the obligations of both NuStar and Sunoco to complete the Merger, including approval by NuStar's common unitholders and regulatory clearance, which may impose unacceptable conditions or could delay completion of the Merger or result in termination of the Merger Agreement.

On January 22, 2024, NuStar entered into a definitive agreement (the Merger Agreement), whereby Sunoco will acquire NuStar in an all-equity transaction (the Merger). The respective obligations of each of NuStar and Sunoco to consummate the Merger are subject to the satisfaction at or prior to the closing of numerous conditions, including, among other things, approval by NuStar's common unitholders, the absence of any law or order prohibiting the consummation of the Merger, and the expiration or termination of the waiting period (and any extension of such period) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. Many of the conditions to the completion of the Merger are not within either NuStar's or Sunoco's control, and NuStar cannot predict when, or if, these conditions will be satisfied. Furthermore, the requirement for obtaining the required regulatory clearances could delay the completion of the Merger for a significant period of time or prevent it from occurring. Regulators may seek to enjoin the completion of the Merger, seek divestiture of substantial assets of the parties, or require the parties to license, or hold separate, assets or terminate existing relationships and contractual rights.

Failure to complete the Merger could negatively impact the price of our units and have a material adverse effect on our results of operations, cash flows and financial position.

If the Merger is not completed for any reason, including as a result of failure to obtain all requisite regulatory and unitholder approvals, our ongoing business may be materially and adversely affected and, without realizing any of the benefits of having completed the Merger, we would be subject to a number of risks, including the following:

- we may experience negative reactions from the financial markets, including negative unit price impacts;
- we may experience negative reactions from commercial and business partners; and
- we will still be required to pay certain significant costs relating to the Merger, such as legal, accounting, financial advisor, and printing fees.

In addition, if the Merger Agreement is terminated under certain circumstances specified therein, we may be required to pay Sunoco a termination fee of approximately $90.3 million.

If the Merger is not completed, the risks described above may materialize and they may have a material adverse effect on our results of operations, cash flows, financial position, and the price of our publicly-traded units.

The announcement and pendency of the Merger may adversely affect our business, financial results and operations.

Whether or not the Merger is completed, its announcement and pendency could cause disruptions to our business, including:

- uncertainties associated with the Merger may cause us to lose management personnel and other key employees, which could adversely affect our future business and operations following the Merger;
- our business relationships may be subject to disruption due to uncertainty associated with the Merger, which could have a material adverse effect on our results of operations, cash flows, and financial position;
- matters relating to the Merger (including integration planning) require substantial commitments of time and resources by our management, which may result in the distraction of our management from ongoing business operations and pursuing other opportunities that could be beneficial to us; and
- the Merger Agreement places certain restrictions on how we conduct our operations, which may delay or prevent us from undertaking business opportunities that, absent the Merger Agreement, we may have pursued.

Sunoco may fail to realize the anticipated benefits of the Merger and fail to successfully integrate the businesses and operations of the parties in the expected time frame.

The success of the Merger, and the value that our common unitholders who receive Sunoco common units following the Merger will realize, depends on, among other things, the successful combination of NuStar's and Sunoco's businesses in a manner that realizes anticipated synergies and benefits and meets or exceeds the forecasted stand-alone cost savings anticipated by the combined business. If the combined business is not able to successfully achieve these synergies, or the cost to achieve these synergies is greater than expected, then the anticipated benefits of the Merger may not be realized fully or at all or may take longer to realize than expected. If the transaction closes, it is possible that the integration process could result in the loss of key NuStar employees or key Sunoco employees, the loss of customers, providers, vendors, or business partners, the disruption of either or both parties' ongoing businesses, inconsistencies in standards, controls, procedures, and policies, potential unknown liabilities and unforeseen expenses, delays, or regulatory conditions associated with and following completion of the Merger, or higher than expected integration costs and an overall post-completion integration process that takes longer than originally anticipated.

In addition, at times the attention of certain members of our management team and resources may be focused on the completion of the Merger and planning the anticipated integration, and diverted from day-to-day business operations or other opportunities that may have been beneficial to NuStar, which may disrupt our ongoing business and the operations of the combined business.

We may be subject to litigation challenging the Merger, and an unfavorable judgment or ruling in any such lawsuits could prevent or delay the consummation of the Merger and/or result in substantial costs.

Lawsuits related to the Merger may be filed against us, Sunoco, and our respective affiliates, directors and officers. If dismissals are not obtained or a settlement is not reached, these lawsuits could prevent or delay completion of the Merger and/or result in substantial costs to us.

RISKS RELATED TO OUR BUSINESS

Changes in price levels could negatively impact our revenue, our expenses, or both, which could adversely affect our financial position, results of operations and cash flows.

The operation of our assets and the execution of capital projects require significant expenditures for labor, materials, property, equipment and services. As a result, such costs may increase during periods of high inflation, including as a result of rising commodity prices, supply chain disruptions and tight labor markets. Recent inflationary pressures affecting the general economy and the energy industry have increased our expenses and capital costs, and those costs may continue to increase. While we expect our pipeline systems to benefit from the positive revenue impact of our tariff indexation increases, we may not be able to pass all of these increased costs to our customers in the form of higher fees for our services, and, if so, our revenues and operating margins would be negatively impacted. Prior to adjustments to applicable rates, material cost increases may affect our operating margins, even if margins in subsequent periods may be normalized following applicable rate adjustments. Accordingly, increased costs during periods of high inflation that are not passed through to customers or offset by other factors may have a material adverse effect on our financial position, results of operations and cash flows.

We may not be able to generate sufficient cash from operations to enable us to pay quarterly distributions to our unitholders.

The amount of cash that we can distribute to our unitholders each quarter principally depends upon the amount of cash we generate from our operations, based on, among other things:

- prevailing macroeconomic conditions as well as economic conditions in and specific to our primary markets;
- demand for and supply of crude oil, refined products, renewable fuels and anhydrous ammonia;
- volumes transported in our pipelines and stored in our terminals and storage facilities;
- the financial stability and strength of our customers;
- tariff and/or contractually determined rates and fees we charge and the revenue we realize for our services;
- domestic and foreign governmental laws, regulations, sanctions, embargoes and taxes;
- the effect of energy conservation, efficiency and other evolving priorities;
- the effect of weather events on our operations and demand for our services; and
- the results of our marketing, trading and hedging activities, which fluctuate depending upon the relationship between refined product prices and prices of crude oil and other feedstocks.

Furthermore, the amount of cash that we will have available for distribution depends on a number of other factors, including:

- our debt service requirements and restrictions on distributions contained in our current or future financing agreements;
- our capital expenditures;
- our operating costs;
- the costs to comply with environmental, health, safety and security laws and regulations;
- fluctuations in our working capital needs;
- fluctuations in interest rates on our variable rate debt instruments and preferred units;
- adjustments in cash reserves made by our board of directors, in its discretion;
- availability of and access to equity capital and debt markets; and
- the sources of cash used to fund our acquisitions, if any.

Moreover, the total amount of cash that we have available for distribution to common unitholders is further reduced by the required distributions with respect to our preferred units. The factors listed above, which may be further impacted by public health crises, international conflicts, actions of oil-producing nations and other factors beyond our control, may reduce our available cash to such an extent that we are unable to pay distributions at the current level or at all in a given quarter. Cash distributions to our unitholders depend primarily upon our cash flows, including cash flows from reserves and working capital borrowings, and not solely on profitability, which is affected by non-cash items. In other words, we may be able to make cash distributions during periods in which we record net losses and may not be able to make cash distributions during periods in which we record net income.

Extended periods of reduced demand for or supply of crude oil, refined products, renewable fuels and anhydrous ammonia could have an adverse impact on our results of operations, cash flows and ability to make distributions to our unitholders.

Our business is ultimately dependent upon the demand for and supply of the crude oil, refined products, renewable fuels and anhydrous ammonia we transport in our pipelines and store in our terminals. Market prices for these products are subject to wide fluctuation in response to changes in global and regional supply and demand that are beyond our control. Increases in the price of crude oil may result in a lower demand for refined products that we transport, store and market, including fuel oil, while sustained low prices may lead to reduced production in the markets served by our pipelines and storage terminals.

Any sustained decrease in demand for crude oil, refined products, renewable fuels or anhydrous ammonia in the markets our pipelines and terminals serve that extends beyond the expiration of our existing throughput and deficiency agreements could result in a significant reduction in throughputs in our pipelines and storage in our terminals, which would reduce our cash flows and impair our ability to make distributions to our unitholders. Factors that tend to decrease market demand include:

- a recession, high interest rates, inflation or other adverse economic conditions that result in lower spending by consumers on gasoline, diesel and travel;
- events that negatively impact global economic activity, travel and demand generally;
- higher fuel taxes or other governmental or regulatory actions that increase, directly or indirectly, the cost of gasoline;
- an increase in aggregate automotive engine fuel economy;
- new government and regulatory actions or court decisions requiring the phase out or reduced use of gasoline-fueled vehicles;
- the increased use of and public demand for use of alternative fuel sources or electric vehicles;
- an increase in the market price of crude oil that increases refined product prices, which may reduce demand for refined products and increase demand for alternative products; and
- adverse weather events resulting in decreased corn acres planted, which may reduce demand for anhydrous ammonia.

Similarly, any sustained decrease in the supply of crude oil, refined products, renewable fuels or anhydrous ammonia in markets we serve could result in a significant reduction in throughputs in our pipelines and storage in our terminals, which would reduce our cash flows and undermine our ability to make distributions to our unitholders. Factors that tend to decrease supply and, by extension, utilization of our pipelines and terminals include:

- prolonged periods of low prices for crude oil and refined products that result in decreased exploration and development activity and reduced production in markets served by our pipelines and storage terminals;
- macroeconomic forces affecting, or actions taken by, oil and gas producing nations that impact the supply of and prices for crude oil and refined products;
- a lack of drilling services, equipment or skilled personnel available to producers to accommodate production needs;
- changes in laws, regulations, sanctions or taxation that directly or indirectly delay supply or production or increase the cost of production of refined products; and
- political unrest or hostilities, activist interference and the resulting governmental response thereto.

Failure to retain or replace current customers and renew existing contracts on comparable terms to maintain utilization of our pipeline and storage assets at current or more favorable rates could reduce our revenue and cash flows to levels that could adversely affect our ability to make quarterly distributions to our unitholders.

Our revenue and cash flows are generated primarily from our customers’ payments of fees under throughput contracts and storage agreements. Failure to renew existing contracts or enter into new contracts on acceptable terms or a material reduction in utilization under existing contracts results from many factors, including:

- sustained low crude oil prices;
- a material decrease in the supply or price of crude oil;
- a material decrease in demand for refined products, renewable fuels or anhydrous ammonia in the markets served by our pipelines and terminals;
- political, social or economic instability in the United States or another country that has a detrimental impact on our customers and our ability to conduct our operations;
- competition for customers from companies with comparable assets and capabilities;
- scheduled turnarounds or unscheduled maintenance at refineries or production facilities of customers we serve;
- operational problems or catastrophic events affecting our assets or the customers we serve;
- environmental or regulatory proceedings or other litigation that compel the cessation of all or a portion of the operations of our assets or those of the customers we serve;
- increasingly stringent environmental, health, safety and security regulations;

- a decision by our current customers to redirect products transported in our pipelines or stored in our terminals to markets not served by our pipelines or terminals, or to transport or store crude oil, refined products or anhydrous ammonia by means other than our pipelines or storage terminals; and
- a decision by our current customers to shut down, limit operations of or sell one or more of the refineries/production facilities we serve to a purchaser that elects not to use our pipelines or terminals.

Depending on conditions in the credit and capital markets at a given time, we may not be able to obtain funding on acceptable terms or at all, which may hinder or prevent us from meeting our future capital needs, satisfying our debt obligations, or making quarterly distributions to our unitholders.
From time to time, the domestic and global financial markets and economic conditions are volatile and disrupted by a variety of factors, including low consumer confidence, high unemployment, geoeconomic and geopolitical issues, weak economic conditions, uncertainty in the market and negative sentiment toward fossil fuel energy-related companies generally, or master limited partnerships specifically. In addition, there are fewer investors and lenders for master limited partnership debt and equity capital market issuances than there are for corporate issuances, and negative public sentiment toward the fossil fuel energy industry has led some investors and lenders to reduce or cease investing in and lending to fossil fuel energy companies. As a result, the cost of raising capital has increased, the availability of funds has diminished and certain lenders have, and others may, refuse to refinance existing debt on similar terms or at all and reduce, or in some cases cease to provide, funding to borrowers such as us.

In general, if we do not generate sufficient cash from operations to finance our expenditures and funding from external sources is not available when needed, or is available only on unfavorable terms, we may be unable to execute our growth strategy, complete future acquisitions or construction projects or take advantage of other business opportunities and may be required to reduce investments or capital expenditures or sell assets, which could have a material adverse effect on our revenues and results of operations, and we may not be able to satisfy our debt obligations or pay distributions to our unitholders.

Our future financial and operating flexibility may be adversely affected by our significant leverage, any future downgrades of our credit ratings, restrictions in our debt agreements and conditions in the financial markets beyond our control.
As of December 31, 2023, our consolidated debt was $3.4 billion, and we have the ability to incur more debt. In addition to any potential direct financial impact of our debt, a material increase to our debt or other adverse financial factors would likely be viewed negatively by credit rating agencies, which could result in ratings downgrades, increased costs or inability for us to access the capital markets, an increase in interest rates on amounts borrowed under our Revolving Credit Agreement and an increase in certain fees under our Receivables Financing Agreement.

Certain affirmative and restrictive covenants in our debt agreements and other debt service obligations may adversely affect our future financial and operating flexibility. Our Revolving Credit Agreement contains customary restrictive covenants, such as limitations on indebtedness, liens, mergers, asset transfers and certain investing activities. For example, we must maintain a Consolidated Debt Coverage Ratio (as defined in the Revolving Credit Agreement) that does not exceed 5.00-to-1.00 and a minimum Consolidated Interest Coverage Ratio (as defined in the Revolving Credit Agreement) of at least 1.75-to-1.00. Failure to comply with any of the restrictive covenants or the maximum consolidated debt coverage ratio or minimum consolidated interest coverage ratio requirements would constitute an Event of Default (as defined in our Revolving Credit Agreement) and could result in acceleration of our obligations under our Revolving Credit Agreement and potentially other agreements. Our Receivables Financing Agreement, senior notes and other debt obligations also contain various customary affirmative and negative covenants, default, indemnification and termination provisions, which provide for acceleration of amounts owed upon the occurrence of certain specified events. Future financing agreements we may enter into may contain similar or more restrictive covenants and ratio requirements than those we have negotiated for our current debt agreements.

Our debt service obligations, restrictive covenants, ratio requirements and maturities may adversely affect our ability to finance future operations, pursue acquisitions, fund our capital needs and pay cash distributions to our unitholders. For example, upon the occurrence of specified events under certain of our debt agreements, we would be prohibited from making cash distributions to our unitholders. In addition, this leverage may make our results of operations more susceptible to adverse economic or operating conditions, limit our flexibility in planning for, or reacting to, changes in our business and industry and place us at a competitive disadvantage compared to competitors with proportionately less indebtedness.

Our ability to service our debt will depend on, among other things, our future financial and operating performance and our ability to access the capital markets, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating results are not sufficient to service our indebtedness and we are unable to access the capital markets or otherwise refinance our indebtedness, we may be required to reduce our distributions, reduce or delay our business activities, investments or capital expenditures, sell assets or issue additional equity, which could materially and adversely affect the trading price of our units, as well as, our financial condition, results of operations, cash flows and ability to make distributions to unitholders.

Changes in interest rates could adversely affect our business, access to credit and capital markets, and the trading price of our units.
We have significant exposure to increases in interest rates through variable rate provisions in certain of our debt instruments and our Series A, Series B and Series C Preferred Units. At December 31, 2023, we had approximately $3.4 billion of consolidated debt, of which $2.6 billion was at fixed interest rates and $0.8 billion was at variable interest rates. The distribution rates on our Series A, Series B and Series C Preferred Units have converted from fixed to floating rates. Our results of operations, cash flows and financial position could be materially adversely affected by significant changes in interest rates and uncertainty regarding the floating rates referenced in our variable rate debt instruments and preferred units could adversely affect the value of those financing arrangements. Please see "Quantitative and Qualitative Disclosures about Market Risk" for discussion of our market risk related to interest rates.

We plan to self-fund all of our expenses, distribution requirements and capital expenditures for 2024 using internally generated cash flows as we did for the full-years 2023, 2022 and 2021. An increase in interest rates may have a negative impact on our ability to access the capital markets, refinance existing debt or incur new debt at economically attractive rates, which could adversely affect our future growth by limiting our operational and financial flexibility.

Moreover, the market price of master limited partnership units, like other yield-oriented securities, may be affected by, among other factors, implied distribution yield. The distribution yield is often used by investors to compare and rank yield-oriented securities for investment decision-making purposes. Therefore, increases or decreases in interest rates may affect whether or not certain investors decide to invest in master limited partnership units, including ours. A rising interest rate environment could have an adverse impact on our unit price and impair our ability to issue additional equity, incur new debt to fund growth, satisfy our existing debt obligations or pay distributions to our unitholders.

Our inability to develop, fund and execute growth projects and acquire new assets could limit our ability to maintain and grow quarterly distributions to our unitholders.
Our ability to maintain and grow our distributions to unitholders depends on the growth of our existing businesses and strategic acquisitions. Decisions regarding new growth projects rely on numerous estimates, including, among other factors, the ability to secure a commitment from a customer that sufficiently exceeds our cost of capital to justify the project cost, predictions of future demand for our services, future supply shifts, crude oil or anhydrous ammonia production estimates, commodity price environments, economic conditions, both domestic and foreign, and potential changes in the financial condition of our customers. Our predictions of such factors could cause us to forego certain investments and to lose opportunities to competitors who make investments based on different predictions or have greater access to financial resources. In addition, volatile market conditions have caused us to reevaluate the estimates underlying certain planned projects and delay the timing of certain projects until conditions improve. If we are unable to develop and execute expansion projects, implement business development opportunities, acquire new assets and finance such activities on economically acceptable terms, our future growth will be limited, which could have a significant adverse impact on our results of operations and cash flows and, accordingly, result in reduced distributions over time.

Failure to complete capital projects as planned may adversely affect our financial condition, results of operations and cash flows.
While we incur financing costs during the planning and construction phases of our projects, a project does not generate expected operating cash flows until it is at least substantially completed, if at all. Additionally, our forecasted operating results from capital spending projects are based on future market fundamentals that are not within our control, including changes in general economic conditions, the supply and demand of crude oil, refined products, renewable fuels and anhydrous ammonia, availability to our customers of attractively priced alternative solutions for storage, transportation or supplies of crude oil, refined products, renewable fuels and anhydrous ammonia and overall customer demand. As a result of these uncertainties, the anticipated benefits associated with our capital projects may not be achieved or could be delayed. In turn, this could have a negative impact on our results of operations and cash flow and our ability to make cash distributions to our unitholders.

Although we evaluate and monitor each capital spending project and try to anticipate difficulties that may arise, unforeseen circumstances may adversely affect our ability to complete such projects as planned, if at all. Delays or cost increases arise as a result of many factors that are beyond our control, including:

- adverse economic conditions;
- market-related increases in a project's debt or equity financing costs;
- severe adverse weather conditions, natural disasters (such as extreme temperatures, hurricanes, tornadoes, storms, floods and earthquakes) or other events (such as equipment malfunctions, explosions, fires, spills or public health events) affecting our facilities or employees;
- denial or delay in issuing requisite regulatory approvals and/or permits;
- delay or increased costs to obtain right-of-way or other property rights;
- protests and other activist interference with planned or in-process projects;

- unplanned increases in the cost of construction materials or labor;
- shortages or disruptions in transportation of modular components and/or construction materials; or
- shortages of sufficiently skilled labor, or labor disagreements resulting in unplanned work stoppages.

Any of the above factors may also adversely affect the facilities, operations or employees of counterparties, vendors, suppliers, contractors, sub-contractors or other third parties involved with our projects, which could result in non-performance or delay by, or disputes with, such parties.

We compete with other midstream service providers, including certain major energy and chemical companies, that possess, or have greater financial resources to acquire, assets better suited to meet customer demand, which could undermine our ability to obtain and retain customers or reduce utilization of our assets, which could adversely affect our revenues and cash flows, thereby reducing our ability to make our quarterly distributions to unitholders.

We face competition in all aspects of our business and can give no assurances that we will be able to compete effectively against our competitors. Our competitors include major energy and chemical companies, some of which have greater financial resources, more pipelines or storage terminals, greater capacity pipelines or storage terminals and greater access to supply than we do. Certain of our competitors also have advantages in competing for acquisitions or other new business opportunities because of their financial resources and synergies in operations. As a consequence of increased competition in the industry or market conditions, some customers are and others may be in the future reluctant to renew or enter into long-term contracts or contracts that provide for minimum throughput amounts. Our inability to renew or replace a significant portion of our current contracts as they expire, to enter into contracts for newly acquired, constructed or expanded assets and to respond appropriately to changing market conditions would have a negative effect on our revenue, cash flows and ability to make quarterly distributions to our unitholders.

Our operations are subject to operational hazards and interruptions, and we cannot insure against or predict all potential losses and liabilities that might result therefrom.

Our operations and those of our customers and suppliers are subject to operational hazards and unforeseen interruptions due to adverse weather conditions, natural disasters (such as heat waves, freezing temperatures, hurricanes, tornadoes, storms, floods and earthquakes), accidents, fires, explosions, hazardous materials releases, mechanical failures, cyberattacks, acts of terrorism and other events beyond our control. These events have, and may in the future, result in a loss of life or equipment, injury or extensive property or environmental damage, as well as an interruption in our operations or those of our customers or suppliers. Additionally, our pipelines, terminals and storage assets are generally long-lived assets, and some have been in service for many years. The age and condition of our assets could result in increased maintenance or repair expenditures in the future. If any of our facilities, or those of our customers or suppliers, suffer significant damage or are forced to shut down for a significant period of time, it may have a material adverse effect on our results of operations and our financial condition as a whole.

As a result of market conditions and losses experienced by us and other companies, the premiums and deductibles for our insurance policies have increased and could continue to increase substantially; therefore, it has become increasingly difficult to, and we may not be able to, maintain or obtain insurance of the type and amount we desire at reasonable rates. In addition, certain insurance coverage is subject to broad exclusions, and may become subject to further exclusions, become unavailable altogether or become available only for reduced amounts of coverage and at higher rates. We are not fully insured against all hazards and risks to our business, and the insurance we carry requires us to meet deductibles before we collect for losses we sustain. If we incur a significant liability for which we are uninsured or not fully insured, or if there is a significant delay in payment of a major insurance claim, such a liability could have a material adverse effect on our financial position.

We are exposed to counterparty credit risk. Nonpayment and nonperformance by our customers, vendors or other counterparties reduces our revenues and increases our expenses, and any significant level of nonpayment or nonperformance could have a negative impact on our ability to conduct our business, operating results, cash flows and our ability to service our debt obligations and make distributions to our unitholders.

Weak and volatile economic conditions and widespread financial stress may reduce the liquidity of our customers, vendors or other counterparties, making it more difficult for them to meet their obligations to us. We are therefore subject to risks of loss resulting from nonpayment or nonperformance by our customers to whom we extend credit. Financial problems encountered by our customers limit our ability to collect amounts owed to us, or to enforce the performance of obligations owed to us under contractual arrangements. In addition, nonperformance by vendors or their subcontractors, who have committed to provide us with critical products or services, increases our costs and could result in significant disruptions or interfere with our ability to successfully conduct our business. Although we attempt to mitigate our risk through warehouseman’s liens and other security protections, we cannot fully eliminate counterparty credit risks. Any substantial increase in the nonpayment or nonperformance by our customers, vendors or other counterparties, or our inability to enforce our liens and other security protections, could have a material adverse effect on our results of operations, cash flows and ability to make distributions to our unitholders.

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 us, our systems and our 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 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, some of our employees and those of our service providers, vendors and customers may travel or 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 United States and in Mexico 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 have spent 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 on regulatory compliance.

Disputes regarding a failure to maintain product quality specifications or other claims related to the operation of our assets and the services we provide to our customers may result in unforeseen expenses and could result in the loss of customers.

Certain of the products we store and transport are produced to precise customer specifications. If the quality and purity of the products we receive are not maintained or a product fails to perform in a manner consistent with the quality specifications required by our customers, customers have sought, and could in the future seek, replacement of the product or damages for costs incurred as a result of the product failing to perform as guaranteed. We also have faced, and could in the future face, other claims by our customers if our assets do not operate as expected by our customers or our services otherwise do not meet our customers' expectations. Successful claims or a series of claims against us result in unforeseen expenditures and could result in the loss of one or more customers.

Climate change, fuels legislation and other regulatory initiatives restricting emissions of "greenhouse gases" may decrease demand for some of the products we store, transport and sell, increase our operating costs or reduce our ability to expand our facilities.

Climate change laws or regulations enacted by the United States and other political bodies that increase costs, reduce demand or otherwise impede our operations, could, directly or indirectly, have an adverse effect on our business. Legislative and regulatory initiatives in the United States, as well as international efforts, have attempted to and will continue to address climate change and control or limit emissions of greenhouse gases. For example, the United States is now a party to the Paris Agreement and has established an economy-wide target of reducing its net greenhouse gas emissions by 50-52 percent below 2005 levels in 2030 and achieving net zero greenhouse gas emissions economy-wide by no later than 2050. The United States has also established a goal to reach 100 percent carbon emissions-free electricity by 2035. Furthermore, many state and local leaders have stated their intent to increase efforts to control or limit emissions of greenhouse gases. Specifically, certain regulatory changes have restricted, and future changes could restrict, our ability to expand our operations and have increased, and in the future could increase, our costs to operate and maintain our existing facilities by requiring that we measure and report our emissions, install new emission controls on our facilities, acquire allowances to authorize our emissions, pay taxes or fees related to our emissions or administer and manage an emissions program, among other things. The passage of climate change legislation and interpretation and action of federal and state regulatory bodies that result in a reduction in the demand for hydrocarbon products that are deemed to contribute to greenhouse gases, or restrictions on their use, may reduce volumes available to us for transportation and storage. These developments could have adverse effects on our business, financial position, results of operations and prospects.

In addition, certain of our blending operations subject us to potential requirements to purchase renewable fuels credits. Even though we attempt to mitigate such lost revenues or increased costs through the contracts we sign with our customers, we sometimes are not able to recover those revenues or mitigate the increased costs, and any such recovery depends on events beyond our control, including the outcome of future rate proceedings before the Federal Energy Regulatory Commission (FERC) or other regulators and the provisions of any final legislation or regulations. Reductions in our revenues or increases in our expenses as a result of climate change legislation or other regulatory initiatives could have adverse effects on our business, financial position, results of operations and prospects.

Finally, increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events. Such events have had and may in the future have an adverse effect on our assets and operations, especially those located in coastal regions.

Public sentiment towards climate change, fossil fuels and sustainability could adversely affect our business, operations and ability to attract capital.
Our business plans are based upon the assumption that public sentiment and the regulatory environment will continue to enable the future development, transportation and use of carbon-based fuels. Negative public perception of the industry in which we operate and the influence of environmental activists and initiatives aimed at limiting climate change could interfere with our business activities, operations and access to capital. Activists concerned about the potential effects of climate change have directed their attention towards sources of funding for fossil fuel energy companies, which has resulted in certain financial institutions, funds and other sources of capital reducing or ceasing lending to or investing in companies in the fossil fuel energy industry, such as us. Having a more limited pool of lenders and investors has resulted in an increase in costs to raise capital, a decrease in the availability of new funding and a diminished ability to refinance existing debt at favorable rates for businesses such as ours, which could have a material adverse effect on our ability to meet our future capital needs, satisfy our debt obligations or pay distributions to our unitholders.

Members of the lending and investment communities are also increasing their focus on sustainability practices, including practices related to greenhouse gas emissions and climate change, in the energy industry. Additionally, some members of the lending and investment communities screen companies such as ours for sustainability performance before lending to us or investing in our units. In response to the increasing pressure regarding sustainability disclosures and practices, we and other companies in our industry publish sustainability reports that are made available to lenders and investors. Such reports are used by some lenders and investors to inform their lending, investment and voting decisions, and we may continue to face increasing pressure regarding sustainability practices and disclosures. Unfavorable sustainability ratings by organizations that provide such information to investors may lead to increased negative lender and investor sentiment toward us or our customers and to the diversion of capital to other industries, which would have a negative impact on our unit price and/or our access to and costs of capital. Such negative sentiment regarding our industry could influence consumer preference and decrease demand for the products we transport and store and may result in increased regulatory scrutiny, which could then result in additional laws, regulations, guidelines and enforcement interpretations, at the federal, state or local level. These actions may cause operational delays or restrictions, increased operating costs, additional regulatory burdens and increased risk of litigation.

Our operations are subject to federal, state and local laws and regulations, in the U.S. and in Mexico, relating to environmental, health, safety and security that require us to make substantial expenditures.
Our operations are subject to increasingly stringent international, federal, state and local environmental, health, safety and security laws and regulations. Transporting, storing and distributing hazardous materials, including petroleum products, entails the risk of releasing these products into the environment, potentially causing substantial expenditures for a response action, significant government penalties, liability to government agencies including for damages to natural resources, personal injury or property damages to private parties and significant business interruption. Further, our pipeline facilities are subject to the

pipeline integrity and safety regulations of various federal and state regulatory agencies, as well as cybersecurity directives. In recent years, increased regulatory focus on pipeline integrity, safety and security has resulted in various proposed or adopted regulations. The implementation of these regulations has required, and the adoption of future regulations could require, us to make additional capital or other expenditures, including to install new or modified safety or security measures, or to conduct new or more extensive inspection and maintenance programs.

Legislative action and regulatory initiatives have resulted in, and could in the future result in, changes to operating permits, imposition of carbon taxes or methane fees, material changes in operations, increased capital expenditures and operating costs, increased costs of the goods we transport and/or decreased demand for products we handle. Future impacts cannot be assessed with certainty at this time. Required expenditures to modify operations or install pollution control equipment or release prevention and containment systems or other environmental, health, safety or security measures could materially and adversely affect our business, financial condition, results of operations and liquidity if these expenditures, as with all costs, are not ultimately reflected in the tariffs and other fees we receive for our services.

We own or lease a number of properties that were used to transport, store or distribute products for many years before we acquired them; therefore, such properties were operated by third parties whose handling, disposal or release of products and wastes was not under our control. Environmental laws and regulations could impose obligations to conduct assessment or remediation efforts at our facilities, third-party sites where we take wastes for disposal, or where wastes have migrated. Environmental laws and regulations also may impose joint and several liability on us for the conduct of third parties or for actions that complied with applicable requirements when taken, regardless of negligence or fault. If we were to incur a significant liability pursuant to environmental, health, safety or security laws or regulations, such a liability could have a material adverse effect on our financial position.

We operate assets outside of the United States, which exposes us to different legal and regulatory requirements and additional risk.
A portion of our revenues are generated from our assets located in northern Mexico. Our operations are subject to various risks unique to Mexico that could have a material adverse effect on our business, results of operations and financial condition, including political and economic instability from civil unrest; labor strikes; war and other armed conflict; inflation; currency fluctuations, devaluation and conversion restrictions or other factors. Any deterioration of social, political, labor or economic conditions, including the increasing threat of terrorist organizations and drug cartels in Mexico, or affecting a customer with whom we do business, as well as difficulties in staffing, obtaining necessary equipment and supplies and managing foreign operations, may adversely affect our operations or financial results. We are also exposed to the risk of foreign and domestic governmental actions that may: impose additional costs on us; delay permits or otherwise impede our operations; limit or disrupt markets for our operations, restrict payments or limit the movement of funds; impose sanctions on or otherwise restrict our ability to conduct business with certain customers or persons or in certain countries; or result in the deprivation of contract rights. Our operations outside the United States may also be affected by changes in trade protection laws, policies and measures, and other regulatory requirements affecting trade and investment, including the Foreign Corrupt Practices Act and foreign laws prohibiting corrupt payments, as well as travel restrictions and import and export regulations.

We may be unable to obtain or renew permits necessary for our current or proposed operations, which could inhibit our ability to conduct or expand our business.
Our facilities operate under a number of federal, state and local permits, licenses and approvals with terms and conditions containing a significant number of prescriptive limits and performance standards in order to operate. These limits and standards require a significant amount of monitoring, recordkeeping and reporting in order to demonstrate compliance with the underlying permit, license or approval. Noncompliance or incomplete documentation of our compliance status may result in the imposition of fines, penalties and injunctive relief. In addition, public protest, political activism and responsive government intervention have made it more difficult for energy companies to acquire the permits required to complete planned infrastructure projects. A decision by a government agency to deny or delay issuing a new or renewed permit, license or approval, or to revoke or substantially modify an existing permit, license or approval, or to impose additional requirements on the renewal could have a material adverse effect on our ability to continue or expand our operations and on our financial condition, results of operations, cash flows and ability to make distributions to our unitholders.

We could be subject to liabilities from our assets that predate our acquisition of those assets, but that are not covered by indemnification rights we have against the sellers of the assets.
We have acquired assets and businesses and we are not always indemnified by the seller for liabilities that precede our ownership. In addition, in some cases, we have indemnified the previous owners and operators of acquired assets or businesses. Some of our assets have been used for many years to transport and store crude oil and refined products, and past releases could require costly future remediation. If a significant release or event occurred in the past, the liability for which was not retained by the seller, or for which indemnification by the seller is not available, it could adversely affect our financial position and results of operations. Conversely, if liabilities arise from assets we have sold, we could incur costs related to those liabilities if the buyer possesses valid indemnification rights against us with respect to those assets.

Certain of our interstate common carrier pipelines are subject to regulation by the FERC and the Surface Transportation Board, which could have an adverse impact on our ability to recover the full cost of operating our pipelines and the revenue we are able to receive from those operations.
Pursuant to the Interstate Commerce Act (ICA) and various other laws, the FERC regulates tariff rates and terms and conditions of service for interstate crude oil and refined products movements on common carrier pipelines. The FERC requires that these rates be just and reasonable and not unduly discriminatory with respect to any shipper. The FERC or shippers may challenge required pipeline tariff filings, including rates and terms and conditions of service. Further, other than for rates set under market-based rate authority, if a new rate is challenged by protest and investigated by the FERC, the FERC may require amounts refunded where such amounts were collected in excess of the deemed just and reasonable rate. In addition, shippers may challenge by complaint tariff rates and terms and conditions of service even after they take effect, and the FERC may order a carrier to change its rates prospectively to a just and reasonable level. A complaining shipper also may obtain reparations for damages sustained during the two years prior to the date of the complaint.

We are able to use various FERC-authorized rate change methodologies for our interstate pipelines, including indexed rates, cost-of-service rates, market-based rates and negotiated rates. Typically, we adjust our rates annually in accordance with the FERC indexing methodology, which currently allows a pipeline to change its rates within prescribed ceiling levels that are tied to an inflation index. It is possible that the index may result in negative rate adjustments in some years, or that changes in the index might not be large enough to fully reflect actual increases in our costs. The FERC’s indexing methodology is subject to review and revision every five years, with the most recent five-year review occurring in 2020. On December 17, 2020, the FERC established the index level for the five-year period commencing July 1, 2021, which will end on June 30, 2026, at the Bureau of Labor’s producer price index for finished goods (PPI-FG) plus 0.78%. On January 20, 2022, the FERC granted rehearing of certain aspects of the final rule and revised the index level to PPI-FG minus 0.21%, effective March 1, 2022 through June 30, 2026. The FERC ordered pipelines with filed rates that exceed their index ceiling levels based on PPI-FG minus 0.21% to file rate reductions effective March 1, 2022, which could result in a further change to the index. The FERC has granted us authority to charge market-based rates on some of our pipelines, which are not subject to cost-of-service or indexing constraints. If we were to lose market-based rate authority, however, we could be required to establish rates on some other basis, such as cost-of-service, which could reduce our revenues and cash flows. Additionally, competition constrains our rates in various markets, which may force us to reduce certain rates to remain competitive.

Pursuant to the ICC Termination Act of 1995 (ITA), the Surface Transportation Board (STB) regulates interstate pipelines carrying products other than gas, oil or water, including the anhydrous ammonia we transport. Unlike the ICA, which allows the FERC to investigate a carrier’s rates on its own initiative, ITA prescribes the STB may only investigate issues in response to complaints by shippers and other interested parties. Further, carriers are not required by the ITA or the STB to report rates charged to transport anhydrous ammonia or other commodities, and the STB does not routinely collect such information. Adverse changes in the FERC’s or STB’s rate change methodologies or challenges to our rates that result in significant damages could negatively affect our cash flows, results of operations and our ability to make distributions to our unitholders.

We do not own all of the land on which our pipelines and facilities are located, and we are therefore subject to the possibility of increased costs or the inability to retain necessary land use.
Like other pipeline and storage logistics services providers, certain of our pipelines, storage terminals and other facilities are located on land owned by third parties and governmental agencies that we have obtained the right to utilize for these purposes through contract (rather than through outright purchase). Many of our rights-of-way or other property rights are perpetual in duration, but others are for a specific period of time. In addition, some of our facilities are located on leased premises. A potential loss of property rights through our inability to renew right-of-way contracts or leases or otherwise retain property rights on acceptable terms or the increased costs to renew such rights could adversely affect our financial condition, results of operations and cash flows available for distribution to our unitholders.

Increases in power prices could adversely affect operating expenses and our ability to make distributions to our unitholders.
Power costs constitute a significant portion of our operating expenses. For the year ended December 31, 2023, our power costs equaled approximately $48.2 million, or 13% of our operating expenses for the year. We use mainly electric power at our pipeline pump stations and terminals, and such electric power is furnished by various utility companies. Requirements for utilities to use less carbon intensive power or to add pollution control devices also could cause our power costs to increase and our cash flows may be adversely affected, which could adversely affect our ability to make distributions to our unitholders.

We may be adversely affected by changes in the method of determining the London Interbank Offering Rate (LIBOR) or the replacement of LIBOR with an alternative reference rate, such as the Secured Overnight Financing Rate (SOFR).
The publication of non-U.S. dollar LIBOR rates ceased after publication on December 31, 2021 and the publication of U.S. dollar LIBOR rates for the most common tenors (overnight and one, three, six and twelve months) is ceased after publication on June 30, 2023. In addition, in March 2022, the Adjustable Interest Rate (LIBOR) Act (the “LIBOR Act”) was signed into law. This law provides a statutory fallback mechanism to replace LIBOR with a benchmark rate that is selected by the Federal Reserve Board and based on SOFR for certain contracts that reference LIBOR without adequate fallback provisions providing for a clearly defined replacement benchmark. On December 16, 2022, the Federal Reserve Board adopted a final rule to

implement the LIBOR Act and established benchmark rates based on SOFR to replace LIBOR contracts governed by U.S. law that reference certain tenors of U.S. dollar LIBOR after June 30, 2023. The regulations include provisions that (i) provide a mechanism for the automatic replacement of LIBOR with the benchmark rate selected by the Federal Reserve Board; (ii) clarify who may contractually select a benchmark replacement for LIBOR; and (iii) ensure that contracts transitioning to the replacement benchmark rate selected by the Federal Reserve Board will not be interrupted or terminated following the replacement of LIBOR. On June 30, 2023, the publication of U.S. dollar LIBOR rates ceased and, beginning with the distribution period starting on September 15, 2023, the distribution rates on our Series A, Series B and Series C preferred units converted from a floating rate based on three-month LIBOR to three-month CME Term SOFR plus the applicable tenor spread adjustment of 0.26161%, in accordance with the guidance and the applicable rules and regulations governing such transition. The consequences of the transition away from LIBOR and the use of SOFR cannot be entirely predicted but could include an increase in the cost of our variable-rate indebtedness, our Series A, Series B and Series C preferred units and other commercial arrangements tied to LIBOR.

An impairment of goodwill or long-lived assets could reduce our earnings.
As of December 31, 2023, we had $0.7 billion of goodwill and $3.8 billion of long-lived assets, including property, plant and equipment, net and intangible assets, net. GAAP requires us to test both goodwill and long-lived assets for impairment when events or circumstances occur indicating that either goodwill or long-lived assets might be impaired and, in the case of goodwill, at least annually. Any event that causes a reduction in demand for our services could result in a reduction of our estimates of future cash flows and growth rates in our business, which could cause us to record an impairment charge to reduce the value of goodwill. Similarly, any event or change in circumstances that causes the carrying value of our long-lived assets to no longer be recoverable may require us to record an impairment charge to reduce the value of our long-lived assets. If we determine that either our goodwill or our long-lived assets are impaired, the resulting charge will reduce earnings and partners' capital.

RISKS INHERENT IN AN INVESTMENT IN US
As a master limited partnership, we do not have the same flexibility that corporations and other business organizations may have to accumulate cash and prevent illiquidity in the future, which may limit our growth.
Unlike a corporation, our partnership agreement requires us to make quarterly distributions to our common unitholders of all available cash, after taking into account reserves for commitments and contingencies, including growth and other capital expenditures and operating costs, debt service requirements and payments with respect to our preferred units. We are therefore more likely than those organizations to require issuances of additional debt and equity securities to finance our growth plans, meet unforeseen cash requirements and service our debt and other obligations. To the extent we issue additional units, the payment of distributions on those additional units may increase the risk that we will be unable to maintain our current per unit distribution level and the value of our common units and other limited partner interests may decrease in correlation with any reduction in our cash distributions per unit. Accordingly, if we experience a liquidity shortage in the future, we may not be able to issue additional equity to recapitalize.

Unitholders have limited voting rights, and our partnership agreement restricts the voting rights of certain unitholders owning 20% or more of any class of our units.
Unlike holders of common stock in a corporation, our unitholders have only limited voting rights on matters affecting our business and, therefore, limited ability to influence management's decisions regarding our business. Our unitholders' voting rights are further restricted by a provision in our partnership agreement providing that units held by certain persons that own 20% or more of any class of units then outstanding cannot vote on any matter without the prior approval of our general partner.

We may issue additional equity securities, including equity securities that are senior to our common units, which would dilute our unitholders' existing ownership interests.
Our partnership agreement allows us to issue an unlimited number of additional equity securities without the approval of other unitholders as long as the newly issued equity securities are not senior to, or equally ranked with, our preferred units. We may issue an unlimited number of units that are senior to our common units and equally ranked with our preferred units. However, in certain circumstances, we may be required to obtain the approval of the holders of a majority of each class of our preferred units before we could issue equity securities that are equally ranked with our preferred units.

Our issuance of additional units or other equity interests of equal or senior rank will have the following effects:
- our unitholders' proportionate ownership interest in us will decrease;
- the amount of cash available for distribution on each unit may decrease;
- the amount of cash available for redemption of, or payment of the liquidation preference on, each preferred unit may decrease;
- the ratio of taxable income to distributions may increase;
- the relative voting strength of each previously outstanding unit may be diminished; and
- the market price of our common units and preferred units may decline.

In addition, our partnership agreement requires that unitholders vote as a separate class with all other series of our equally ranked securities that may be issued and possess similar voting rights. As a result, the voting rights of holders of our preferred units may be significantly diluted, and the holders of such future securities of equal rank may be able to control or significantly influence the outcome of any vote with respect to which the holders of our preferred units are entitled to vote. Our partnership agreement contains limited protections for the holders of our preferred units in the event of a transaction, including a merger, sale, lease or conveyance of all or substantially all of our assets or business, which might adversely affect the holders of our preferred units.

Future issuances and sales of securities that rank equally with our preferred units, or the perception that such issuances and sales could occur, may cause prevailing market prices for our preferred units and our common units to decline and may adversely affect our ability to raise additional capital in the financial markets at times and prices favorable to us. Furthermore, the payment of distributions on any additional units may increase the risk that we will not be able to make distributions at our prior per unit distribution levels. To the extent new units are senior to our common units, their issuance will increase the uncertainty of the payment of distributions on our common units.

If we do not pay distributions on our preferred units in any distribution period, we would be unable to declare or pay distributions on our common units until all unpaid preferred unit distribution obligations have been paid, and our common unitholders are not entitled to receive distributions for such prior period.

Our preferred units rank senior to our common units with respect to distribution rights and rights upon liquidation. If we do not pay the required distributions on our preferred units, we will be unable to declare or pay distributions on our common units. Distributions to our preferred unitholders are cumulative, so we must pay all unpaid accumulated preferred distributions before we can declare or pay any distributions to our common unitholders. Distributions to our common unitholders are not cumulative, therefore, if we do not pay distributions on our common units with respect to any quarter, our common unitholders will not be entitled to receive distributions that would have accumulated in that quarter. The preferences and privileges granted to holders of our preferred units could adversely affect the market price for our common units and could make it more difficult for us to sell our common units in the future.

If a court were to determine that a unitholder action constituted control of our business, the unitholders may lose their legal protection from liability and be required to repay distributions wrongfully distributed to them.

Our partnership agreement is governed by the laws of the State of Delaware. If a Delaware court were to determine that actions of a unitholder constituted participation in the “control” of our business, that unitholder would be held liable for our obligations to the same extent as a general partner. Under Delaware law, a general partner generally has unlimited liability for the obligations of the partnership, such as its debts and environmental liabilities, except for those contractual obligations of the partnership that are expressly made without recourse to the general partner.

Furthermore, under Delaware law, we may not make a distribution to our unitholders if the distribution would cause our liabilities to exceed the fair value of our assets. Liabilities to partners on account of their partnership interests and liabilities that are nonrecourse to the partnership are not counted for purposes of determining whether a distribution is permitted. Delaware law provides that, for a period of three years from the date of an impermissible distribution, limited partners, including a unitholder, who received such impermissible distribution and who knew at the time of the distribution that it violated Delaware law will be liable to us for the repayment of the distribution amount. Likewise, our unitholders may be required to repay impermissible distributions upon the winding up of our partnership in the event that our assets are not distributed in accordance with Delaware law and a limited partner knows at the time that the distribution violated Delaware law. If a limited partner knowingly received an impermissible distribution, then such limited partner could be liable to repay the distribution for a period of three years from the impermissible distribution under applicable Delaware law.

The NYSE does not require a publicly traded limited partnership like us to comply with certain of its corporate governance requirements.

We currently list our common units on the NYSE under the symbol “NS” and our preferred units on the NYSE under the symbols “NSprA,” “NSprB” and “NSprC,” respectively. Although our general partner has maintained a majority of independent directors on its board and all members of its board’s audit committee, compensation committee and nominating/governance & conflicts committee are independent directors, because we are a publicly traded limited partnership, the NYSE does not require us to have a majority of independent directors on our general partner’s board of directors or to have a compensation committee or a nominating committee consisting of independent directors. Additionally, any future issuance of additional common or preferred units or other securities, including to affiliates, will not be subject to the NYSE’s shareholder approval rules that apply to a corporation. Accordingly, the NYSE does not mandate the same protections for our unitholders as are required for certain corporations that are subject to all of the NYSE corporate governance requirements.

TAX RISKS TO OUR UNITHOLDERS

If we were treated as a corporation for federal or state income tax purposes or we were otherwise subject to a material amount of entity-level taxation, then our cash available for distribution to unitholders would be substantially reduced.

The anticipated after-tax benefit of an investment in our units depends largely on our being treated as a partnership for federal income tax purposes. Despite the fact that we are a limited partnership under Delaware law, we will be treated as a corporation for federal income tax purposes unless we satisfy a “qualifying income” requirement. Based upon our current operations, we believe we satisfy the qualifying income requirement.

If we were treated as a corporation, we would pay federal income tax at the corporate tax rate and would likely pay state and local income tax at varying rates. Distributions to unitholders would generally be taxed again as corporate distributions, and no income, gains, losses, deductions or credits would flow through to unitholders. Because a tax would be imposed upon us as a corporation, our distributable cash flow would be substantially reduced. Additionally, at the state level, several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation. If we were treated as a corporation for federal income tax purposes or otherwise subjected to a material amount of entity-level taxation, then our cash available for distribution to unitholders would be substantially reduced and there would be a material reduction in the after-tax return to our unitholders, likely causing a substantial reduction in the value of our units.

The tax treatment of publicly traded partnerships or an investment in our units could be subject to potential legislative, judicial or administrative changes or differing interpretations, and possibly applied on a retroactive basis.

The present U.S. federal income tax treatment of publicly traded partnerships, including us, or an investment in our units may be modified by administrative, legislative or judicial changes or differing interpretations at any time. From time to time, members of Congress propose and consider such substantive changes to the existing federal income tax laws, which may be further interpreted by federal courts, that affect publicly traded partnerships, including elimination of partnership tax treatment for certain publicly traded partnerships.

Any changes to the federal income tax laws and interpretations thereof may be applied retroactively and any such changes that are adverse to our interests could make it more difficult or impossible for us to meet the exception for certain publicly traded partnerships to be treated as partnerships for federal income tax purposes. We are unable to predict whether any additional changes or other proposals will ultimately be enacted. Any such changes could negatively impact the value of an investment in our units or otherwise adversely affect our business, financial condition or results of operations.

If the IRS makes audit adjustments to our income tax returns for tax years beginning after December 31, 2017, it (and some states) may assess and collect any taxes, penalties and interest directly from us. If we bear such payment, our cash available for distribution to our unitholders might be substantially reduced.

For tax years beginning after December 31, 2017, if the IRS makes audit adjustments to our income tax returns, it (and some states) may assess and collect any taxes, penalties and interest resulting from such audit adjustment directly from us. To the extent possible under applicable rules, our general partner may pay such amounts directly to the IRS or, if we are eligible, elect to issue a revised Schedule K-1 to each unitholder with respect to an audited and adjusted return. No assurances can be made that such election will be practical, permissible or effective in all circumstances. As a result, our current unitholders may bear some or all of the tax liability resulting from such audit adjustment, even if such unitholders did not own common units in us during the tax year under audit. If, as a result of any such audit adjustment, we make payments of taxes, penalties and interest, our cash available for distribution to our unitholders could be substantially reduced.

Unitholders will be required to pay taxes on their share of our taxable income even if they do not receive cash distributions from us.

Unitholders will be required to pay federal income taxes and, in some cases, state and local income taxes on their respective share of our taxable income, whether or not the unitholders receive cash distributions from us. Unitholders may not receive cash distributions from us equal to their respective share of our taxable income or even equal to the actual tax liability that results from their share of our taxable income.

Tax gain or loss on the disposition of our common units could be different than expected.

A unitholder who sells units will recognize a gain or loss equal to the difference between the amount realized and the unitholder’s tax basis in those units. Prior distributions to the unitholder in excess of the total net taxable income with respect to a common unit will reduce the unitholder’s tax basis in that unit. As a result, the selling unitholder can recognize a gain if such unit is sold at a price greater than the unitholder’s tax basis in that unit, even if the price the unitholder receives is less than the unit’s original cost. A substantial portion of the amount realized, even if there is a net taxable loss realized on the sale, may be ordinary income to the selling unitholder. In addition, because the amount realized will include a unitholder’s share of our nonrecourse liabilities, a unitholder may incur a tax liability upon a sale of common units in excess of the amount of cash it receives from the sale.

Unitholders may be subject to limitations on their ability to deduct interest expense incurred by us.
Our ability to deduct interest paid or accrued on indebtedness properly allocable to a trade or business (business interest), may be limited in certain circumstances. Should our ability to deduct business interest be limited, the amount of taxable income allocated to our unitholders in the taxable year in which the limitation is in effect may increase. However, in certain circumstances, a unitholder may be able to utilize a portion of a business interest deduction subject to this limitation in future taxable years. Prospective unitholders should consult their tax advisors regarding the impact of this business interest deduction limitation on an investment in our units.

Tax-exempt entities face unique tax issues from owning our units that may result in adverse tax consequences to them.
Investment in our units by tax-exempt entities, such as employee benefit plans and individual retirement accounts (IRAs) raises issues unique to them. For example, virtually all of our income allocated to organizations that are exempt from U.S. federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income and will be taxable to them. Tax-exempt entities should consult a tax advisor before investing in our units.

Non-U.S. unitholders will be subject to U.S. taxes and withholding on their income and gain from owning our units.
Non-U.S. unitholders are subject to U.S. federal income tax on income effectively connected with a U.S. trade or business (effectively connected income). A unitholder’s share of our income, gain, loss and deduction, and any gain from the sale or disposition of our units will generally be considered effectively connected income and subject to U.S. federal income tax. Additionally, distributions to a non-U.S. unitholder will be subject to withholding at the highest applicable effective tax rate.

Moreover, the transferee of an interest in a partnership that is engaged in a U.S. trade or business is generally required to withhold 10% of the amount realized by the transferor unless the transferor certifies that it is not a foreign person. Treasury regulations provide that the “amount realized” on a transfer of an interest in a publicly traded partnership will generally be the amount of gross proceeds paid to the broker effecting the applicable transfer on behalf of the transferor. Quarterly distributions made to our non-U.S. unitholders will also be subject to withholding under these rules to the extent a portion of a distribution is attributable to an amount in excess of our cumulative net income that has not previously been distributed. We intend to treat all of our distributions as being in excess of our cumulative net income for such purposes and subject to the additional 10% withholding tax. The Treasury regulations further provide that these rules will generally not apply to transfers of, or distributions on, interests in a publicly traded partnership occurring before January 1, 2023, and after that date, if effected through a broker, the obligation to withhold is imposed on the transferor’s broker. Current and prospective non-U.S. unitholders should consult their tax advisors regarding the impact of these rules on an investment in our common and preferred units.

We will treat each purchaser of our common units as having the same tax benefits without regard to the units purchased. The IRS may challenge this treatment, which could adversely affect the value of our common units.
Because we cannot match transferors and transferees of our common units, we have adopted depreciation and amortization positions that may not conform with all aspects of existing Treasury regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to unitholders. It also could affect the timing of these tax benefits or the amount of gain from a unitholder’s sale of common units and could have a negative impact on the value of our common units or result in audit adjustments to the unitholder’s tax returns.

Unitholders will likely be subject to state and local taxes and return filing requirements as a result of investing in our units.
In addition to federal income taxes, unitholders will likely be subject to other taxes, such as state and local income taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we do business or own property. Unitholders will likely be required to file state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions. Further, unitholders may be subject to penalties for failure to comply with those requirements. We may own property or conduct business in other states or foreign countries in the future. It is each unitholder’s responsibility to file all federal, state and local tax returns.

We prorate our items of income, gain, loss and deduction between transferors and transferees of our common units each month based upon the ownership of our common units on the first day of each month, instead of on the basis of the date a particular common unit is transferred. The IRS may challenge this treatment, which could change the allocation of items of income, gain, loss and deduction among our common unitholders.
We prorate our items of income, gain, loss and deduction between transferors and transferees of our common units each month based upon the ownership of our common units on the first day of each month, instead of on the basis of the date a particular common unit is transferred. Treasury regulations allow a similar monthly simplifying convention, but such regulations do not specifically authorize all aspects of our proration method. If the IRS were to challenge our proration method, we may be required to change the allocation of items of income, gain, loss and deduction among our common unitholders.

We have adopted certain valuation methodologies in determining a common unitholder’s allocations of income, gain, loss and deduction. The IRS may challenge these methods or the resulting allocations and such a challenge could adversely affect the value of our common units.
In determining the items of income, gain, loss and deduction allocable to our common unitholders, we must routinely determine

the fair market value of our respective assets. Although we may from time to time consult with professional appraisers regarding valuation matters, we make fair market value estimates using a methodology based on the market value of our common units as a means to measure the fair market value of our respective assets. The IRS may challenge these valuation methods and the resulting allocations of income, gain, loss and deduction.

A successful IRS challenge to these methods or allocations could adversely affect the amount, character and timing of taxable income or loss being allocated to our common unitholders. It also could affect the amount of gain from our unitholders' sale of common units and could have a negative impact on the value of the common units or result in audit adjustments to our common unitholders' tax returns without the benefit of additional deductions.

A unitholder whose units are the subject of a securities loan (e.g., a loan to a "short seller") may be considered as having disposed of those units. If so, the unitholder would no longer be treated for tax purposes as a partner with respect to those units during the period of the loan and may recognize gain or loss from the disposition.

Because there are no specific rules governing the federal income tax consequences of loaning a partnership interest, a unitholder whose units are the subject of a securities loan may be considered as having disposed of the loaned units. In that case, the unitholder may no longer be treated for tax purposes as a partner with respect to those units during the period of the loan and the unitholder may recognize gain or loss from such disposition. Moreover, during the period of the loan, any of our income, gain, loss or deduction with respect to those units may not be reportable by the unitholder and any cash distributions received by the unitholder as to those units could be fully taxable as ordinary income. Unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a loan to a short seller are urged to consult a tax advisor to discuss whether it is advisable to modify any applicable brokerage account agreements to prohibit their brokers from borrowing their units.

Treatment of distributions on our preferred units as guaranteed payments for the use of capital is uncertain and such distributions are not eligible for the 20% deduction for qualified publicly traded partnership income.

The tax treatment of distributions on our preferred units is uncertain. We will treat the holders of preferred units as partners for tax purposes and will treat distributions on the preferred units as guaranteed payments for the use of capital that will generally be taxable to the holders of preferred units as ordinary income. Holders of preferred units will recognize taxable income from the accrual of such a guaranteed payment even in the absence of a contemporaneous distribution. Otherwise, the holders of preferred units are generally not anticipated to share in our items of income, gain, loss or deduction, nor will we allocate any share of our nonrecourse liabilities to the holders of preferred units. If the preferred units were treated as indebtedness for tax purposes, rather than as guaranteed payments for the use of capital, distributions likely would be treated as payments of interest by us to the holders of preferred units.

Although we expect that much of our income will be eligible for the 20% deduction for qualified publicly traded partnership income (currently available for taxable years beginning after December 31, 2017, and ending on or before December 31, 2025), Treasury regulations provide that income attributable to a guaranteed payment for the use of capital is not eligible for the 20% deduction for qualified business income. As a result, income attributable to a guaranteed payment for use of capital recognized by holders of our preferred units is not eligible for the 20% deduction for qualified business income.

A holder of preferred units will be required to recognize gain or loss on a sale of preferred units equal to the difference between the amount realized by such holder and such holder's tax basis in the preferred units sold. The amount realized generally will equal the sum of the cash and the fair market value of other property such holder receives in exchange for such preferred units. Subject to general rules requiring a blended basis among multiple partnership interests, the tax basis of a preferred unit will generally be equal to the sum of the cash and the fair market value of other property paid to acquire such preferred unit. Gain or loss recognized on the sale or exchange of a preferred unit held for more than one year generally will be taxable as long-term capital gain or loss. Because holders of preferred units will generally not be allocated a share of our items of depreciation or amortization, it is not anticipated that such holders would be required to re-characterize any portion of their gain as ordinary income as a result of the recapture rules.

Investment in the preferred units by tax-exempt investors, such as employee benefit plans and IRAs, and non-U.S. persons raises issues unique to them. The treatment of guaranteed payments for the use of capital to tax-exempt investors is not certain and the income resulting from such payments may be treated as unrelated business taxable income for U.S. federal income tax purposes. A non-U.S. holder's income from guaranteed payments and any gain from the sale or disposition of our units may be considered to be effectively connected income and subject to U.S. federal income tax. Distributions and any gain from the sale or disposition of our preferred units to non-U.S. holders of preferred units may be subject to withholding taxes. If the amount of withholding exceeds the amount of U.S. federal income tax actually due, non-U.S. holders of preferred units may be required to file U.S. federal income tax returns in order to seek a refund of such excess.

All holders of our preferred units are urged to consult a tax advisor with respect to the consequences of owning and selling our preferred units.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We have developed an information security program to assess, identify and manage material risks from cybersecurity threats. Our program includes policies and procedures that identify how security measures and controls are developed, implemented and maintained. We have aligned our cybersecurity program to the NIST Cybersecurity Framework and we assess our program against this standard annually. We are regulated by the Transportation Security Administration (TSA) as a pipeline infrastructure company and are required to comply with all TSA cybersecurity regulations. We use industry standard metrics to assess the criticality of software, data assets and operational technology.

We conduct periodic cyber risk assessments and assessments of our operational-technology network. We use these risk assessments together with risk-based analysis and judgment to determine which security controls to use to address identified risks. We also complete internal and external testing of software, hardware, defensive capabilities and other information security systems as advised by industry standards, and we use the test results to address identified vulnerabilities. We regularly conduct cyber threat exercises, which help us identify and address any gaps in our incident response plan. These exercises also help us practice sound decision-making skills to enhance our ability to react effectively during a material cyber event.

We rely on third-party software, third-party service providers and third-party applications to run certain aspects of our business and to aid in the development, implementation and maintenance of our security measures and controls. We regularly conduct third-party security audits and use vendor management programs to ensure that third-party software, service providers and applications comply with our vendor management program.

We consider the following factors, among others, to identify and manage material risks: (i) the likelihood of a risk occurring; (ii) the impact of a risk on us and others, including the likelihood of enforcement actions alleging potential regulatory violations, sanctions, litigation and other legal risks; and (iii) the controls we have applied to mitigate a risk's likelihood and impact. When selecting controls, we consider the likelihood and impact of identified risks, regulatory and other legal requirements, the feasibility of implementing a control and the potential impact of a control on our operations.

We use the following controls, among others, to mitigate the material cyber risks that we face: endpoint threat detection and response (EDR), identity and access management (IAM), logging and monitoring involving the use of security information and event management (SIEM), multi-factor authentication (MFA), firewalls and intrusion detection and prevention, a vendor management program (VMP) and vulnerability and patch management.

We use third-party security firms to provide or operate certain controls and technology systems. We use third parties to conduct assessments, such as monitoring vulnerability scans and penetration testing. We address cybersecurity threats related to our third-party technology and services through several processes, including pre-acquisition due diligence, contractual obligations and performance monitoring.

We have a written incident response plan and we conduct tabletop exercises to enhance incident response preparedness. We use business continuity and disaster recovery plans to prepare for a potential disruption in the technology we rely on. We train our employees on cybersecurity awareness when they are hired and conduct additional training annually thereafter.

Our executive management team has the day-to-day responsibility of assessing and managing our overall risk exposure, and our Board of Directors oversees those efforts. We have integrated cybersecurity risk into our overall risk management systems and processes. Our full Board has direct oversight over our cybersecurity risk management. The Board interfaces regularly with management and receives periodic reports on our areas of risk, including cybersecurity. Management interacts regularly with our Cyber Risk Governance Committee (CRGC), which meets regularly and oversees the effectiveness of our cybersecurity program. We make additional disclosures regarding our assessment, identification and management of cybersecurity risks below under the caption "Governance," and we hereby incorporate by reference those disclosures into this discussion of "Risk Management and Strategy."

We (or third parties we rely on) may not be able to fully, continuously and effectively implement security controls as designed or intended. We use a risk-based approach and the judgment of our CRGC, management and third parties with extensive expertise in cyber risk management to determine which security controls we implement. It is possible we may not implement appropriate controls if we do not properly identify or inadvertently underestimate a particular risk. In addition, security controls, no matter how well designed or implemented, may only mitigate but not fully eliminate risks. Further, when security tools or third parties detect events, it may take us and our third parties time to analyze and understand the risks — and to determine the proper procedural steps to mitigate the effects of such risks — before we can effectively act upon the events.

Impacts of Material Risk.
Pipeline operators have faced and continue to face risks from threat actors that focus their attacks on critical infrastructure assets and disruption to operations. We also face risks from ransomware groups that steal data, encrypt systems and demand a payment. We have cybersecurity protocols and procedures in place—and we rely on third-party software, hardware and vendors—to manage critical aspects of our operations. While we have controls in place to address these risks, if these risks occur, the impact could be material, such as in the event of a cybersecurity incident causing the loss of operational control, disruption of our operations, a demand for ransomware payment or physical damage to our assets or the environment.

Additionally, in Item 1A. "Risk Factors" under the caption "Risks Related to our Business," we discuss forward-looking cybersecurity risks that could have a material impact on us. Our disclosures in Item 1A. "Risk Factors" should be read in conjunction with this Item 1C.

Governance
Our Board of Directors has direct oversight over key risks that are broadly applicable across NuStar's businesses, including cybersecurity risk management. At each regularly scheduled meeting of the Board, the Board receives reports from our President and Chief Executive Officer (CEO) and Senior Vice President–Chief Information Officer and Controller (CIO) regarding our cybersecurity program. These reports include (i) regulatory updates, which include information on regulatory initiatives promulgated by governmental agencies and our compliance with such initiatives, and (ii) quarterly metrics and data, which include information on employee training, threats, incidents, preventive practices (e.g., patch installation), tabletop exercises, cybersecurity policies and cybersecurity program resources, risks and controls.

Our CIO is the management position with primary responsibility for the development, operation and maintenance of our information security program. He reports directly to our CEO. Certain of the CIO's direct reports have extensive expertise in the area of cyber risk management.

Our CRGC is composed of management representatives from key functions across our company. Our CIO serves as the Chair of the CRGC. The CRGC meets regularly and oversees the effectiveness of our cybersecurity program. The CRGC operates to deliver management-level oversight of cybersecurity matters. The CRGC reports regularly to our executive management team. The Chair of our CRGC reports regularly to our Board of Directors.

We use governance, risk and compliance tools to assess, identify and manage cybersecurity risks. To address potential cybersecurity events, we have developed an incident response plan that defines protocols and processes for effectively managing our response to an event, including protocols for the escalation of critical information to management, key company personnel and the Board.

ITEM 3. LEGAL PROCEEDINGS

We incorporate by reference into this Item 3. our disclosures in Note 14 of the Notes to Consolidated Financial Statements in Item 8. "Financial Statements and Supplementary Data" under the caption, "Contingencies."

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON UNITS, RELATED UNITHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Series A, B and C Preferred Units

Information on 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) is shown below:

Units	Units Issued and Outstanding as of December 31, 2023	Optional Redemption Date/Date When Distribution Rate Became Floating	Floating Annual Rate (as a Percentage of the $25.00 Liquidation Preference Per Unit)
Series A Preferred Units	9,060,000	December 15, 2021	Three-month LIBOR[(a)] plus 6.766%
Series B Preferred Units	15,400,000	June 15, 2022	Three-month LIBOR[(a)] plus 5.643%
Series C Preferred Units	6,900,000	December 15, 2022	Three-month LIBOR[(a)] plus 6.88%

(a) Beginning with the distribution period from September 15, 2023 to December 14, 2023, LIBOR was replaced with the corresponding CME Term SOFR plus the applicable tenor spread adjustment of 0.26161%.

Common Units

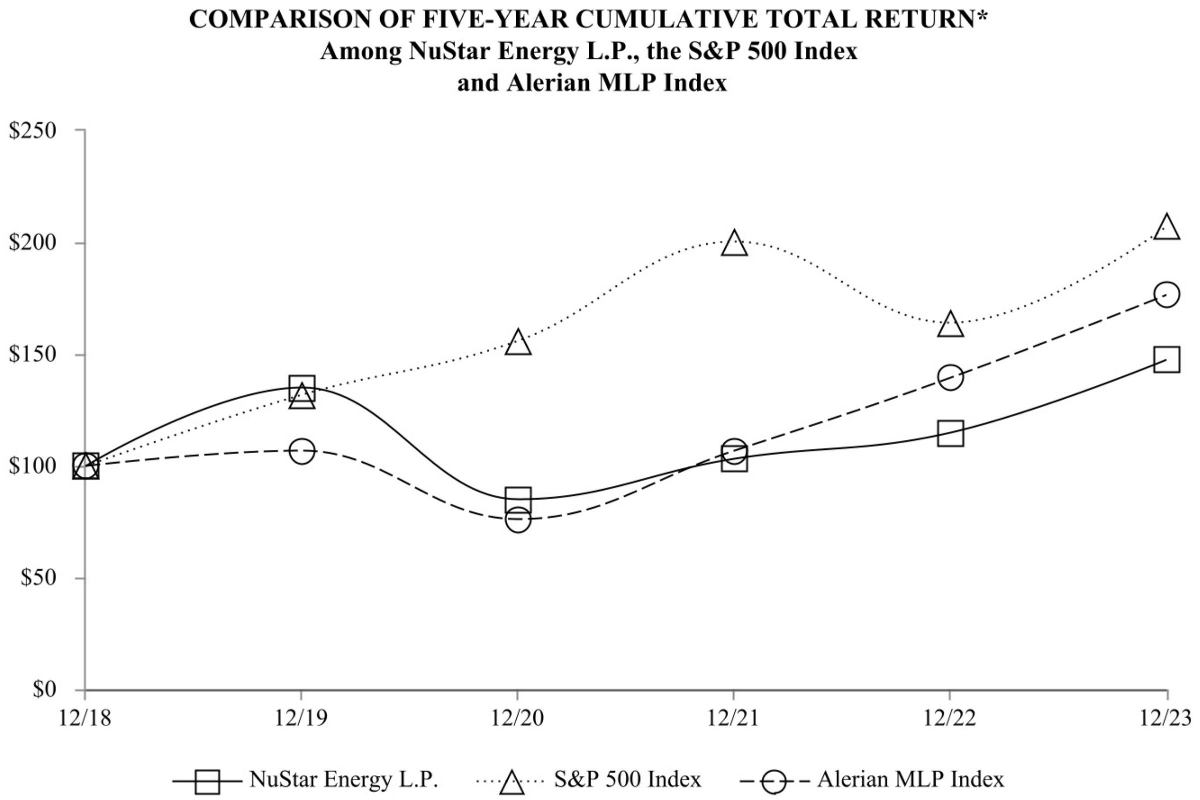
Our common units are listed and traded on the New York Stock Exchange under the symbol "NS." At the close of business on February 7, 2024, we had 344 holders of record of our common units.

Our partnership agreement requires that we distribute all Available Cash to our common limited partners each quarter. Available Cash is generally defined in the partnership agreement as all cash receipts less cash disbursements, including distributions to our preferred unit holders, and cash reserves established by our general partner, in its sole discretion.

See Note 18 of the Notes to Consolidated Financial Statements in Item 8. "Financial Statements and Supplementary Data" for additional information on our Series A, B and C Preferred Units and common units.

Performance Graph
The following Performance Graph is not "soliciting material," is not deemed filed with the SEC and is not to be incorporated by reference into any of NuStar Energy's filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, as amended, respectively. The stock or unit price performance included in this graph is not necessarily indicative of future stock or unit price performance.

The following graph compares the cumulative five-year total return provided to holders of NuStar Energy's common units relative to the cumulative total returns of the S&P 500 index and the Alerian MLP index.



*An investment of $100 (with reinvestment of all dividends) is assumed to have been made in our common units and in each of the indexes on December 31, 2018, and its relative performance is tracked through December 31, 2023.

	As of December 31,					
	2018	2019	2020	2021	2022	2023
NuStar Energy L.P.	$ 100.00	$ 135.03	$ 84.77	$ 103.03	$ 114.84	$ 147.51
S&P 500 Index	100.00	131.49	155.68	200.37	164.08	207.21
Alerian MLP Index	100.00	106.56	75.99	106.51	139.44	176.47

Sales of Unregistered Securities
During the fourth quarters of 2022 and 2021, NuStar Energy issued an aggregate of 3,120 common units and 5,509 common units, respectively, in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof, upon the vesting of outstanding awards under a long-term incentive plan.

ITEM 6. RESERVED

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

INTEREST RATE RISK

Debt

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.

On June 30, 2023, we amended our $1.0 billion unsecured revolving credit agreement (as amended, the Revolving Credit Agreement), primarily to extend the maturity date from April 27, 2025 to January 27, 2027. On June 29, 2023, we amended our $100.0 million receivables financing agreement (as amended, the Receivables Financing Agreement) to extend the scheduled termination date from January 31, 2025 to July 1, 2026. See Note 12 of the Notes to Consolidated Financial Statements in Item 8. "Financial Statements and Supplementary Data" for more information.

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:

	December 31, 2023							
	Expected Maturity Dates							
	2024	2025	2026	2027	2028	There-after	Total	Fair Value
	(Thousands of Dollars, Except Interest Rates)							
Fixed-rate debt	$ —	$ 600,000	$ 500,000	$ 550,000	$ —	$ 922,140	$ 2,572,140	$ 2,595,857
Weighted-average rate	—	5.8 %	6.0 %	5.6 %	—	6.3 %	6.0 %	—
Variable-rate debt	$ —	$ —	$ 69,800	$ 343,000	$ —	$ 402,500	$ 815,300	$ 830,450
Weighted-average rate	—	—	7.0 %	8.0 %	—	12.4 %	10.1 %	—

	December 31, 2022							
	Expected Maturity Dates							
	2023	2024	2025	2026	2027	There-after	Total	Fair Value
	(Thousands of Dollars, Except Interest Rates)							
Fixed-rate debt	$ —	$ —	$ 600,000	$ 500,000	$ 550,000	$ 922,140	$ 2,572,140	$ 2,478,720
Weighted-average rate	—	—	5.8 %	6.0 %	5.6 %	6.3 %	6.0 %	—
Variable-rate debt	$ —	$ —	$ 300,900	$ —	$ —	$ 402,500	$ 703,400	$ 690,944
Weighted-average rate	—	—	6.7 %	—	—	10.8 %	9.0 %	—

Series A, B and C Preferred Units

Distributions on 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) 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 the 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 Series A, B and C Preferred Units expose us to changes in interest rates as the distribution rates on these units converted to a floating rate on December 15, 2021, June 15, 2022 and December 15, 2022, respectively. Based upon the 9,060,000 Series A Preferred Units, 15,400,000 Series B Preferred Units and 6,900,000 Series C Preferred Units outstanding as of December 31, 2023 and the $25.00 liquidation preference per unit, a change of 1.0% in interest rates would increase or decrease the annual distributions on our Series A, B and C Preferred Units by an aggregate amount of $7.8 million. See Note 18 of the Notes to Consolidated Financial Statements in Item 8. "Financial Statements and Supplementary Data" for additional information on our Series A, B and C Preferred Units.

COMMODITY PRICE RISK

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 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. Our management assessed the effectiveness of NuStar Energy L.P.'s internal control over financial reporting as of December 31, 2023. In its evaluation, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework (2013)*. Based on this assessment, management believes that, as of December 31, 2023, our internal control over financial reporting was effective based on those criteria.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The effectiveness of internal control over financial reporting as of December 31, 2023 has been audited by KPMG LLP, the independent registered public accounting firm who audited our consolidated financial statements included in this Form 10-K. KPMG LLP's attestation on the effectiveness of our internal control over financial reporting appears on page 57.

Report of Independent Registered Public Accounting Firm

To the Board of Directors of NuStar GP, LLC and Unitholders of
NuStar Energy L.P.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of NuStar Energy L.P. and subsidiaries (the Partnership) as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, cash flows, and partners' equity and mezzanine equity for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Partnership's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 22, 2024 expressed an unqualified opinion on the effectiveness of the Partnership's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Identification of triggering events related to the recoverability of certain long-lived assets or asset groups

As discussed in Note 2, the Partnership tests long-lived assets, including property, plant, and equipment, for impairment whenever events or changes in circumstances (triggering events) indicate that the carrying amount may not be recoverable. The Partnership evaluates recoverability using undiscounted estimated net cash flows generated by the related asset or asset group considering the intended use of the asset. The balance of property, plant, and equipment, net as of December 31, 2023 was $3,283 million, or 67% of total assets, of which certain assets or asset groups were not supported by existing revenue generating contacts or have not historically had consistent revenue generating activities.

We identified the assessment of the identification of triggering events related to the recoverability of certain long-lived assets or asset groups as a critical audit matter. Challenging auditor judgment was required to assess the identification of triggering events for certain long-lived assets or asset groups that were not supported by existing revenue generating contracts or have not historically had consistent revenue generating activities. Specifically, this assessment included the evaluation of subjective qualitative considerations, such as alternative customers and alternative uses for the asset or asset group, and the Partnership's intent for the asset or asset group.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Partnership's triggering event assessment. This included controls over the identification of long-lived asset groups that would be at greater risk for a triggering event and evaluation of the qualitative considerations in assessing the identification of a triggering event. We examined the Partnership's analysis of the long-lived assets and asset groups identified to be evaluated for a potential triggering event and assessed the factors considered in determining the identification of a triggering event. Specifically, we evaluated the Partnership's assessment of the factors considered, including alternative customers, alternative uses for the assets or asset group, and the Partnership's intent for the assets or asset group by evaluating internal and external documentation. Documentation evaluated included internal presentations, draft customer contracts, publicly available market data, and communications between the Partnership and potential customers.

We have served as the Partnership’s auditor since 2004.

/s/ KPMG LLP

San Antonio, Texas
February 22, 2024

Report of Independent Registered Public Accounting Firm

To the Board of Directors of NuStar GP, LLC and Unitholders of
NuStar Energy L.P.:

Opinion on Internal Control Over Financial Reporting

We have audited NuStar Energy L.P. and subsidiaries' (the Partnership) internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Partnership as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, cash flows, and partners' equity and mezzanine equity for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements), and our report dated February 22, 2024 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

San Antonio, Texas
February 22, 2024

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

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 2,765	$ 14,489
Accounts receivable, net	135,787	149,971
Inventories	18,623	15,397
Prepaid and other current assets	29,927	24,067
Total current assets	187,102	203,924
Property, plant and equipment, at cost	5,789,927	5,733,685
Accumulated depreciation and amortization	(2,507,390)	(2,330,602)
Property, plant and equipment, net	3,282,537	3,403,083
Intangible assets, net	476,063	513,696
Goodwill	732,356	732,356
Other long-term assets, net	218,334	120,627
Total assets	$ 4,896,392	$ 4,973,686
Liabilities, Mezzanine Equity and Partners' Equity		
Current liabilities:		
Accounts payable	$ 77,050	$ 67,765
Current portion of finance leases	4,951	4,416
Accrued interest payable	39,975	37,607
Accrued liabilities	88,062	76,072
Taxes other than income tax	10,948	10,607
Total current liabilities	220,986	196,467
Long-term debt, less current portion of finance leases	3,410,338	3,293,415
Deferred income tax liability	3,933	3,219
Other long-term liabilities	214,854	131,299
Total liabilities	3,850,111	3,624,400
Commitments and contingencies (Note 14)		
Series D preferred limited partners (0 and 16,346,650 units outstanding as of December 31, 2023 and 2022, respectively) (Note 17)	—	446,970
Partners' equity (Note 18):		
Preferred limited partners:		
Series A (9,060,000 units outstanding as of December 31, 2023 and 2022)	218,307	218,307
Series B (15,400,000 units outstanding as of December 31, 2023 and 2022)	371,476	371,476
Series C (6,900,000 units outstanding as of December 31, 2023 and 2022)	166,518	166,518
Common limited partners (126,516,713 and 110,818,718 units outstanding as of December 31, 2023 and 2022, respectively)	312,905	177,620
Accumulated other comprehensive loss	(22,925)	(31,605)
Total partners' equity	1,046,281	902,316
Total liabilities, mezzanine equity and partners' equity	$ 4,896,392	$ 4,973,686

See Notes to Consolidated Financial Statements.

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

	Year Ended December 31,		
	2023	2022	2021
Revenues:			
Service revenues	$ 1,155,567	$ 1,120,249	$ 1,157,410
Product sales	478,620	562,974	461,090
Total revenues	1,634,187	1,683,223	1,618,500
Costs and expenses:			
Costs associated with service revenues:			
Operating expenses (excluding depreciation and amortization expense)	371,689	364,989	388,078
Depreciation and amortization expense	250,982	251,878	266,588
Total costs associated with service revenues	622,671	616,867	654,666
Costs associated with product sales	407,793	486,947	417,413
Goodwill impairment loss	—	—	34,060
Other impairment losses	—	46,122	154,908
General and administrative expenses (excluding depreciation and amortization expense)	129,846	117,116	113,207
Other depreciation and amortization expense	4,728	7,358	7,792
Total costs and expenses	1,165,038	1,274,410	1,382,046
Gain on sale of assets	41,075	—	—
Operating income	510,224	408,813	236,454
Interest expense, net	(241,364)	(209,009)	(213,985)
Other income, net	10,215	26,182	19,644
Income before income tax expense	279,075	225,986	42,113
Income tax expense	5,412	3,239	3,888
Net income	$ 273,663	$ 222,747	$ 38,225
Basic and diluted net income (loss) per common unit (Note 19)	$ 0.72	$ 0.36	$ (0.99)
Basic and diluted weighted-average common units outstanding	116,851,373	110,341,206	109,585,635

See Notes to Consolidated Financial Statements.

NUSTAR ENERGY L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Thousands of Dollars)

	Year Ended December 31,		
	2023	2022	2021
Net income	$ 273,663	$ 222,747	$ 38,225
Other comprehensive income (loss) (Note 18):			
Foreign currency translation adjustment	728	41,823	601
Net gain (loss) on pension and other postretirement benefit adjustments, net of income tax expense of $69, $24 and $61	5,371	(1,556)	16,413
Reclassification of loss on cash flow hedges	2,581	2,106	5,664
Total other comprehensive income	8,680	42,373	22,678
Comprehensive income	$ 282,343	$ 265,120	$ 60,903

See Notes to Consolidated Financial Statements.

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

	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net income	$ 273,663	$ 222,747	$ 38,225
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	255,710	259,236	274,380
Amortization of unit-based compensation	15,547	13,781	14,209
Amortization of debt related items	11,026	10,267	12,490
Gain from sale or disposition of assets	(40,946)	(2,785)	(61)
Gain from insurance recoveries	—	(16,366)	(14,860)
Goodwill impairment loss	—	—	34,060
Other impairment losses	—	46,122	154,908
Changes in current assets and current liabilities (Note 20)	10,618	737	(14,147)
Decrease in other long-term assets, net	1,199	1,091	9,867
Decrease in other long-term liabilities	(4,226)	(1,579)	(6,636)
Other, net	(8,322)	(5,702)	(957)
Net cash provided by operating activities	514,269	527,549	501,478
Cash flows from investing activities:			
Capital expenditures	(147,508)	(140,630)	(181,133)
Change in accounts payable related to capital expenditures	8,969	(12,786)	1,264
Proceeds from insurance recoveries	12,395	9,777	9,372
Proceeds from sale or disposition of assets	102,904	59,274	246,475
Net cash (used in) provided by investing activities	(23,240)	(84,365)	75,978
Cash flows from financing activities:			
Proceeds from long-term debt borrowings	1,006,900	989,900	977,000
Long-term debt repayments	(895,000)	(883,300)	(1,389,700)
Redemption/repurchase of Series D preferred units	(518,680)	(222,387)	—
Proceeds from issuance of common units, net of issuance costs	221,843	—	—
Distributions to preferred unitholders	(116,396)	(127,299)	(127,551)
Distributions to common unitholders	(183,444)	(176,413)	(175,263)
Payment of tax withholding for unit-based compensation	(5,694)	(6,012)	(3,384)
Other, net	(11,959)	(9,442)	(6,681)
Net cash used in financing activities	(502,430)	(434,953)	(725,579)
Effect of foreign exchange rate changes on cash	40	707	136
Net (decrease) increase in cash, cash equivalents and restricted cash	(11,361)	8,938	(147,987)
Cash, cash equivalents and restricted cash as of the beginning of the period	23,377	14,439	162,426
Cash, cash equivalents and restricted cash as of the end of the period	$ 12,016	$ 23,377	$ 14,439

See Notes to Consolidated Financial Statements.

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NUSTAR ENERGY L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY AND MEZZANINE EQUITY
(Thousands of Dollars, Except Per Unit Data)

	Limited Partners				Mezzanine Equity	
	Preferred	Common	Accumulated Other Comprehensive Loss	Total Partners' Equity (Note 18)	Series D Preferred Limited Partners (Note 17)	Total
Balance as of January 1, 2021	$ 756,301	$ 572,314	$ (96,656)	$ 1,231,959	$ 599,542	$ 1,831,501
Net income (loss)	63,982	(89,174)	—	(25,192)	63,417	38,225
Other comprehensive income	—	—	22,678	22,678	—	22,678
Distributions to partners:						
Series A, B and C preferred	(63,982)	—	—	(63,982)	—	(63,982)
Common ($1.60 per unit)	—	(175,263)	—	(175,263)	—	(175,263)
Series D preferred	—	—	—	—	(63,417)	(63,417)
Unit-based compensation	—	8,528	—	8,528	—	8,528
Series D Preferred Unit accretion	—	(16,903)	—	(16,903)	16,903	—
Other	—	—	—	—	(6)	(6)
Balance as of December 31, 2021	756,301	299,502	(73,978)	981,825	616,439	1,598,264
Net income	66,526	95,158	—	161,684	61,063	222,747
Other comprehensive income	—	—	42,373	42,373	—	42,373
Distributions to partners:						
Series A, B and C preferred	(66,526)	—	—	(66,526)	—	(66,526)
Common ($1.60 per unit)	—	(176,413)	—	(176,413)	—	(176,413)
Series D preferred	—	—	—	—	(61,063)	(61,063)
Unit-based compensation	—	12,302	—	12,302	—	12,302
Series D Preferred Unit accretion	—	(18,538)	—	(18,538)	18,538	—
Series D Preferred Unit repurchase	—	(34,382)	—	(34,382)	(188,005)	(222,387)
Other	—	(9)	—	(9)	(2)	(11)
Balance as of December 31, 2022	756,301	177,620	(31,605)	902,316	446,970	1,349,286
Net income	90,114	158,934	—	249,048	24,615	273,663
Other comprehensive income	—	—	8,680	8,680	—	8,680
Distributions to partners:						
Series A, B and C preferred	(90,114)	—	—	(90,114)	—	(90,114)
Common ($1.60 per unit)	—	(183,444)	—	(183,444)	—	(183,444)
Series D preferred	—	—	—	—	(24,615)	(24,615)
Issuance of common units	—	221,773	—	221,773	—	221,773
Unit-based compensation	—	9,800	—	9,800	—	9,800
Series D Preferred Unit accretion	—	(7,171)	—	(7,171)	7,171	—
Series D Preferred Unit redemptions	—	(64,542)	—	(64,542)	(454,138)	(518,680)
Other	—	(65)	—	(65)	(3)	(68)
Balance as of December 31, 2023	$ 756,301	$ 312,905	$ (22,925)	$ 1,046,281	$ —	$ 1,046,281

See Notes to Consolidated Financial Statements.

NUSTAR ENERGY L.P. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2023, 2022 and 2021

1. ORGANIZATION AND OPERATIONS

Organization
NuStar Energy L.P. (NuStar Energy) is a publicly traded Delaware limited partnership. 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 Board of Directors), the general partner of our general partner, Riverwalk Logistics, L.P., both of which are indirectly wholly owned subsidiaries of ours. As of December 31, 2023, our limited partner interests consisted of the following:

- common units (NYSE: NS); and
- 8.50% Series A (NYSE: NSprA), 7.625% Series B (NYSE: NSprB) and 9.00% Series C (NYSE: NSprC) Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units.

Operations
We are primarily engaged in the transportation, terminalling and storage of petroleum products and renewable fuels and the transportation of anhydrous ammonia. We also market petroleum products. The term "throughput" as used in this document generally refers to barrels of crude oil, refined product or renewable fuels, or tons of ammonia, as applicable, that pass through our pipelines, terminals or storage tanks. 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.

Pipeline. Our assets included 9,490 miles of pipeline with aggregate storage capacity of 13.0 million barrels. Our Central West System includes 2,915 miles of refined product pipelines and 2,070 miles of crude oil pipelines, as well as 5.6 million barrels of crude oil storage capacity, while our Central East System includes 2,495 miles of refined product pipelines, consisting of the East and North pipelines, and an approximately 2,000-mile ammonia pipeline (the Ammonia Pipeline). The East and North pipelines have aggregate storage capacity of 7.4 million barrels. We charge tariffs on a per barrel basis for transporting refined products, crude oil and other feedstocks in our refined product and crude oil pipelines and on a per ton basis for transporting anhydrous ammonia in the Ammonia Pipeline.

Storage. We own terminal and storage facilities in the United States and Mexico, with aggregate storage capacity of 36.4 million barrels. Our terminal and storage facilities provide storage, handling and other services on a fee basis for refined products, crude oil, specialty chemicals, renewable fuels and other liquids.

Fuels Marketing. The fuels marketing segment primarily includes our bunkering operations in the Gulf Coast, as well as certain of our blending operations associated with our Central East System.

Recent Developments
Merger Agreement. On January 22, 2024, we entered into a merger agreement with Sunoco LP and its affiliates, in an all-equity transaction, which will result in NuStar Energy surviving the merger as a subsidiary of Sunoco LP. At closing of the merger, each NuStar Energy common unit issued and outstanding immediately prior to closing will be converted into the right to receive 0.400 of a common unit of Sunoco and, if applicable, cash in lieu of fractional units. See Note 25 for further information on the merger.

Redemptions of Series D Preferred Units. In the second and third quarters of 2023, we redeemed all of our outstanding Series D Preferred Units, as defined in Note 17, for an aggregate net redemption price of $518.7 million. See Note 17 for additional information on these redemptions.

Issuance of Common Units. On August 11, 2023, we issued 14,950,000 common units representing limited partner interests at a price of $15.35 per unit for net proceeds of approximately $222.0 million. See Note 18 for more information.

Debt Amendments. On June 30, 2023, we amended our Revolving Credit Agreement, as defined in Note 12**,** primarily to extend the maturity date from April 27, 2025 to January 27, 2027. On June 29, 2023, we amended our Receivables Financing Agreement, as defined in Note 12, to extend the scheduled termination date from January 31, 2025 to July 1, 2026. See Note 12 for more information.

Sale-Leaseback Transaction. On March 21, 2023, we consummated the Sale-Leaseback Transaction, as defined in Note 4, of our Corporate Headquarters, also as defined in Note 4, for approximately $103.0 million and recognized a gain of $41.1 million. See Note 4 for more information.

Other Event

Selby Terminal Fire. On October 15, 2019, a fire at our terminal facility in Selby, California destroyed two storage tanks and temporarily shut down the terminal. We received insurance proceeds of $12.4 million, $11.1 million and $28.5 million for the years ended December 31, 2023, 2022 and 2021, respectively. The amount received in 2023 represented the remaining proceeds from the settlement of the property loss claim. For the years ended December 31, 2022 and 2021, we recorded gains of $16.4 million and $14.9 million, respectively, for the amount by which the insurance recoveries exceeded our expenses incurred to date, which are included in “Other income, net” in the consolidated statements of income. We recorded a gain from business interruption insurance of $4.0 million for the year ended December 31, 2021, which is included in “Operating expenses” in the consolidated statements of income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The accompanying consolidated financial statements represent the consolidated operations of the Partnership and our subsidiaries. Inter-partnership balances and transactions have been eliminated in consolidation. The operations of certain pipelines and terminals in which we own an undivided interest are proportionately consolidated in the accompanying consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) 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. On an ongoing basis, management reviews its estimates based on currently available information. Management may revise estimates due to changes in facts and circumstances.

Cash and Cash Equivalents

Cash equivalents are all highly liquid investments with an original maturity of three months or less when acquired.

Accounts Receivable

Trade receivables are carried at amortized cost, net of a valuation allowance for current expected credit losses. We extend credit to certain customers after review of various credit indicators, including the customer’s credit rating, and obtain letters of credit, guarantees or collateral as deemed necessary. We monitor our ongoing credit exposure through active review of customer balances against contract terms and due dates and pool customer receivables based upon days outstanding, which is our primary credit risk indicator. Our review activities include timely account reconciliations, dispute resolution and payment confirmations.

Inventories

Inventories consist of petroleum products, materials and supplies. Inventories are valued at the lower of cost or net realizable value. Cost is determined using the weighted-average cost method. Our inventory, other than materials and supplies, consists of one end-product category, petroleum products, which we include in the fuels marketing segment. Accordingly, we determine lower of cost or net realizable value adjustments on an aggregate basis. Materials and supplies are valued at the lower of average cost or net realizable value.

Restricted Cash

As of December 31, 2023 and 2022, we have restricted cash representing legally restricted funds that are unavailable for general use totaling $9.3 million and $8.9 million, respectively, which is included in “Other long-term assets, net” on the consolidated balance sheets.

Property, Plant and Equipment
We record additions to property, plant and equipment, including reliability and strategic capital expenditures, at cost. Repair and maintenance costs associated with existing assets that are minor in nature and do not extend the useful life of existing assets are charged to operating expenses as incurred. Depreciation of property, plant and equipment is recorded on a straight-line basis over the estimated useful lives of the related assets. When property or equipment is retired, sold or otherwise disposed of, the difference between the carrying value and the net proceeds is recognized in "Other income, net" in the consolidated statements of income. We capitalize overhead costs and interest costs incurred on funds used to construct property, plant and equipment while the asset is under construction. The overhead costs and capitalized interest are recorded as part of the asset to which they relate and are amortized over the asset's estimated useful life as a component of depreciation expense.

Leases
We lease assets used in our operations, including land and docks, as well as the Corporate Headquarters. We record all leases on our consolidated balance sheets except for those leases with an initial term of 12 months or less, which are expensed on a straight-line basis over the lease term. We use judgment in determining the reasonably certain lease term and consider factors such as the nature and utility of the leased asset, as well as the importance of the leased asset to our operations. We calculate the present value of our lease liabilities based upon our incremental borrowing rate unless the rate implicit in the lease is readily determinable. For all our asset classes except the other pipeline and terminal equipment asset class, we combine lease and non-lease components and account for them as a single lease component.

Certain of our leases are subject to variable payment arrangements, the most notable of which include:
- ad valorem taxes assessed on our Corporate Headquarters;
- dockage and wharfage charges, which are based on volumes moved over leased docks and are included in our calculation of our lease payments based on minimum throughput volume requirements. We recognize charges on excess throughput volumes in profit or loss in the period in which the obligation for those payments is incurred; and
- consumer price index (CPI) adjustments, which are measured and included in the calculation of our lease payments based on the CPI at the commencement date. We recognize changes in lease payments as a result of changes in the CPI in profit or loss in the period in which those payments are made.

See Note 15 for further discussion of our lease arrangements.

Goodwill
As of December 31, 2023 and 2022, our reporting units to which goodwill has been allocated consisted of the following:
- crude oil pipelines;
- refined product pipelines; and
- terminals, excluding our refinery crude storage tanks.

See Notes 4 and 10 for a discussion of the balances of and changes in the carrying amount of goodwill.

We assess goodwill for impairment annually on October 1, or more frequently if events or changes in circumstances indicate it might be impaired. We have the option to first assess qualitative factors to determine whether it is necessary to perform a quantitative goodwill impairment test. We elected to bypass the qualitative assessment for all reporting units as of October 1, 2023 and October 1, 2022 and performed quantitative assessments, resulting in the determination that goodwill was not impaired.

We measure goodwill impairment as the excess of each reporting unit's carrying value over its fair value, not to exceed the carrying amount of goodwill for that reporting unit. The carrying value of each reporting unit equals the total identified assets (including goodwill) less the sum of each reporting unit's identified liabilities. We used reasonable and supportable methods to assign the assets and liabilities to the appropriate reporting units in a consistent manner.

We recognize an impairment of goodwill if the carrying value of a reporting unit that contains goodwill exceeds its estimated fair value. In order to estimate the fair value of the reporting unit, including 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 the asset, estimated remaining life of the asset, and future expenditures necessary to maintain the asset's existing service potential. We calculate the estimated fair value of each of our reporting units using a weighted average of values calculated using 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.

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 could differ significantly from actual results, which could lead to a different determination of the fair value of our assets.

Impairment of Long-Lived Assets
We review long-lived assets, including property, plant and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. We evaluate recoverability using undiscounted estimated net cash flows generated by the related asset or asset group. If the results of that evaluation indicate that the undiscounted cash flows are less than the carrying amount of the asset (i.e., the asset is not recoverable) we perform an impairment analysis. If our intent is to hold the asset for continued use, we determine the amount of impairment as the amount by which the net carrying value exceeds its fair value. If our intent is to sell the asset, and the criteria required to classify an asset as held for sale are met, we determine the amount of impairment as the amount by which the net carrying amount exceeds its fair value less costs to sell. See Note 4 for a discussion of our long-lived asset impairment charges. We believe that the carrying amounts of our long-lived assets as of December 31, 2023 are recoverable.

Income Taxes
We are a limited partnership and generally are not subject to federal or state income taxes. Accordingly, our taxable income or loss, which may vary substantially from income or loss reported for financial reporting purposes, is generally included in the federal and state income tax returns of our partners. For transfers of publicly held common units subsequent to our initial public offering, we have made an election permitted by Section 754 of the Internal Revenue Code (the Code) to adjust the common unit purchaser's tax basis in our underlying assets to reflect the purchase price of the units. This results in an allocation of taxable income and expenses to the purchaser of the common units, including depreciation deductions and gains and losses on sales of assets, based upon the new unitholder's purchase price for the common units.

We conduct certain of our operations through taxable wholly owned corporate subsidiaries. We account for income taxes related to our taxable subsidiaries using the asset and liability method. Under this method, we recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We measure deferred taxes using enacted tax rates expected to apply to taxable income in the year those temporary differences are expected to be recovered or settled.

We recognize a tax position if it is more likely than not that the tax position will be sustained, based on the technical merits of the position, upon examination. We record uncertain tax positions in the financial statements at the largest amount of benefit that is more likely than not to be realized. We had no unrecognized tax benefits as of December 31, 2023 and 2022.

NuStar Energy and certain of its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. For U.S. federal and state purposes, as well as for our major non-U.S. jurisdictions, tax years subject to examination are 2018 through 2022, according to standard statute of limitations.

Asset Retirement Obligations
We record a liability for asset retirement obligations at the fair value of the estimated costs to retire a tangible long-lived asset at the time we incur that liability, which is generally when the asset is purchased, constructed or leased, when we have a legal obligation to incur costs to retire the asset and when a reasonable estimate of the fair value of the obligation can be made. If a reasonable estimate cannot be made at the time the liability is incurred, we record the liability when sufficient information is available to estimate the fair value.

We have asset retirement obligations with respect to certain of our assets due to various legal obligations to clean and/or dispose of those assets at the time they are retired. However, these assets can be used for an extended and indeterminate period of time as long as they are properly maintained and/or upgraded. It is our practice and current intent to maintain our assets and continue making improvements to those assets based on technological advances. As a result, we believe that our assets have indeterminate lives for purposes of estimating asset retirement obligations because dates or ranges of dates upon which we would retire these assets cannot reasonably be estimated at this time. When a date or range of dates can reasonably be estimated for the retirement of any asset, we estimate the costs of performing the retirement activities and record a liability for the fair value of these costs.

We also have legal obligations in the form of leases and right-of-way agreements, which require us to remove certain of our assets upon termination of the agreement. However, these lease or right-of-way agreements generally contain automatic renewal provisions that extend our rights indefinitely or we have other legal means available to extend our rights. Liabilities for conditional asset retirement obligations related to the retirement of terminal assets with lease and right-of-way agreements were not material as of December 31, 2023 and 2022.

Environmental Remediation Costs
Environmental remediation costs are expensed, and an associated accrual established when site restoration and environmental remediation and cleanup obligations are either known or considered probable and can be reasonably estimated. These environmental obligations are based on estimates of probable undiscounted future costs using currently available technology and applying current regulations, as well as our own internal environmental policies. The environmental liabilities have not been reduced by possible recoveries from third parties. Environmental costs include initial site surveys, costs for remediation and restoration and ongoing monitoring costs, as well as fines, damages and other costs, when applicable and estimable. Adjustments to initial estimates are recorded, from time to time, to reflect changing circumstances and estimates based upon additional information developed in subsequent periods. Environmental liabilities are difficult to assess and estimate due to unknown factors, such as the timing and extent of remediation, the determination of our liability in proportion to other parties, improvements in cleanup technologies and the extent to which environmental laws and regulations may change in the future. We believe that we have adequately accrued for our environmental exposures. See Note 13 for the amount of accruals for environmental matters.

Revenue Recognition
Revenue-Generating Activities. Revenues for the pipeline segment are derived from interstate and intrastate pipeline transportation of refined products, crude oil and anhydrous ammonia and the applicable pipeline tariff on a per barrel basis for crude oil or refined products and on a per ton basis for ammonia. Revenues generated from product sales in the pipeline segment relate to surplus pipeline loss allowance volumes.

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 moving through our terminals (throughput terminal revenues). Our terminals also provide blending, additive injections, handling and filtering services for which we charge additional fees.

Revenues for the fuels marketing segment are derived from the sale of petroleum products.

Within both our pipeline and storage segments, we provide services on uninterruptible and interruptible bases. Uninterruptible services within our pipeline segment typically result from contracts that contain take-or-pay minimum volume commitments (MVCs) from the customer. Contracts with MVCs obligate the customer to pay for that minimum amount. If a customer fails to meet its MVC for the applicable service period, the customer is obligated to pay a deficiency fee based upon the shortfall between the actual volumes transported or stored and the MVC for that service period (deficiency payments). In exchange, those contracts with MVCs obligate us to stand ready to transport volumes up to the customer's MVC.

Within our storage segment, uninterruptible services arise from contracts containing a fixed monthly fee for the portion of storage capacity reserved by the customer. These contracts require that the customer pay the fixed monthly fee, regardless of whether or not it uses our storage facility (i.e., take-or-pay obligation), and that we stand ready to store that volume. Interruptible services within our pipeline and storage segments are generally provided when and to the extent we determine the requested capacity is available. The customer typically pays a per-unit rate for the actual quantities of services it receives.

For the majority of our contracts, we recognize revenue in the amount to which we have a right to invoice. Generally, payment terms do not exceed 30 days.

Performance Obligations. The majority of our contracts contain a single performance obligation. For our pipeline segment, the single performance obligation encompasses multiple activities necessary to deliver our customers' products to their destinations. Typically, we satisfy this performance obligation over time as the product volume is delivered in or out of the pipelines. Certain of our pipeline segment customer contracts include an incentive pricing structure, which provides a discounted rate for the remainder of the contract once the customer exceeds a cumulative volume. The ability to receive discounted future services represents a material right to the customer, which results in a second performance obligation in those contracts.

The performance obligation for our storage segment consists of multiple activities necessary to receive, store and deliver our customers' products. We typically satisfy this performance obligation over time as the product volume is delivered in or out of the tanks (for throughput terminal revenues) or with the passage of time (for storage terminal revenues).

Product sales contracts generally include a single performance obligation to deliver specified volumes of a commodity, which we satisfy at a point in time, when the product is delivered and the customer obtains control of the commodity.

Optional services described in our contracts do not provide a material right to the customer, and are not considered a separate performance obligation in the contract. If and when a customer elects an optional service, and the terms of the contract are otherwise met, those services become part of the existing performance obligation.

Transaction Price. For uninterruptible services, we determine the transaction price at contract inception based on the guaranteed minimum amount of revenue over the term of the contract. For interruptible services and optional services, we determine the transaction price based on our right to invoice the customer for the value of services provided to the customer for the applicable period.

In certain instances, our customers reimburse us for capital projects, in arrangements referred to as contributions in aid of construction, or CIAC. Typically, in these instances, we receive upfront payments for future services, which are included in the transaction price of the underlying service contract.

We collect taxes on certain revenue transactions to be remitted to governmental authorities, which may include sales, use, value-added and some excise taxes. These taxes are not included in the transaction price and are, therefore, excluded from revenues.

Allocation of Transaction Price. We allocate the transaction price to the single performance obligation that exists in the vast majority of our contracts with customers. For the few contracts that have a second performance obligation, such as those that include an incentive pricing structure, we calculate an average rate based on the estimated total volumes to be delivered over the term of the contract and the resulting estimated total revenue to be billed using the applicable rates in the contract. We allocate the transaction price to the two performance obligations by applying the average rate to product volumes as they are delivered to the customer over the term of the contract. Determining the timing and amount of volumes subject to these incentive pricing contracts requires judgment that can impact the amount of revenue allocated to the two separate performance obligations. We base our estimates on our analysis of expected future production information available from our customers or other sources, which we update at least quarterly.

Some of our MVC contracts include provisions that allow the customer to apply deficiency payments to future service periods (the carryforward period). In those instances, we have not satisfied our performance obligation as we still have the obligation to perform those services, subject to contractual and/or capacity constraints, at the customer's request. At least quarterly, we assess the customer's ability to utilize any deficiency payments during the carryforward period. If we receive a deficiency payment from a customer that we expect the customer to utilize during the carryforward period, we defer that amount as a contract liability. We will consider the performance obligation satisfied and allocate any deferred deficiency payments to our performance obligation when the customer utilizes the deficiency payment, the carryforward period ends or we determine the customer cannot or will not utilize the deficiency payment (i.e., breakage). If our contract does not allow the customer to apply deficiency payments to future service periods, we allocate the deficiency payment to the already satisfied portion of the performance obligation.

Income Allocation

Our partnership agreement contains provisions for the allocation of net income to the unitholders. Our net income for each quarterly reporting period is first allocated to the preferred limited partner unitholders in an amount equal to the earned distributions for the respective reporting period. We allocate the remaining net income or loss among the common unitholders.

Basic and Diluted Net Income (Loss) Per Common Unit
Basic and diluted 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 and, from June 15, 2023 to their redemption on September 12, 2023, the Series D Preferred Units. We compute basic net income (loss) per common unit by dividing net income (loss) attributable to our common limited partners 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 our common limited partners 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 include contingently issuable performance units awarded and the Series D Preferred Units, prior to their redemption and/or repurchase. See Note 22 for additional information on our performance units, Note 17 for additional information on the Series D Preferred Units and Note 19 for the calculation of basic and diluted net income (loss) per common unit.

Derivative Financial Instruments
When we apply hedge accounting, we formally document all relationships between hedging instruments and hedged items. This process includes identification of the hedging instrument and the hedged transaction, the nature of the risk being hedged and how the hedging instrument's effectiveness will be assessed. To qualify for hedge accounting, at inception of the hedge we assess whether the derivative instruments that are used in our hedging transactions are expected to be highly effective in offsetting changes in cash flows. Throughout the designated hedge period and at least quarterly, we assess whether the derivative instruments are highly effective and continue to qualify for hedge accounting.

We were a party to forward-starting swaps in order to hedge the risk of changes in the 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. These forward-starting interest rate swaps qualified as cash flow hedges, and we designated them as such; therefore, we recognized the fair value of each interest rate swap in the consolidated balance sheets. We recorded changes in the fair value of the hedge as a component of accumulated other comprehensive income (loss) (AOCI), on the consolidated balance sheets, to the extent those cash flow hedges remained highly effective. If at any point a cash flow hedge ceased to qualify for hedge accounting, changes in the fair value of the hedge were recognized in "Interest expense, net" from that date forward. The amount accumulated in AOCI is amortized into "Interest expense, net" on the consolidated statements of income as the forecasted interest payments occur or if the interest payments are probable not to occur.

We classify cash flows associated with our derivative instruments as operating cash flows in the consolidated statements of cash flows, except for receipts or payments associated with terminated forward-starting interest rate swap agreements, which are included in cash flows from financing activities. See Note 16 for additional information regarding our derivative financial instruments.

Defined Benefit Plans
We estimate pension and other postretirement benefit obligations and costs based on actuarial valuations. The annual measurement date for our pension and other postretirement benefit plans is December 31. The actuarial valuations require the use of certain assumptions including discount rates, expected long-term rates of return on plan assets and expected rates of compensation increase. Changes in these assumptions are primarily influenced by factors outside our control. See Note 21 for further discussion of our pension and other postretirement benefit obligations.

Unit-based Compensation
Unit-based compensation for our long-term incentive plans is recorded in our consolidated balance sheets based on the fair value of the awards granted and recognized as compensation expense primarily on a straight-line basis over the requisite service period. Forfeitures of our unit-based compensation awards are recognized as an adjustment to compensation expense when they occur. Unit-based compensation expense is included in "General and administrative expenses" on our consolidated statements of income. See Note 22 for additional information regarding our unit-based compensation.

Foreign Currency Translation
The functional currencies of our foreign subsidiaries are the local currencies of the countries in which the subsidiaries are located. The assets and liabilities of our foreign subsidiaries with local functional currencies are translated to U.S. dollars at period-end exchange rates, and income and expense items are translated to U.S. dollars at weighted-average exchange rates in effect during the period. These translation adjustments are included in "Accumulated other comprehensive loss" in the equity section of the consolidated balance sheets. Upon the sale or liquidation of our investment in a foreign subsidiary, translation adjustments that have historically accumulated in AOCI related to that subsidiary are released from AOCI and reported as part

of the gain or loss on sale. Gains and losses on foreign currency transactions are included in “Other income, net” in the consolidated statements of income.

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

3. NEW ACCOUNTING PRONOUNCEMENTS

Improvements to Income Tax Disclosures
In December 2023, the Financial Accounting Standards Board (FASB) issued guidance intended to enhance the transparency and decision usefulness of income tax disclosures, primarily through changes to the rate reconciliation and income taxes paid information. The amendments are effective for annual periods beginning after December 15, 2024, and early adoption is permitted. The amendments should be applied prospectively; however, retrospective application is permitted. We plan to adopt the amended guidance on January 1, 2025, and are currently evaluating our method of adoption and the impact of this amended guidance on our disclosures.

Improvements to Reportable Segment Disclosures
In November 2023, the FASB issued guidance intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. Among other changes, the amendments will require disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and should be applied on a retrospective basis. Early adoption is permitted. We plan to adopt the annual and interim disclosure requirements on January 1, 2024 and January 1, 2025, respectively, and are currently evaluating the impact of this amended guidance on our disclosures.

4. DISPOSITIONS AND IMPAIRMENTS

Sale-Leaseback Transaction
On March 21, 2023, we sold our corporate headquarters facility and approximately 24 acres of underlying land located in San Antonio, Texas (the Corporate Headquarters) for an aggregate cash sales price of $103.0 million and immediately entered into an operating lease agreement (the HQ Lease Agreement) to lease back the Corporate Headquarters for an initial term of 20 years, with two renewal options of ten years each (the Sale-Leaseback Transaction). Upon closing of the sale in the first quarter of 2023, the Sale-Leaseback Transaction qualified as a completed sale, and we recognized a gain of $41.1 million, which is presented in “Gain on sale of assets” on the consolidated statements of income. We entered into the Sale-Leaseback Transaction in order to monetize the Corporate Headquarters, and used the proceeds to repay outstanding borrowings under our Revolving Credit Agreement in order to position ourselves to redeem the Series D Preferred Units.

Point Tupper Terminal Disposition
On April 29, 2022, we sold the equity interests in our wholly owned subsidiaries that owned our Point Tupper terminal facility in Nova Scotia, Canada (the Point Tupper Terminal Operations) to EverWind Fuels for $60.0 million (the Point Tupper Terminal Disposition). The terminal facility had a storage capacity of 7.8 million barrels and was included in the storage segment. We utilized the sales proceeds to repay outstanding borrowings under our Revolving Credit Agreement and improve our debt metrics.

During the first quarter of 2022, we determined that the Point Tupper Terminal Operations met the criteria to be classified as held for sale. We compared the carrying value of the Point Tupper Terminal Operations, which included $42.2 million in cumulative foreign currency translation losses accumulated since our acquisition of the Point Tupper terminal facility in 2005, to its fair value less costs to sell, and we recognized a pre-tax impairment loss of $46.1 million in the first quarter of 2022, which is presented in “Other impairment losses” on the consolidated statements of income. We believe that the sales price of $60.0 million provided a reasonable indication of the fair value of the Point Tupper Terminal Operations as it represented an exit price in an orderly transaction between market participants. The sales price was a quoted price for identical assets and liabilities in a market that was not active and, thus, our fair value estimate fell within Level 2 of the fair value hierarchy. Upon closing in the second quarter of 2022, we released $39.6 million of foreign currency translation losses from AOCI and finalized our sales price, resulting in a gain of $1.6 million, which is presented in “Other income, net” on the consolidated statements of income.

Eastern U.S. Terminals Disposition
On August 1, 2021, we entered into an agreement (the Purchase Agreement) to sell nine U.S. terminal and storage facilities, including all our North East Terminals and one terminal in Florida (the Eastern U.S. Terminal Operations) to Sunoco LP for $250.0 million (the Eastern U.S. Terminals Disposition). The Eastern U.S. Terminal Operations included terminals in the following locations; Jacksonville, Florida; Andrews Air Force Base, Maryland; Baltimore, Maryland; Piney Point, Maryland; Virginia Beach, Virginia; Paulsboro, New Jersey; and Blue Island, Illinois, as well as both Linden, New Jersey terminals. The Eastern U.S. Terminal Operations had an aggregate storage capacity of 14.8 million barrels and were included in the storage segment. We closed the sale on October 8, 2021 and used the proceeds from the sale to reduce debt and improve our debt metrics.

The Eastern U.S. Terminal Operations met the criteria to be classified as held for sale upon our entrance into the Purchase Agreement during the third quarter of 2021. At that time, we allocated goodwill of $34.1 million to the Eastern U.S. Terminal Operations based on its fair value relative to the terminals reporting unit, with which it had been fully integrated. We tested the allocated goodwill for impairment by comparing the fair value of the Eastern U.S. Terminal Operations to its carrying value. The results of our goodwill impairment test indicated that the carrying value of the Eastern U.S. Terminal Operations exceeded its fair value, and we recognized a related goodwill impairment charge of $34.1 million in the third quarter of 2021 to reduce the allocated goodwill to $0. The goodwill impairment loss is reported in “Goodwill impairment loss” on the consolidated statements of income. We believe that the sales price of $250.0 million provided a reasonable indication of the fair value of the Eastern U.S. Terminal Operations as it represented an exit price in an orderly transaction between market participants. The sales price was a quoted price for identical assets and liabilities in a market that was not active and, thus, our fair value estimate fell within Level 2 of the fair value hierarchy.

We compared the remaining carrying value of the Eastern U.S. Terminal Operations, after its goodwill impairment, to its fair value less costs to sell. We recognized an asset impairment loss of $95.7 million in the third quarter of 2021, which is reported in “Other impairment losses” on the consolidated statements of income. The asset impairment loss included $23.9 million related to intangible assets representing customer contracts and relationships.

We determined the assets included in the Point Tupper Terminal Disposition and the Eastern U.S. Terminals Disposition were no longer synergistic with our core assets, and these dispositions did not qualify, either individually or in the aggregate, for reporting as discontinued operations, as the sales did not represent strategic shifts that would have a major effect on our operations or financial results.

Houston Pipeline Impairment
In the third quarter of 2021, we recorded a long-lived asset impairment charge of $59.2 million within our pipeline segment related to our refined product pipeline extending from Mt. Belvieu, Texas to Corpus Christi, Texas (the Houston Pipeline). During the third quarter of 2021, we identified an indication of impairment related to the southern section of the Houston Pipeline, specifically that its physical condition would require significant investment in order to pursue commercial opportunities. Consequently, we separated the pipeline into two distinct assets: the northern and southern sections. Our estimate of the undiscounted cash flows associated with the southern section indicated it was not recoverable. Due to the factors described above, we determined the carrying value of the southern section exceeded its fair value, and reduced its carrying value to $0. We recorded the asset impairment charge in “Other impairment losses” on the consolidated statements of income. We determined that the northern portion of the pipeline was not impaired.

5. 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:

	2023		2022		2021	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
	(Thousands of Dollars)					
Balances as of January 1:						
Current portion	$ 2,612	$ (17,647)	$ 2,336	$ (15,443)	$ 2,694	$ (22,019)
Noncurrent portion	304	(41,405)	504	(46,027)	932	(47,537)
Total	2,916	(59,052)	2,840	(61,470)	3,626	(69,556)
Activity:						
Additions	6,621	(66,796)	6,137	(45,200)	3,888	(41,121)
Transfer to accounts receivable	(5,699)	—	(5,978)	—	(3,977)	—
Transfer to revenues	—	57,439	(83)	47,618	(697)	49,207
Total	922	(9,357)	76	2,418	(786)	8,086
Balances as of December 31:						
Current portion	3,109	(27,131)	2,612	(17,647)	2,336	(15,443)
Noncurrent portion	729	(41,278)	304	(41,405)	504	(46,027)
Total	$ 3,838	$ (68,409)	$ 2,916	$ (59,052)	$ 2,840	$ (61,470)

Contract assets relate to performance obligations satisfied in advance of scheduled billings. Current contract assets are included in "Prepaid and other current assets" and noncurrent contract assets are included in "Other long-term assets, net" on the consolidated balance sheets. Contract liabilities relate to payments received in advance of satisfying performance obligations under a contract, which primarily result from contracts with an incentive pricing structure, CIAC payments and contracts with MVCs. The current portion of contract liabilities is included in "Accrued liabilities" and the noncurrent portion of contract liabilities is included in "Other long-term liabilities" on the consolidated balance sheets.

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 December 31, 2023:

	Remaining Performance Obligations
	(Thousands of Dollars)
2024	$ 373,630
2025	242,776
2026	173,095
2027	82,500
2028	45,412
Thereafter	82,143
Total	$ 999,556

Our contractually committed revenue, for purposes of the tabular presentation above, is generally limited to customer contracts that have fixed pricing and fixed volume terms and conditions, including contracts with MVC payment obligations.

Disaggregation of Revenues

The following table disaggregates our revenues:

	Year Ended December 31,		
	2023	2022	2021
	(Thousands of Dollars)		
Pipeline segment:			
Crude oil pipelines	$ 388,301	$ 391,176	$ 331,485
Refined products and ammonia pipelines	485,568	437,015	430,753
Total pipeline segment revenues from contracts with customers	873,869	828,191	762,238
Storage segment:			
Throughput terminals	104,495	110,591	122,331
Storage terminals (excluding lessor revenues)	169,810	180,903	263,883
Total storage segment revenues from contracts with customers	274,305	291,494	386,214
Lessor revenues	45,294	43,055	41,454
Total storage segment revenues	319,599	334,549	427,668
Fuels marketing segment:			
Revenues from contracts with customers	440,725	520,486	428,608
Consolidation and intersegment eliminations	(6)	(3)	(14)
Total revenues	$ 1,634,187	$ 1,683,223	$ 1,618,500

6. ALLOWANCE FOR CREDIT LOSSES

As of and for the years ended December 31, 2023, 2022 and 2021, balances and activity related to our allowance for credit losses were immaterial.

7. INVENTORIES

Inventories consisted of the following:

	December 31,	
	2023	2022
	(Thousands of Dollars)	
Petroleum products	$ 13,533	$ 11,291
Materials and supplies	5,090	4,106
Total	$ 18,623	$ 15,397

We purchase petroleum products for resale. Our petroleum products consist of gasoline, bunker fuel and other petroleum products. Materials and supplies primarily consist of blending and additive chemicals and maintenance materials used in our pipeline and storage segments.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

	Estimated Useful Lives	December 31, 2023	December 31, 2022
	(Years)	(Thousands of Dollars)	
Land, buildings and improvements	0 - 40	$ 290,103	$ 362,444
Pipelines, storage and terminals	15 - 40	5,018,249	4,936,780
Rights-of-way	15 - 40	371,568	365,171
Construction in progress		110,007	69,290
Property plant and equipment, at cost		5,789,927	5,733,685
Less accumulated depreciation and amortization		(2,507,390)	(2,330,602)
Property, plant and equipment, net		$ 3,282,537	$ 3,403,083

Capitalized interest costs added to property, plant and equipment totaled $4.3 million, $3.9 million and $3.9 million for the years ended December 31, 2023, 2022 and 2021, respectively. Depreciation and amortization expense for property, plant and equipment totaled $217.9 million, $215.0 million and $225.7 million for the years ended December 31, 2023, 2022 and 2021, respectively, which includes amortization of finance leases.

9. INTANGIBLE ASSETS

Intangible assets consisted of the following:

	Weighted-Average Amortization Period	December 31, 2023 Cost	December 31, 2023 Accumulated Amortization	December 31, 2022 Cost	December 31, 2022 Accumulated Amortization
	(Years)	(Thousands of Dollars)			
Customer contracts and relationships	20	$ 726,000	$ (251,301)	$ 793,900	$ (281,618)
Other	47	2,360	(996)	2,359	(945)
Total		$ 728,360	$ (252,297)	$ 796,259	$ (282,563)

Intangible assets are recorded at fair value as of the date acquired. All our intangible assets are amortized on a straight-line basis. Amortization expense for intangible assets was $37.6 million, $44.1 million and $48.5 million for the years ended December 31, 2023, 2022 and 2021, respectively. The estimated aggregate amortization expense is $38.0 million for each of the years 2024 through 2026 and $35.0 million for 2027 and 2028.

10. GOODWILL

As of December 31, 2023, December 31, 2022 and January 1, 2022, carrying amounts of goodwill by segment were as follows:

	Pipeline	Storage	Total
	(Thousands of Dollars)		
Goodwill	$ 704,231	$ 253,125	$ 957,356
Accumulated impairment loss	(225,000)	—	(225,000)
Net goodwill	$ 479,231	$ 253,125	$ 732,356

We had no activity for the years ended December 31, 2023 or 2022.

11. ACCRUED LIABILITIES

Accrued liabilities consisted of the following:

	December 31, 2023	December 31, 2022
	(Thousands of Dollars)	
Employee wages and benefit costs	$ 41,290	$ 40,249
Revenue contract liabilities	27,131	17,647
Operating lease liabilities	6,188	5,541
Environmental costs	4,059	3,122
Other	9,394	9,513
Accrued liabilities	$ 88,062	$ 76,072

12. DEBT

Our debt consisted of the following:

	Maturity	December 31, 2023	December 31, 2022
		(Thousands of Dollars)	
Current portion of finance leases	n/a	$ 4,951	$ 4,416
5.75% senior notes	October 1, 2025	600,000	600,000
6.00% senior notes	June 1, 2026	500,000	500,000
Receivables Financing Agreement	July 1, 2026	69,800	80,900
Revolving Credit Agreement	January 27, 2027	343,000	220,000
5.625% senior notes	April 28, 2027	550,000	550,000
6.375% senior notes	October 1, 2030	600,000	600,000
GoZone Bonds	2038 thru 2041	322,140	322,140
Subordinated Notes	January 15, 2043	402,500	402,500
Unamortized debt issuance costs	n/a	(27,809)	(33,251)
Long-term debt, excluding finance leases		3,359,631	3,242,289
Long-term portion of finance leases (Note 15)		50,707	51,126
Long-term debt, less current portion of finance leases		$ 3,410,338	$ 3,293,415

The long-term debt repayments (excluding finance leases) as of December 31, 2023 are due as follows:

	Long-Term Debt Repayments
	(Thousands of Dollars)
2024	$ —
2025	600,000
2026	569,800
2027	893,000
2028	—
Thereafter	1,324,640
Total repayments	3,387,440
Unamortized debt issuance costs	(27,809)
Long-term debt, excluding finance leases	$ 3,359,631

Interest payments related to debt obligations (excluding finance leases) totaled $226.9 million, $197.3 million and $220.0 million for the years ended December 31, 2023, 2022 and 2021, respectively. We amortized $8.4 million, $8.2 million and $7.9 million of debt issuance costs for the years ended December 31, 2023, 2022 and 2021, respectively.

Revolving Credit Agreement
As of December 31, 2023, NuStar Logistics’ $1.0 billion unsecured revolving credit agreement (as amended, the Revolving Credit Agreement) had $652.4 million available for borrowing and $343.0 million borrowings outstanding. Letters of credit issued under our Revolving Credit Agreement totaled $4.6 million as of December 31, 2023. Letters of credit limit the amount we can borrow under our Revolving Credit Agreement. Obligations under our Revolving Credit Agreement are guaranteed by NuStar Energy and NuPOP.

Our 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 ending December 31, 2023, the Consolidated Debt Coverage Ratio (as defined in the Revolving Credit Agreement) may 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 December 31, 2023, we believe that we are in compliance with these financial covenants. Our Revolving Credit Agreement also contains customary restrictive covenants, such as limitations on indebtedness, liens, mergers, asset transfers and certain investing activities.

Our Revolving Credit Agreement bears interest, at our option, based on an alternative base rate or a secured overnight financing rate (SOFR) based rate. The interest rate on our Revolving Credit Agreement is subject to adjustment if our debt rating is downgraded or upgraded by certain credit rating agencies. The interest rate on our Revolving Credit Agreement and certain fees under the Receivables Financing Agreement are the only debt arrangements that are subject to adjustment if our debt rating is downgraded or upgraded by certain credit rating agencies. As of December 31, 2023, our weighted-average interest rate under our Revolving Credit Agreement was 8.0%. During the year ended December 31, 2023, the weighted-average interest rate related to borrowings under our Revolving Credit Agreement was 7.8%.

On June 30, 2023, we amended our Revolving Credit Agreement, primarily to extend the maturity date from April 27, 2025 to January 27, 2027. The amendment also includes a requirement that we must demonstrate and certify, prior to using any borrowings under our Revolving Credit Agreement to redeem certain unsecured indebtedness or prior to their redemption/repurchase, the Series D Preferred Units, that the sum of our Revolving Credit Agreement availability and unrestricted cash balance is no less than $150.0 million on a pro forma basis both before and immediately after giving effect to the borrowing and the redemption. On January 28, 2022, we amended and restated our Revolving Credit Agreement to, among other items:
(i) increase the maximum amount of letters of credit capable of being issued from $400.0 million to $500.0 million; (ii) replace London Interbank Offering Rate (LIBOR) benchmark provisions with customary SOFR benchmark provisions; (iii) remove the 0.50x increase permitted in our Consolidated Debt Coverage Ratio for certain rolling periods in which an acquisition for aggregate net consideration of at least $50.0 million occurs; and (iv) add baskets and exceptions to certain negative covenants.

Notes
NuStar Logistics Senior Notes. On November 1, 2021, we repaid our $250.0 million of 4.75% senior notes due February 1, 2022 with proceeds from the Eastern U.S. Terminals Disposition. We repaid our $300.0 million of 6.75% senior notes due February 1, 2021 with borrowings under our Revolving Credit Agreement.

Interest is payable semi-annually in arrears for the $600.0 million of 5.75% senior notes, $500.0 million of 6.0% senior notes, $550.0 million of 5.625% senior notes and $600.0 million of 6.375% senior notes (collectively, the NuStar Logistics Senior Notes).

The NuStar Logistics Senior Notes do not have sinking fund requirements. These notes rank equally with existing senior unsecured indebtedness and senior to existing subordinated indebtedness of NuStar Logistics and contain restrictions on NuStar Logistics’ ability to incur secured indebtedness unless the same security is also provided for the benefit of holders of the NuStar Logistics Senior Notes. In addition, the NuStar Logistics Senior Notes limit the ability of NuStar Logistics and its subsidiaries to, among other things, incur indebtedness secured by certain liens, engage in certain sale-leaseback transactions and engage in certain consolidations, mergers or asset sales. At the option of NuStar Logistics, the NuStar Logistics Senior Notes may be redeemed in whole or in part at any time at a redemption price, plus accrued and unpaid interest to the redemption date. If we undergo a change of control that is followed by a ratings decline that occurs within 60 days of the change of control, each holder of the applicable senior notes may require us to repurchase all or a portion of its notes at a price equal to 101% of the principal amount of the notes repurchased, plus any accrued and unpaid interest to the date of repurchase. The NuStar Logistics Senior Notes are fully and unconditionally guaranteed by NuStar Energy and NuPOP.

NuStar Logistics Subordinated Notes. NuStar Logistics' $402.5 million of fixed-to-floating rate subordinated notes are due January 15, 2043 (the Subordinated Notes). The Subordinated Notes are fully and unconditionally guaranteed on an unsecured and subordinated basis by NuStar Energy and NuPOP. Effective January 15, 2018, the interest rate on the Subordinated Notes converted from a fixed rate to an annual rate equal to the sum of three-month LIBOR for the related quarterly interest period plus 6.734%, payable quarterly, unless payment is deferred in accordance with the terms of the notes. Effective with the quarterly interest periods starting after June 30, 2023, three-month LIBOR was replaced with three-month CME term SOFR plus the applicable tenor spread adjustment of 0.26161%. NuStar Logistics may elect to defer interest payments on the Subordinated Notes on one or more occasions for up to five consecutive years. Deferred interest will accumulate additional interest at a rate equal to the interest rate then applicable to the Subordinated Notes until paid. If NuStar Logistics elects to defer interest payments, NuStar Energy cannot declare or make cash distributions with respect to, or redeem, purchase or make a liquidation payment with respect to, its equity securities during the period that interest payments are deferred. As of December 31, 2023, the interest rate was 12.4% on the Subordinated Notes.

The Subordinated Notes do not have sinking fund requirements and are subordinated to existing senior unsecured indebtedness of NuStar Logistics and NuPOP. The Subordinated Notes do not contain restrictions on NuStar Logistics' ability to incur additional indebtedness, including debt that ranks senior in priority of payment to the notes. In addition, the Subordinated Notes do not limit NuStar Logistics' ability to incur indebtedness secured by liens or to engage in certain sale-leaseback transactions. Effective January 15, 2018, we may redeem the Subordinated Notes in whole or in part at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest to the redemption date.

Gulf Opportunity Zone Revenue Bonds
In 2008, 2010 and 2011, the Parish of St. James, Louisiana issued Revenue Bonds Series 2008, Series 2010, Series 2010A, Series 2010B and Series 2011 associated with our St. James terminal expansions pursuant to the Gulf Opportunity Zone Act of 2005 for an aggregate $365.4 million (collectively, the GoZone Bonds). Following the issuances, the proceeds were deposited with a trustee and were disbursed to us upon our request for reimbursement of expenditures related to our St. James terminal. On March 4, 2020, NuStar Logistics repaid $43.3 million of GoZone Bonds with unused funds, which had been held in trust. Also in 2020, we completed the reoffering and conversion of the GoZone Bonds which, among other things, converted the interest rate from a weekly rate to a long-term rate.

As reflected in the table below, the holders of the Series 2008, Series 2010B and Series 2011 GoZone Bonds are required to tender their bonds at the applicable mandatory purchase date in exchange for 100% of the principal plus accrued and unpaid interest, after which these bonds are expected to be remarketed with a new interest rate established. Each of the Series 2010 and Series 2010A GoZone Bonds is subject to redemption on or after June 1, 2030 by the Parish of St. James, at our option, in whole or in part, at a redemption price of 100% of the principal amount to be redeemed plus accrued and unpaid interest. Interest on the GoZone Bonds is payable semi-annually on June 1 and December 1 of each year.

The following table summarizes the GoZone Bonds outstanding as of December 31, 2023:

Series	Date Issued	Amount Outstanding	Interest Rate	Mandatory Purchase Date	Optional Redemption Date	Maturity Date
		(Thousands of Dollars)				
Series 2008	June 26, 2008	$ 55,440	6.10 %	June 1, 2030	n/a	June 1, 2038
Series 2010	July 15, 2010	100,000	6.35 %	n/a	June 1, 2030	July 1, 2040
Series 2010A	October 7, 2010	43,300	6.35 %	n/a	June 1, 2030	October 1, 2040
Series 2010B	December 29, 2010	48,400	6.10 %	June 1, 2030	n/a	December 1, 2040
Series 2011	August 9, 2011	75,000	5.85 %	June 1, 2025	n/a	August 1, 2041
	Total	$ 322,140				

NuStar Logistics' agreements with the Parish of St. James related to the GoZone Bonds contain: (i) customary restrictive covenants that limit the ability of NuStar Logistics and its subsidiaries, to, among other things, create liens, enter into certain sale-leaseback transactions, and engage in certain consolidations, mergers or asset sales; and (ii) a repurchase provision which provides that if we undergo a change of control that is followed by a ratings decline that occurs within 60 days of the change of control, then each holder may require the trustee, with funds provided by NuStar Logistics, to repurchase all or a portion of that holder's GoZone Bonds at a price equal to 101% of the aggregate principal amount repurchased, plus any accrued and unpaid interest.

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 (as amended, the Receivables Financing Agreement) and agreements with certain of NuStar Energy's wholly owned subsidiaries (together with the Receivables Financing Agreement, the Securitization Program). Under the Securitization Program, certain of NuStar Energy's wholly owned subsidiaries (collectively, the Originators), sell their accounts receivable to NuStar Finance on an ongoing basis, and NuStar Finance provides the newly acquired accounts receivable as collateral for its revolving borrowings under the Receivables Financing Agreement. NuStar Energy provides a performance guarantee in connection with the Securitization Program. The amount available for borrowing is based on the availability of eligible receivables and other customary factors and conditions. The Securitization Program contains various customary affirmative and negative covenants and default, indemnification and termination provisions, and the Receivables Financing Agreement provides for acceleration of amounts owed upon the occurrence of certain specified events. NuStar Finance's sole activity consists of purchasing such receivables and providing them as collateral 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, the Originators or their affiliates.

On June 29, 2023, we amended the Receivables Financing Agreement to extend the scheduled termination date from January 31, 2025 to July 1, 2026. On January 28, 2022, the Receivables Financing Agreement was amended to, among other items: (i) reduce the floor rate in the calculation of our borrowing rates; and (ii) replace provisions related to the LIBOR rate of interest with references to SOFR rates of interest.

Borrowings under the Receivables Financing Agreement bear interest, at NuStar Finance's option, at a base rate or a SOFR rate, each as defined in the Receivables Financing Agreement. As of December 31, 2023 and 2022, accounts receivable totaling $121.0 million and $121.5 million, respectively, were included in the Securitization Program. As of December 31, 2023, our interest rate under the Securitization Program was 7.0%. The weighted-average interest rate related to borrowings under the Securitization Program during the year ended December 31, 2023 was 6.7%.

13. HEALTH, SAFETY AND ENVIRONMENTAL MATTERS

Our operations are subject to extensive international, federal, state and local environmental laws and regulations, in the U.S. and in Mexico, 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. The principal environmental, health, safety and security risks associated with our operations relate to unauthorized emissions into the air, releases into soil, surface water or groundwater, personal injury and property damage. We have adopted policies, practices, systems and procedures designed to comply with the laws and regulations, and to help minimize and mitigate these risks, limit the liability that could result from such events, prevent material environmental or other damage, ensure the safety of our employees and the public and secure our pipelines, terminals and operations.

Compliance with environmental, health, safety and security laws, regulations and related permits increases our capital expenditures and operating expenses, and violation of these laws, regulations or permits could result in significant civil and criminal liabilities, injunctions or other penalties. Future governmental action and regulatory initiatives could result in more restrictive laws and regulations, which could increase required capital expenditures and operating expenses. The risk of additional compliance expenditures, expenses and liabilities are inherent to government-regulated industries, including midstream energy. As a result, there can be no assurances that significant expenditures, expenses and liabilities will not be incurred in the future.

Most of our pipelines are subject to federal regulation by one or more of the following governmental agencies: the Federal Energy Regulatory Commission (the FERC), the Surface Transportation Board (the STB), the Department of Transportation (the DOT), the Environmental Protection Agency (the EPA) and the Department of Homeland Security. Additionally, our pipelines are subject to the respective jurisdictions of the states those lines traverse.

Environmental and safety exposures and liabilities are difficult to assess and estimate due to unknown factors such as the timing and extent of remediation, the determination of our liability in proportion to other parties, improvements in cleanup technologies and the extent to which environmental and safety laws and regulations may change in the future. Although environmental and safety costs may have a significant impact on the results of operations for any single period, we believe that such costs will not have a material adverse effect on our financial position.

The balance of and changes in the accruals for environmental matters were as follows:

	Year Ended December 31,	
	2023	2022
	(Thousands of Dollars)	
Balance as of the beginning of year	$ 8,369	$ 7,748
Additions to accrual	3,153	2,640
Payments	(2,049)	(2,019)
Balance as of the end of year	$ 9,473	$ 8,369

Accruals for environmental matters are included in the consolidated balance sheets as follows:

	December 31,	
	2023	2022
	(Thousands of Dollars)	
Accrued liabilities	$ 4,059	$ 3,122
Other long-term liabilities	5,414	5,247
Accruals for environmental matters	$ 9,473	$ 8,369

14. COMMITMENTS AND CONTINGENCIES

Commitments

Future minimum payments applicable to all noncancellable purchase obligations as of December 31, 2023 are as follows:

	Payments Due by Period						
	2024	2025	2026	2027	2028	Thereafter	Total
	(Thousands of Dollars)						
Purchase obligations	$ 6,406	$ 5,003	$ 1,851	$ 1,134	$ 867	$ 4,038	$ 19,299

Our purchase obligations primarily consist of various service agreements with information technology providers, as well as right-of-way and easement agreements with government agencies and other landowners.

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 $1.3 million and $0.3 million for contingent losses as of December 31, 2023 and 2022, 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.

15. LEASE ASSETS AND LIABILITIES

Lessee Arrangements

Our operating leases consist primarily of land and dock leases at various terminal facilities and the HQ Lease Agreement. As of December 31, 2023, land and dock leases generally have remaining terms of about five years and include options to extend for five to 25 years, which we are reasonably certain to exercise. Pursuant to the HQ Lease Agreement, which we entered into in the first quarter of 2023, rent for the initial term starts at $6.4 million per year, increasing annually by 2.5%. The HQ Lease Agreement has an initial term of 20 years, with two renewal options of ten years each. At inception of the HQ Lease Agreement, we assumed a reasonably certain term of 20 years and we recorded additional lease liabilities and right-of-use assets totaling $82.2 million.

The primary component of our finance lease portfolio is a dock at our Corpus Christi North Beach terminal, which includes a commitment for minimum dockage and wharfage throughput volumes. The dock lease has a remaining term of approximately two years and three additional five-year renewal periods, all of which we are reasonably certain to exercise.

Right-of-use assets and lease liabilities included in our consolidated balance sheet were as follows:

	Balance Sheet Location	December 31, 2023	December 31, 2022
		(Thousands of Dollars)	
Right-of-use assets:			
Operating	Other long-term assets, net	$ 143,937	$ 62,745
Finance	Property, plant and equipment, net of accumulated amortization of $25,628 and $19,295	$ 66,840	$ 68,219
Lease liabilities:			
Operating:			
Current	Accrued liabilities	$ 6,188	$ 5,541
Noncurrent	Other long-term liabilities	137,945	56,577
Total operating lease liabilities		$ 144,133	$ 62,118
Finance:			
Current	Current portion of finance leases	$ 4,951	$ 4,416
Noncurrent	Long-term debt, less current portion of finance leases	50,707	51,126
Total finance lease liabilities		$ 55,658	$ 55,542

As of December 31, 2023, maturities of our operating and finance lease liabilities were as follows:

	Operating Leases	Finance Leases
	(Thousands of Dollars)	
2024	$ 14,267	$ 7,067
2025	14,221	6,250
2026	13,810	5,703
2027	13,791	4,934
2028	13,554	4,311
Thereafter	182,655	45,802
Total lease payments	$ 252,298	$ 74,067
Less: Interest	108,165	18,409
Present value of lease liabilities	$ 144,133	$ 55,658

Costs incurred for leases were as follows:

	Year Ended December 31, 2023	2022	2021
	(Thousands of Dollars)		
Operating lease cost	$ 15,754	$ 11,777	$ 15,323
Finance lease cost:			
Amortization of right-of-use assets	6,378	5,770	5,251
Interest expense on lease liability	2,109	2,023	2,081
Short-term lease cost	11,811	10,345	14,198
Variable lease cost	4,640	4,830	4,939
Total lease cost	$ 40,692	$ 34,745	$ 41,792

The table below presents additional information regarding our leases.

	2023		2022		2021	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases	Operating Leases	Finance Leases
	(Thousands of Dollars, Except Term and Rate Data)					
For the year ended December 31:						
Cash outflows from operating activities	$ 12,670	$ 2,095	$ 11,156	$ 2,019	$ 12,829	$ 2,090
Cash outflows from financing activities	$ —	$ 4,882	$ —	$ 4,222	$ —	$ 4,244
Right-of-use assets obtained in exchange for lease liabilities	$ 88,226	$ 5,064	$ 10,060	$ 3,004	$ 3,278	$ 3,173
As of December 31:						
Weighted-average remaining lease term (in years)	18	15	16	16	13	18
Weighted-average discount rate	6.2 %	3.9 %	3.8 %	3.6 %	3.2 %	3.6 %

Lessor Arrangements
We have entered into certain revenue arrangements where we are considered to be the lessor. Under the largest of these arrangements, we lease certain of our storage tanks in exchange for a fixed fee, subject to an annual CPI adjustment. The operating leases commenced on January 1, 2017, and have initial terms of ten years with successive automatic renewal terms. We recognized lease revenues from these leases of $45.3 million, $43.1 million, and $41.5 million for the years ended December 31, 2023, 2022 and 2021, respectively, which are included in "Service revenues" in the consolidated statements of income. As of December 31, 2023, we expect to receive minimum lease payments totaling $117.4 million, based upon the CPI as of the adoption date. We will recognize these payments ratably over the remaining initial lease term.

The table below presents cost, accumulated depreciation and useful life information related to our storage lease assets, which are included in our "Pipeline, storage and terminals" asset class within property, plant and equipment:

	Estimated Useful Life	December 31, 2023	December 31, 2022
	(Years)	(Thousands of Dollars)	
Lease storage assets, at cost	30	$ 257,666	$ 251,801
Less accumulated depreciation		(157,836)	(148,899)
Lease storage assets, net		$ 99,830	$ 102,902

16. DERIVATIVES AND FAIR VALUE MEASUREMENTS

Derivative Instruments
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.

Commodity Price Risk. The results of operations for the fuels marketing segment depend largely on the margin between our cost 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. Since our fuels marketing operations expose us to commodity price risk, we enter into derivative instruments to mitigate the effect of commodity price fluctuations on our operations. 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 period presented.

Interest Rate Risk.
The remaining fair value amounts associated with unwound forward-starting interest rate swap agreements and included in "Accumulated other comprehensive loss" on the consolidated balance sheets are $31.8 million and $34.4 million as of December 31, 2023 and 2022, respectively. These amounts are amortized ratably over the remaining life of the related debt

instrument into "Interest expense, net" on the consolidated statements of income. In conjunction with the early repayment of our $250.0 million 4.75% senior notes due February 1, 2022 in the fourth quarter of 2021, we reclassified a loss of $0.8 million from AOCI to "Interest expense, net" on the consolidated statements of income.

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

	Year Ended December 31,		
	2023	2022	2021
	(Thousands of Dollars)		
Reclassification of loss on cash flow hedges to interest expense, net	$ 2,581	$ 2,106	$ 5,664

As of December 31, 2023, we expect to reclassify a loss of $3.6 million to "Interest expense, net" within the next twelve months associated with unwound forward-starting interest rate swap agreements.

Fair Value Measurements
We segregate the inputs used in measuring fair value into three levels: Level 1, defined as observable inputs such as quoted prices for identical assets or liabilities in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in markets that are not active; and Level 3, defined as unobservable inputs for which little or no market data exists. We consider counterparty credit risk and our own credit risk in the determination of all estimated fair values.

We recognize cash equivalents, receivables, payables and debt in our consolidated balance sheets at their carrying amounts. The fair values of these financial instruments, except for long-term debt other than finance leases, approximate their carrying amounts. The estimated fair values and carrying amounts of the long-term debt, excluding finance leases, were as follows:

	December 31,	
	2023	2022
	(Thousands of Dollars)	
Fair value	$ 3,426,307	$ 3,169,664
Carrying amount	$ 3,359,631	$ 3,242,289

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 value includes unamortized debt issuance costs.

17. SERIES D CUMULATIVE CONVERTIBLE PREFERRED UNITS

Units Issued and Outstanding
In 2018, we entered into an agreement with investment funds, accounts and entities managed by EIG Management Company, LLC and FS/EIG Advisors, LLC to issue and sell Series D Cumulative Convertible Preferred Units (the Series D Preferred Units) in a private placement. The Partnership issued a total of 23,246,650 Series D Preferred Units.

The following is a summary of the Series D Preferred Units issued and outstanding:

	Transaction Date	Price per Unit	Number of Units
Issuance	June 29, 2018	$25.38	15,760,441
Issuance	July 13, 2018	$25.38	7,486,209
Total units issued			23,246,650
Units outstanding as of January 1, 2022			23,246,650
Repurchase	November 22, 2022	$32.73	(6,900,000)
Units outstanding as of December 31, 2022			16,346,650
Redemption	June 30, 2023	$31.88	(5,500,000)
Redemption	July 31, 2023	$32.18	(2,560,000)
Redemption	September 12, 2023	$32.59	(8,286,650)
Units outstanding as of December 31, 2023			—

Redemptions and Repurchase

In the fourth quarter of 2022, we repurchased 6,900,000 Series D Preferred Units with borrowings under our Revolving Credit Agreement. In the second and third quarters of 2023, we redeemed all the remaining outstanding Series D Preferred Units at the then applicable redemption price of $31.73 per Series D Preferred Unit plus accrued and unpaid distributions. We funded the redemptions primarily with borrowings under our Revolving Credit Agreement, which had been partially paid down with proceeds from the Sale-Leaseback Transaction in the first quarter of 2023 and with proceeds from the issuance of common units in the third quarter of 2023.

On the notification dates for each redemption or repurchase, those Series D Preferred Units became mandatorily redeemable; therefore, we reclassified those Series D Preferred Units from mezzanine equity to liability-classified mandatorily redeemable Series D Preferred Units valued at the redemption or repurchase price, excluding accrued distributions (Net Redemption/Repurchase Price). We recorded the difference between the carrying value at each notification date and the Net Redemption/Repurchase Price as a deemed distribution, which reduced our common equity and was subtracted from net income to arrive at net income attributable to common units in the calculation of basic and diluted net income per common unit. At each closing, we accounted for the redemptions and repurchase as extinguishments of debt. Pursuant to our partnership agreement, the Series D Preferred Units were cancelled; therefore, the Series D Preferred Units no longer represent a limited partnership interest.

Distributions accrued for redeemed Series D Preferred Units from the notification dates to the redemption dates for the year ended December 31, 2023 totaled $4.8 million, and are reported in “Interest expense, net” on the consolidated statements of income.

Information related to the Series D Preferred Unit redemptions and repurchase is shown below (thousands of dollars, except unit and per unit data):

	September 12, 2023 Redemption	July 31, 2023 Redemption	June 30, 2023 Redemption	November 22, 2022 Repurchase
Notification date	August 14, 2023	June 29, 2023	May 25, 2023	November 16, 2022
Units redeemed/repurchased	8,286,650	2,560,000	5,500,000	6,900,000
Redemption/repurchase price per unit, including accrued distributions	$ 32.59	$ 32.18	$ 31.88	$ 32.73
Redemption/repurchase price, including accrued distributions	$ 270,062	$ 82,381	$ 175,340	$ 225,837
Accrued distributions	7,126	1,152	825	3,450
Net Redemption/Repurchase Price	$ 262,936	$ 81,229	$ 174,515	$ 222,387
Carrying value at notification date	$ 230,461	$ 71,210	$ 152,467	$ 188,005
Net Redemption/Repurchase Price	262,936	81,229	174,515	222,387
Loss to common limited partners attributable to redemption/repurchase	$ (32,475)	$ (10,019)	$ (22,048)	$ (34,382)

For the years ended December 31, 2023 and 2022, we recorded losses of $0.55 and $0.31 per common unit, respectively, attributable to the Series D Preferred Unit redemptions and repurchase.

Distributions

Distributions on the Series D Preferred Units were payable out of any legally available funds, accrued and were cumulative from the issuance dates and were payable on the 15th day (or next business day) of each of March, June, September and December, beginning September 17, 2018, to holders of record on the first business day of each payment month. The distribution rates on the Series D Preferred Units were as follows: (i) 9.75% per annum ($0.619 per unit per distribution period) for the first two years; (ii) 10.75% per annum ($0.682 per unit per distribution period) for years three through five; and (iii) the greater of 13.75% per annum ($0.872 per unit per distribution period) or the distribution per common unit thereafter. While the Series D Preferred Units were outstanding, we were 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) had been, or contemporaneously were being, paid or set aside for payment through the most recent Series D Preferred Unit distribution payment date.

The distribution rate on the Series D Preferred Units increased on June 15, 2023, to the greater of 13.75% per annum ($0.872 per unit per distribution period) or the distribution per common unit. The total distribution for the applicable periods in the table below excludes amounts reported in “Interest expense, net” as described above under “Redemptions and Repurchase.”

Distribution information on the Series D Preferred Units was as follows:

Distribution Period	Distribution Rate per Unit	Total Distribution (Thousands of Dollars)
June 15, 2023 - September 12, 2023	$ 0.872	$ 5,134
March 15, 2023 - June 14, 2023	$ 0.682	$ 10,315
December 15, 2022 - March 14, 2023	$ 0.682	$ 11,148
September 15, 2022 - December 14, 2022	$ 0.682	$ 14,337
June 15, 2022 - September 14, 2022	$ 0.682	$ 15,854
March 15, 2022 - June 14, 2022	$ 0.682	$ 15,854
December 15, 2021 - March 14, 2022	$ 0.682	$ 15,854

Accounting Treatment
The Series D Preferred Units included redemption provisions at the option of the holders of the Series D Preferred Units and upon a Series D Change of Control (as defined in the partnership agreement), which were outside the Partnership's control. Therefore, the Series D Preferred Units were presented in the mezzanine section of the consolidated balance sheets. The Series D Preferred Units were recorded at their issuance date fair value, net of issuance costs.

The Series D Preferred Units were subject to accretion from their carrying value at the issuance date to the redemption value of $29.19 per Series D Preferred Unit, which was based on the redemption right of the Series D Preferred Unit holders that may have been exercised at any time on or after June 29, 2028, using the effective interest method over a period of ten years. In the calculation of net income per unit, the accretion was treated in the same manner as a distribution and deducted from net income to arrive at net income attributable to common units.

18. PARTNERS' EQUITY

Series A, B and C Preferred Units
Information on 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) issued and outstanding as of December 31, 2023 is shown below:

Units	Original Issuance Date	Units Issued and Outstanding	Price per Unit	Fixed Distribution Rate per Unit per Annum	Fixed Distribution per Annum	Optional Redemption Date/Date When Distribution Rate Became Floating	Floating Annual Rate (as a Percentage of the $25.00 Liquidation Preference per Unit)
					(Thousands of Dollars)		
Series A Preferred Units	November 25, 2016	9,060,000	$ 25.00	$ 2.125	$ 19,252	December 15, 2021	Three-month LIBOR[(a)] plus 6.766%
Series B Preferred Units	April 28, 2017	15,400,000	$ 25.00	$ 1.90625	$ 29,357	June 15, 2022	Three-month LIBOR[(a)] plus 5.643%
Series C Preferred Units	November 30, 2017	6,900,000	$ 25.00	$ 2.25	$ 15,525	December 15, 2022	Three-month LIBOR[(a)] plus 6.88%

(a) Beginning with the distribution period starting on September 15, 2023, LIBOR was replaced with the corresponding CME Term SOFR plus the applicable tenor spread adjustment of 0.26161%.

Distributions on the 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 the 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 Series A, B and C Preferred Units rank equal to each other (and to the Series D Preferred Units prior to their redemption/repurchase) and senior to all our other classes of equity securities with respect to distribution rights and rights upon liquidation.

On January 25, 2024, our Board of Directors declared quarterly distributions with respect to the Series A, B and C Preferred Units to be paid on March 15, 2024 to holders of record as of March 1, 2024.

Distribution information on our Series A, B and C Preferred Units is as follows (thousands of dollars, except per unit data):

	Series A Preferred Units		Series B Preferred Units		Series C Preferred Units	
Distribution Period	Distribution Rate per Unit	Total Distribution	Distribution Rate per Unit	Total Distribution	Distribution Rate per Unit	Total Distribution
December 15, 2023 - March 14, 2024	$ 0.77533	$ 7,024	$ 0.70515	$ 10,859	$ 0.78246	$ 5,399
September 15, 2023 - December 14, 2023	$ 0.77736	$ 7,043	$ 0.70717	$ 10,890	$ 0.78448	$ 5,413
June 15, 2023 - September 14, 2023	$ 0.76715	$ 6,950	$ 0.69696	$ 10,733	$ 0.77428	$ 5,343
March 15, 2023 - June 14, 2023	$ 0.73169	$ 6,629	$ 0.66150	$ 10,187	$ 0.73881	$ 5,098
December 15, 2022 - March 14, 2023	$ 0.71889	$ 6,513	$ 0.64871	$ 9,990	$ 0.72602	$ 5,010
September 15, 2022 - December 14, 2022	$ 0.64059	$ 5,804	$ 0.57040	$ 8,784	$ 0.56250	$ 3,881
June 15, 2022 - September 14, 2022	$ 0.54808	$ 4,966	$ 0.47789	$ 7,360	$ 0.56250	$ 3,881
March 15, 2022 - June 14, 2022	$ 0.47817	$ 4,332	$ 0.47657	$ 7,339	$ 0.56250	$ 3,881
December 15, 2021 - March 14, 2022	$ 0.43606	$ 3,951	$ 0.47657	$ 7,339	$ 0.56250	$ 3,881

We may redeem any of our outstanding Series A, B and C Preferred Units at any time on or after the optional redemption date set forth above for each series of the Series A, B and C Preferred Units, in whole or in part, at a redemption price of $25.00 per unit plus an amount equal to all accumulated and unpaid distributions to, but not including, the date of redemption, whether or not declared. We may also redeem the Series A, B and C Preferred Units upon the occurrence of certain rating events or a change of control as defined in our partnership agreement. In the case of the latter instance, if we choose not to redeem the Series A, B and C Preferred Units, those preferred unitholders may have the ability to convert their Series A, B and C Preferred Units to common units at the then-applicable conversion rate, which are subject to caps of 1.0915, 1.04297 and 1.7928, respectively. Holders of the Series A, B and C Preferred Units have no voting rights except for certain exceptions set forth in our partnership agreement.

Common Units

The following table shows the balance of and changes in the number of our common units outstanding:

	Year Ended December 31,		
	2023	2022	2021
Balance as of January 1	110,818,718	109,986,273	109,468,127
Issuance of units	14,950,000	—	—
Unit-based compensation (Note 22)	747,995	832,445	518,146
Balance as of December 31	126,516,713	110,818,718	109,986,273

Issuance of Common Units. On August 11, 2023, we issued 14,950,000 common units representing limited partner interests at a price of $15.35 per unit for proceeds of approximately $222.0 million, net of approximately $7.5 million of issuance costs. We used these proceeds to repay outstanding borrowings under our Revolving Credit Agreement.

Cash Distributions. We are required by our partnership agreement to make quarterly distributions to common limited partners of 100% of our Available Cash (as defined in our partnership agreement), which is generally defined as all cash receipts less cash disbursements, including distributions to our preferred unit holders, and cash reserves established by our general partner, in its sole discretion. We are required under our partnership agreement to declare and pay these quarterly distributions within
45 days subsequent to each quarter-end. The common unitholders will receive a distribution each quarter as determined by the Board of Directors, subject to limitation by distributions in arrears, if any, on our preferred units. On January 25, 2024, our Board of Directors declared distributions with respect to our common units for the quarter ended December 31, 2023.

The following table summarizes information about cash distributions to our common limited partners applicable to the period in which the distributions were earned:

Quarter Ended	Cash Distributions Per Unit	Total Cash Distributions	Record Date	Payment Date
		(Thousands of Dollars)		
December 31, 2023	$ 0.40	$ 50,607	February 7, 2024	February 13, 2024
September 30, 2023	0.40	50,358	November 7, 2023	November 14, 2023
June 30, 2023	0.40	44,363	August 8, 2023	August 14, 2023
March 31, 2023	0.40	44,396	May 8, 2023	May 12, 2023
Year ended December 31, 2023	$ 1.60	$ 189,724		
Year ended December 31, 2022	$ 1.60	$ 176,746		
Year ended December 31, 2021	$ 1.60	$ 175,470		

Accumulated Other Comprehensive Income (Loss)

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

	Foreign Currency Translation	Cash Flow Hedges	Pension and Other Postretirement Benefits	Total
		(Thousands of Dollars)		
Balance as of January 1, 2021	$ (42,362)	$ (42,150)	$ (12,144)	$ (96,656)
Other comprehensive income before reclassifications	601	—	17,721	18,322
Net gain reclassified into other income, net	—	—	(1,308)	(1,308)
Net loss reclassified into interest expense, net	—	5,664	—	5,664
Other comprehensive income	601	5,664	16,413	22,678
Balance as of December 31, 2021	(41,761)	(36,486)	4,269	(73,978)
Other comprehensive income (loss) before reclassifications	2,177	—	(516)	1,661
Sale of Point Tupper Terminal Operations reclassified into net income (Note 4)	39,646	—	—	39,646
Net gain reclassified into other income, net	—	—	(1,040)	(1,040)
Net loss reclassified into interest expense, net	—	2,106	—	2,106
Other comprehensive income (loss)	41,823	2,106	(1,556)	42,373
Balance as of December 31, 2022	62	(34,380)	2,713	(31,605)
Other comprehensive income before reclassifications	728	—	8,317	9,045
Net gain reclassified into other income, net	—	—	(2,946)	(2,946)
Net loss reclassified into interest expense, net	—	2,581	—	2,581
Other comprehensive income	728	2,581	5,371	8,680
Balance as of December 31, 2023	$ 790	$ (31,799)	$ 8,084	$ (22,925)

19. NET INCOME (LOSS) PER COMMON UNIT

The Series D Preferred Units contained certain unitholder conversion and redemption features, and we used the if-converted method to calculate the dilutive effect of the conversion or redemption feature that would have been most advantageous to the Series D preferred unitholders. The effect of the assumed conversion or redemption of the Series D Preferred Units outstanding, prior to their redemption and/or repurchase, was antidilutive for each of the years ended December 31, 2023, 2022 and 2021; therefore, we did not include such conversion or redemption 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 the performance measures will be achieved, unless to do so would be antidilutive. For the years ended December 31, 2023 and 2022, there were no performance unit awards outstanding. For the year ended December 31, 2021, we determined that it was probable that the performance measures would be achieved, but the effect would be antidilutive; therefore, we did not include any contingently issuable performance units as dilutive common units in the computation below.

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

	Year Ended December 31,		
	2023	2022	2021
	(Thousands of Dollars, Except Unit and Per Unit Data)		
Net income	$ 273,663	$ 222,747	$ 38,225
Distributions to preferred limited partners	(114,729)	(127,589)	(127,399)
Distributions to common limited partners	(189,724)	(176,746)	(175,470)
Distribution equivalent rights to restricted units	(2,685)	(2,534)	(2,396)
Distributions in excess of income	$ (33,475)	$ (84,122)	$ (267,040)
Distributions to common limited partners	$ 189,724	$ 176,746	$ 175,470
Allocation of distributions in excess of income to common limited partners	(33,475)	(84,122)	(267,040)
Series D Preferred Unit accretion	(7,171)	(18,538)	(16,903)
Series D Preferred Unit redemptions/repurchase	(64,542)	(34,382)	—
Net income (loss) attributable to common units	$ 84,536	$ 39,704	$ (108,473)
Basic and diluted weighted-average common units outstanding	116,851,373	110,341,206	109,585,635
Basic and diluted net income (loss) per common unit	$ 0.72	$ 0.36	$ (0.99)

20. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in current assets and current liabilities were as follows:

	Year Ended December 31,		
	2023	2022	2021
	(Thousands of Dollars)		
Decrease (increase) in current assets:			
Accounts receivable	$ 1,923	$ (6,762)	$ (2,105)
Inventories	(3,226)	836	(5,585)
Prepaid and other current assets	(5,833)	768	(1,710)
Increase (decrease) in current liabilities:			
Accounts payable	534	(2,960)	10,202
Accrued interest payable	2,368	3,468	(16,708)
Accrued liabilities	13,642	9,018	4,448
Taxes other than income tax	1,210	(3,631)	(2,689)
Changes in current assets and current liabilities	$ 10,618	$ 737	$ (14,147)

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;
- the effect of accrued compensation expense paid with fully vested common unit awards; and
- current assets and current liabilities disposed of during the period.

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

	Year Ended December 31,		
	2023	2022	2021
	(Thousands of Dollars)		
Cash paid for interest, net of amount capitalized	$ 229,528	$ 195,697	$ 218,181
Cash paid for income taxes, net of tax refunds received	$ 2,188	$ 4,368	$ 5,491

Restricted cash 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:

	December 31,	
	2023	2022
	(Thousands of Dollars)	
Cash and cash equivalents	$ 2,765	$ 14,489
Other long-term assets, net	9,251	8,888
Cash, cash equivalents and restricted cash	$ 12,016	$ 23,377

21. EMPLOYEE BENEFIT PLANS

Thrift Plans

The NuStar Thrift Plan (the Thrift Plan) is a qualified defined contribution plan that became effective June 26, 2006. Participation in the Thrift Plan is voluntary and open to substantially all our domestic employees upon their dates of hire. Thrift Plan participants can contribute from 1% up to 30% of their total annual compensation to the Thrift Plan in the form of pre-tax and/or after-tax employee contributions. We make matching contributions in an amount equal to 100% of each participant's employee contributions up to a maximum of 6% of the participant's total annual compensation. The matching contributions to the Thrift Plan for the years ended December 31, 2023, 2022 and 2021 totaled $7.3 million, $7.3 million and $7.6 million, respectively.

The NuStar Excess Thrift Plan (the Excess Thrift Plan) is a nonqualified deferred compensation plan that became effective July 1, 2006. The Excess Thrift Plan provides benefits to those employees whose compensation and/or annual contributions under the Thrift Plan are subject to the limitations applicable to qualified retirement plans under the Code.

Pension and Other Postretirement Benefits

The NuStar Pension Plan (the Pension Plan) is a qualified non-contributory defined benefit pension plan that provides eligible U.S. employees with retirement income as calculated under a cash balance formula. Under the cash balance formula, benefits are determined based on age, years of vesting service and interest credits, and employees become fully vested in their benefits upon attaining three years of vesting service. Prior to January 1, 2014, eligible employees were covered under either a cash balance formula or a final average pay formula (FAP). The Pension Plan was amended to freeze the FAP benefits as of December 31, 2013, and effective January 1, 2014, eligible employees are covered under the cash balance formula discussed above.

We also maintain an excess pension plan (the Excess Pension Plan), which is a nonqualified deferred compensation plan that provides benefits to a select group of management or other highly compensated employees. Neither the Excess Thrift Plan nor the Excess Pension Plan is intended to constitute either a qualified plan under the provisions of Section 401 of the Code or a funded plan subject to the Employee Retirement Income Security Act.

The Pension Plan and Excess Pension Plan are collectively referred to as the Pension Plans in the tables and discussion below. Our other postretirement benefit plans include a contributory medical benefits plan for U.S. employees who retired prior to April 1, 2014 and, for employees who retire on or after April 1, 2014, a partial reimbursement for eligible third-party health care premiums. We use December 31 as the measurement date for our pension and other postretirement plans.

The changes in the benefit obligation, the changes in fair value of plan assets, the funded status and the amounts recognized in the consolidated balance sheets for our Pension Plans and other postretirement benefit plans as of and for the years ended December 31, 2023 and 2022 were as follows:

	Pension Plans		Other Postretirement Benefit Plans	
	2023	2022	2023	2022
	(Thousands of Dollars)			
Change in benefit obligation:				
Benefit obligation as of January 1	$ 144,311	$ 179,907	$ 11,983	$ 16,270
Service cost	9,041	9,752	359	605
Interest cost	7,224	4,619	602	423
Benefits paid (a)	(8,962)	(15,949)	(532)	(603)
Participant contributions	—	—	71	66
Actuarial loss (gain)	6,999	(34,221)	404	(4,778)
Other	—	203	—	—
Benefit obligation as of December 31	$ 158,613	$ 144,311	$ 12,887	$ 11,983
Change in plan assets:				
Plan assets at fair value as of January 1	$ 148,496	$ 189,838	$ —	$ —
Actual return on plan assets	25,448	(30,405)	—	—
Employer contributions	11,203	5,012	461	537
Benefits paid (a)	(8,962)	(15,949)	(532)	(603)
Participant contributions	—	—	71	66
Plan assets at fair value as of December 31	$ 176,185	$ 148,496	$ —	$ —
Reconciliation of funded status as of December 31:				
Fair value of plan assets	$ 176,185	$ 148,496	$ —	$ —
Less: Benefit obligation	158,613	144,311	12,887	11,983
Funded status	$ 17,572	$ 4,185	$ (12,887)	$ (11,983)
Amounts recognized in the consolidated balance sheets as of December 31 (b):				
Other long-term assets, net	$ 22,720	$ 9,130	$ —	$ —
Accrued liabilities	(648)	(552)	(580)	(507)
Other long-term liabilities	(4,500)	(4,393)	(12,307)	(11,476)
Net pension asset (liability)	$ 17,572	$ 4,185	$ (12,887)	$ (11,983)
Accumulated benefit obligation	$ 153,318	$ 141,517	$ 12,887	$ 11,983

(a) Benefit payments for the year ended December 31, 2022 include lump-sum payments of $2.9 million to participants of the Pension Plans following the Eastern U.S. Terminals Disposition, as discussed in Note 4.

(b) For the Pension Plan, since assets exceed the present value of expected benefit payments for the next 12 months, the asset is noncurrent. For the Excess Pension Plan and the other postretirement benefit plans, since there are no assets, the current liability is the present value of expected benefit payments for the next 12 months; the remainder is noncurrent.

The actuarial loss (gain) related to the benefit obligation for our pension plans was primarily attributable to a decrease in the discount rates used to determine the benefit obligation from 5.26% to 5.08% in 2023 and an increase from 3.10% to 5.26% in 2022. The fair value of our plan assets is affected by the return on plan assets resulting primarily from the performance of equity and bond markets during the period.

The Excess Pension Plan has no plan assets and an accumulated benefit obligation of $4.8 million and $4.6 million as of December 31, 2023 and 2022, respectively. The accumulated benefit obligation is the present value of benefits earned to date, while the projected benefit obligation may include future salary increase assumptions. The projected benefit obligation for the Excess Pension Plan was $5.1 million and $4.9 million as of December 31, 2023 and 2022, respectively.

The components of net periodic benefit cost (income) related to our Pension Plans and other postretirement benefit plans were as follows:

	Pension Plans			Other Postretirement Benefit Plans		
	Year Ended December 31,			Year Ended December 31,		
	2023	2022	2021	2023	2022	2021
	(Thousands of Dollars)					
Service cost	$ 9,041	$ 9,752	$ 9,978	$ 359	$ 605	$ 593
Interest cost	7,224	4,619	4,084	602	423	326
Expected return on plan assets	(9,660)	(9,087)	(9,233)	—	—	—
Amortization of prior service credit	(1,876)	(1,876)	(2,057)	(1,145)	(1,145)	(1,145)
Amortization of net actuarial loss	75	1,129	2,279	—	209	176
Other	—	846	(561)	—	—	—
Net periodic benefit cost (income)	$ 4,804	$ 5,383	$ 4,490	$ (184)	$ 92	$ (50)

We amortize prior service costs and credits on a straight-line basis over the average remaining service period of employees expected to receive benefits under our Pension Plans and other postretirement benefit plans ("Amortization of prior service credit" in table above). We amortize the actuarial gains and losses that exceed 10% of the greater of the projected benefit obligation or market-related value of plan assets (smoothed asset value) over the average remaining service period of active employees expected to receive benefits under our Pension Plans and other postretirement benefit plans ("Amortization of net actuarial loss" in table above).

The service cost component of net periodic benefit cost (income) is reported in "General and administrative expenses" and "Operating expenses" on the consolidated statements of income, and the remaining components of net periodic benefit cost (income) are reported in "Other income, net."

Adjustments to other comprehensive income related to our Pension Plans and other postretirement benefit plans were as follows:

	Pension Plans			Other Postretirement Benefit Plans		
	Year Ended December 31,			Year Ended December 31,		
	2023	2022	2021	2023	2022	2021
	(Thousands of Dollars)					
Net unrecognized gain (loss) arising during the year:						
Net actuarial gain (loss)	$ 8,790	$ (5,271)	$ 18,666	$ (404)	$ 4,779	$ (884)
Net (gain) loss reclassified into income:						
Amortization of prior service credit	(1,876)	(1,876)	(2,057)	(1,145)	(1,145)	(1,145)
Amortization of net actuarial loss	75	1,129	2,279	—	209	176
Other	—	643	(561)	—	—	—
Net gain reclassified into income	(1,801)	(104)	(339)	(1,145)	(936)	(969)
Income tax expense	(69)	(24)	(61)	—	—	—
Total changes to other comprehensive income	$ 6,920	$ (5,399)	$ 18,266	$ (1,549)	$ 3,843	$ (1,853)

The amounts recorded as a component of "Accumulated other comprehensive loss" on the consolidated balance sheets related to our Pension Plans and other postretirement benefit plans were as follows:

	Pension Plans		Other Postretirement Benefit Plans	
	December 31,		December 31,	
	2023	2022	2023	2022
	(Thousands of Dollars)			
Unrecognized actuarial gain (loss)	$ 1,618	$ (7,247)	$ 30	$ 434
Prior service credit	3,878	5,754	2,594	3,739
Other	(36)	33	—	—
Accumulated other comprehensive income (loss), net of tax	$ 5,460	$ (1,460)	$ 2,624	$ 4,173

Investment Policies and Strategies

The investment policies and strategies for the assets of our qualified Pension Plan incorporate a well-diversified approach that is expected to earn long-term returns from capital appreciation and a growing stream of current income. This approach recognizes that assets are exposed to risk, and the market value of the Pension Plan's assets may fluctuate from year to year. Risk tolerance is determined based on our financial ability to withstand risk within the investment program and the willingness to accept return volatility. In line with the investment return objective and risk parameters, the Pension Plan's mix of assets includes a diversified portfolio of equity and fixed-income instruments. The aggregate asset allocation is reviewed on an annual basis. As of December 31, 2023, the target allocations for plan assets were approximately 65% equity securities and 35% fixed income investments, with certain fluctuations permitted.

The overall expected long-term rate of return on plan assets for the Pension Plan is estimated using various models of asset returns. Model assumptions are derived using historical data with the assumption that capital markets are informationally efficient. Three models are used to derive the long-term expected returns for each asset class. Since each method has distinct advantages and disadvantages and differing results, an equal weighted average of the methods' results is used.

Fair Value of Plan Assets

We disclose the fair value for each major class of plan assets in the Pension Plan in three levels: Level 1, defined as observable inputs such as quoted prices for identical assets or liabilities in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in markets that are not active; and Level 3, defined as unobservable inputs for which little or no market data exists.

The major classes of plan assets measured at fair value for the Pension Plan were as follows:

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	(Thousands of Dollars)			
Cash equivalent securities	$ 373	$ —	$ —	$ 373
Equity securities:				
U.S. large cap equity fund (a)	—	99,301	—	99,301
International stock index fund (b)	17,715	—	—	17,715
Fixed income securities:				
Bond market index fund (c)	58,796	—	—	58,796
Total	$ 76,884	$ 99,301	$ —	$ 176,185

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
	(Thousands of Dollars)			
Cash equivalent securities	$ 789	$ —	$ —	$ 789
Equity securities:				
U.S. large cap equity fund (a)	—	81,754	—	81,754
International stock index fund (b)	14,836	—	—	14,836
Fixed income securities:				
Bond market index fund (c)	51,117	—	—	51,117
Total	$ 66,742	$ 81,754	$ —	$ 148,496

(a) This fund is a low-cost equity index fund not actively managed that tracks the S&P 500. Fair values were estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.

(b) This fund tracks the performance of the Total International Composite Index.

(c) This fund tracks the performance of the Barclays Capital U.S. Aggregate Bond Index.

Contributions to the Pension Plans

For the year ended December 31, 2023, we contributed $11.2 million and $0.5 million to our Pension Plan and other postretirement benefit plans, respectively. During 2024, we expect to contribute approximately $9.6 million and $0.6 million to the Pension Plans and other postretirement benefit plans, respectively. We will monitor our funding status in 2024 to determine if any contributions are required by regulations or laws, or with respect to unfunded plans, necessary to fund current benefits.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the years ending December 31:

	Pension Plans	Other Postretirement Benefit Plans
	(Thousands of Dollars)	
2024	$ 10,023	$ 580
2025	$ 11,151	$ 621
2026	$ 11,286	$ 665
2027	$ 11,619	$ 708
2028	$ 12,339	$ 753
2029-2033	$ 69,178	$ 4,363

Assumptions

The discount rate is based on a hypothetical yield curve represented by a series of annualized individual discount rates. Each bond issue underlying the hypothetical yield curve required an average rating of double-A, when averaging all available ratings by Moody’s Investor Service Inc., S&P Global Ratings and Fitch Ratings. The expected long-term rate of return on plan assets is based on the weighted averages of the expected long-term rates of return for each asset class of investments held in our plans as determined using historical data and the assumption that capital markets are informationally efficient. The expected rate of compensation increase represents average long-term salary increases.

The weighted-average assumptions used to determine the benefit obligations were as follows:

	Pension Plans		Other Postretirement Benefit Plans	
	December 31,		December 31,	
	2023	2022	2023	2022
Discount rate	5.08 %	5.26 %	5.06 %	5.25 %
Rate of compensation increase	3.99 %	3.99 %	n/a	n/a
Cash balance interest crediting rate	3.58 %	3.76 %	n/a	n/a

The weighted-average assumptions used to determine the net periodic benefit cost (income) were as follows:

	Pension Plans			Other Postretirement Benefit Plans		
	Year Ended December 31,			Year Ended December 31,		
	2023	2022	2021	2023	2022	2021
Discount rate	5.26 %	3.10 %	2.84 %	5.25 %	3.08 %	2.83 %
Expected long-term rate of return on plan assets	6.50 %	6.00 %	6.00 %	n/a	n/a	n/a
Rate of compensation increase	3.99 %	3.99 %	3.51 %	n/a	n/a	n/a
Cash balance interest crediting rate	3.76 %	2.00 %	2.00 %	n/a	n/a	n/a

We sponsor a contributory postretirement health care plan for employees who retired prior to April 1, 2014. The plan has an annual limitation (a cap) on the increase of the employer's share of the cost of covered benefits. The cap on the increase in employer's cost is 2.5% per year. The assumed health care cost trend rates were as follows:

	December 31,	
	2023	2022
Health care cost trend rate assumed for next year	6.88 %	7.00 %
Rate to which the cost trend rate was assumed to decrease (the ultimate trend rate)	5.00 %	5.00 %
Year that the rate reaches the ultimate trend rate	2032	2032

22. UNIT-BASED COMPENSATION

Overview

2019 LTIP. In April 2019, our common unitholders approved the 2019 Long-Term Incentive Plan (2019 LTIP) for eligible employees, consultants and directors of NuStar Energy L.P., and of NuStar GP, LLC, and their respective affiliates who perform services for us and our subsidiaries. The 2019 LTIP allows for the awarding of (i) options; (ii) restricted units;
(iii) distribution equivalent rights (DERs); (iv) performance cash; (v) performance units; and (vi) unit awards. DERs entitle the participant to receive cash equal to cash distributions made on any award prior to its vesting. The 2019 LTIP, as amended and restated on April 27, 2023, permits the granting of awards totaling an aggregate of 7,500,000 common units, subject to adjustment as provided by the terms of the 2019 LTIP. The 2019 LTIP generally will be administered by the compensation committee of our Board of Directors. As of December 31, 2023, a total of 2,651,315 common units remained available to be awarded under the 2019 LTIP.

Other Plans. We sponsor the NuStar GP, LLC Fifth Amended and Restated 2000 Long-Term Incentive Plan, as amended (2000 LTIP), and the NuStar GP Holdings, LLC Long-Term Incentive Plan, as amended (2006 LTIP). Effective with the approval of the 2019 LTIP in April 2019, the 2000 LTIP and the 2006 LTIP terminated with respect to new grants; however, unvested restricted unit awards granted under the 2000 LTIP and the 2006 LTIP remain outstanding as of December 31, 2023.

The following table summarizes information pertaining to all our long-term incentive plans:

	Units Outstanding December 31,			Compensation Expense Year Ended December 31,		
	2023	2022	2021	2023	2022	2021
				(Thousands of Dollars)		
Restricted units:						
Domestic employees	3,017,060	2,859,189	2,520,436	$ 14,580	$ 12,759	$ 11,892
Non-employee directors (NEDs)	143,374	133,604	129,312	967	1,021	856
International employees	—	—	21,760	—	(20)	139
Performance awards	—	—	33,695	2,815	2,442	3,047
Unit awards	—	—	—	—	—	4,645
Total	3,160,434	2,992,793	2,705,203	$ 18,362	$ 16,202	$ 20,579

Common units issued under our long-term incentive plans, net of employee tax withholding requirements, were as follows:

	Year Ended December 31,		
	2023	2022	2021
Restricted units	661,050	531,637	460,076
Performance awards	86,945	114,618	58,070
Unit awards	—	186,190	—
Total	747,995	832,445	518,146

Restricted Units

Our restricted unit awards are considered phantom units, as they represent the right to receive our common units upon vesting. We account for restricted units as either equity-classified awards or liability-classified awards, depending on expected method of settlement. Awards we settle with the issuance of common units upon vesting are equity-classified. Awards we settle in cash upon vesting are liability-classified. We record compensation expense ratably over the vesting period based on the fair value of the common units at the grant date (for domestic employees and NEDs), or, prior to the sale of our Point Tupper Terminal Operations on April 29, 2022, the fair value of the common units measured at each reporting period (for international employees). DERs paid with respect to outstanding equity-classified unvested restricted units reduce equity, similar to cash distributions to unitholders, whereas DERs paid with respect to outstanding liability-classified unvested restricted units were expensed prior to the sale of our Point Tupper Terminal Operations on April 29, 2022. In connection with the DERs for equity awards, we paid $2.7 million, $2.5 million and $2.4 million respectively, in cash, for the years ended December 31, 2023, 2022 and 2021.

Domestic Employees. The outstanding restricted units granted to domestic employees are equity-classified awards and generally vest over five years, beginning one year after the grant date. The fair value of these awards is measured at the grant date.

Non-Employee Directors. The outstanding restricted units granted to NEDs are equity-classified awards that vest over three years. The fair value of these awards is measured at the grant date.

International Employees. Prior to the sale of our Point Tupper Terminal Operations on April 29, 2022, the outstanding restricted units granted to international employees were cash-settled and accounted for as liability-classified awards. These awards vested over three years and the fair value was equal to the market price of our common units at each reporting period. For the year ended December 31, 2022, 11,364 restricted units vested, and 10,396 restricted units were forfeited related to our international employees.

A summary of our equity-classified restricted unit awards is as follows:

	Measured at Grant Date Fair Value	
	Number of Units	Weighted-Average Fair Value Per Unit
Nonvested units as of January 1, 2021	2,333,894	$ 17.70
Granted	1,049,081	16.28
Vested	(630,888)	20.07
Forfeited	(102,339)	14.28
Nonvested units as of December 31, 2021	2,649,748	16.57
Granted	1,206,824	16.09
Vested	(738,701)	17.79
Forfeited	(125,078)	16.23
Nonvested units as of December 31, 2022	2,992,793	16.08
Granted	1,112,965	17.49
Vested	(921,890)	16.81
Forfeited	(23,434)	15.93
Nonvested units as of December 31, 2023	3,160,434	16.39

The total fair value of our equity-classified restricted unit awards vested for the years ended December 31, 2023, 2022 and 2021 was $16.1 million, $11.9 million and $10.3 million, respectively. We issued 661,050, 531,637 and 460,076 common units in connection with these award vestings, net of employee tax withholding requirements, for the years ended December 31, 2023, 2022 and 2021, respectively. Unrecognized compensation cost related to our equity-classified employee awards totaled $49.2 million as of December 31, 2023, which we expect to recognize over a weighted-average period of 3.6 years.

Performance Awards

Performance awards are issued to certain of our key employees and represent either rights to receive our common units or cash upon achieving performance measures for the performance period established by the NuStar GP, LLC Compensation Committee (the Compensation Committee). Achievement of the performance measures determines the rate at which the performance awards convert into our common units or cash, which ranges from zero to 200% for certain awards.

Performance awards vest in three annual increments (tranches), based upon our achievement of the performance measures set by the Compensation Committee during the performance periods that end on December 31 of each applicable year. Therefore, the performance awards are not considered granted for accounting purposes until the Compensation Committee has set the performance measures for each tranche of awards. Performance unit awards are equity-classified awards measured at the grant date fair value. In addition, since the performance unit awards granted do not receive DERs, the grant date fair value of these awards is reduced by the per unit distributions expected to be paid to common unitholders during the vesting period. Performance cash awards are accounted for as a liability but may be settled in common units. We record compensation expense ratably for each vesting tranche over its requisite service period (one year) if it is probable that the specified performance measures will be achieved. Additionally, changes in the actual or estimated outcomes that affect the quantity of performance awards expected to be converted into common units or paid in cash, are recognized as a cumulative adjustment. Performance units vested relate to the performance for the performance period ended December 31 of the previous year.

A summary of our performance awards is shown below:

		Performance Unit Awards		
			Granted for Accounting Purposes	
	Performance Cash Awards	Total Performance Unit Awards Granted	Performance Unit Awards	Weighted-Average Grant Date Fair Value per Unit
	(Thousands of Dollars)			
Outstanding as of January 1, 2021	$ 2,167	87,122	57,448	$ 13.21
Granted	2,254	4,021	33,695	15.79
Vested (a)	(672)	(53,427)	(53,427)	13.21
Forfeited	(51)	(4,021)	(4,021)	13.21
Outstanding as of December 31, 2021	3,698	33,695	33,695	15.79
Granted	2,954	—	—	—
Performance adjustment (b)	—	14,839	14,839	15.79
Vested (a)	(1,507)	(48,534)	(48,534)	15.79
Outstanding as of December 31, 2022	5,145	—	—	—
Granted	3,287	—	—	—
Vested (a)	(2,575)	—	—	—
Forfeited	(141)	—	—	—
Outstanding as of December 31, 2023	$ 5,716	—	—	—

(a) For the years ended December 31, 2023, 2022 and 2021, we settled performance cash awards with 149,608, 137,931 and 43,733 common units, respectively, and issued 86,945, 84,778 and 26,704 common units, net of employee tax withholding requirements, respectively.

(b) For the year ended December 31, 2022, common units granted and issued upon vesting resulted from performance units earned at 150% of the 2021 target.

The total fair value of our performance unit awards vested for the years ended December 31, 2022 and 2021 was $0.8 million and $0.8 million, respectively. For the years ended December 31, 2022 and 2021 we issued 29,840 and 31,366 common units in connection with the performance unit award vestings, net of employee tax withholding requirements, respectively. In January 2024, we settled performance cash awards, net of employee tax withholding requirements, in cash for $1.6 million.

Unit Awards

Unit awards are equity-classified awards of fully vested common units. We accrued compensation expense in 2021 that was paid in unit awards in the first quarter of 2022. We base the number of unit awards granted on the fair value of the common units at the grant date. A summary of our unit awards is shown below:

Date of Grant	Grant Date Fair Value	Unit Awards Granted	Common Units Issued, Net of Employee Withholding Tax
	(Thousands of Dollars)		
February 2022	$ 4,645	280,685	186,190

23. INCOME TAXES

Components of income tax expense related to certain of our operations conducted through separate taxable wholly owned corporate subsidiaries were as follows:

	Year Ended December 31,		
	2023	2022	2021
	(Thousands of Dollars)		
Current:			
U.S.	$ 4,292	$ 3,558	$ 3,755
Foreign	—	272	221
Foreign withholding tax	519	355	1,281
Total current	4,811	4,185	5,257
Deferred:			
U.S.	601	341	(93)
Foreign	—	(1,287)	(531)
Foreign withholding tax	—	—	(745)
Total deferred	601	(946)	(1,369)
Income tax expense	$ 5,412	$ 3,239	$ 3,888

The difference between income tax expense recorded in our consolidated statements of income and income taxes computed by applying the applicable statutory federal income tax rate to income before income tax expense is due to the fact that the majority of our income is not subject to federal income tax due to our status as a limited partnership. We record a tax provision related to the amount of undistributed earnings of our foreign subsidiaries expected to be repatriated.

The tax effects of significant temporary differences representing deferred income tax assets and liabilities were as follows:

	December 31,	
	2023	2022
	(Thousands of Dollars)	
Deferred income tax assets:		
Net operating losses	$ 19,340	$ 17,710
Capital loss	3,714	3,714
Other	701	793
Total deferred income tax assets	23,755	22,217
Less: Valuation allowance	(22,866)	(21,573)
Net deferred income tax assets	889	644
Deferred income tax liabilities:		
Property, plant and equipment	(4,420)	(3,534)
Foreign withholding tax	(330)	(286)
Other	(72)	(43)
Total deferred income tax liabilities	(4,822)	(3,863)
Net deferred income tax liability	$ (3,933)	$ (3,219)

As of December 31, 2023, our U.S. and foreign corporate operations have net operating loss carryforwards for tax purposes totaling $49.2 million and $30.1 million, respectively, which are subject to various limitations on use and expire in years 2032 through 2034 for U.S. losses and in years 2024 through 2034 for foreign losses. However, U.S. losses generated after
December 31, 2017, totaling $5.1 million, can be carried forward indefinitely. As of December 31, 2023, our U.S. corporate operations have a capital loss carryforward for tax purposes totaling $17.7 million, which is subject to limitations on use and expires in 2024.

As of December 31, 2023 and 2022, we have a valuation allowance of $22.9 million and $21.6 million, respectively, related to our deferred tax assets on net operating losses and capital losses. We estimate the amount of valuation allowance based upon our expectations of taxable income in the various jurisdictions in which we operate and the period over which we can utilize those future deductions. The valuation allowance reflects uncertainties related to our ability to utilize certain net operating loss carryforwards before they expire. In 2023, there was a $0.4 million decrease in the valuation allowance for the U.S. net operating loss and a $1.7 million increase in the foreign net operating loss valuation allowance due to changes in our estimates of the amount of loss carryforwards that will be realized, based upon future taxable income.

The realization of net deferred income tax assets recorded as of December 31, 2023 is dependent upon our ability to generate future taxable income in the United States. We believe it is more likely than not that the net deferred income tax assets as of December 31, 2023 will be realized, based on expected future taxable income.

24. 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, 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. We are primarily engaged in the transportation, terminalling and storage of petroleum products and renewable fuels and the transportation of anhydrous ammonia. We also market petroleum products.

Results of operations for the reportable segments were as follows:

	Year Ended December 31,		
	2023	2022	2021
		(Thousands of Dollars)	
Revenues:			
Pipeline	$ 873,869	$ 828,191	$ 762,238
Storage	319,599	334,549	427,668
Fuels marketing	440,725	520,486	428,608
Consolidation and intersegment eliminations	(6)	(3)	(14)
Total revenues	$ 1,634,187	$ 1,683,223	$ 1,618,500
Depreciation and amortization expense:			
Pipeline	$ 175,930	$ 178,802	$ 179,088
Storage	75,052	73,076	87,500
Segment depreciation and amortization expense	250,982	251,878	266,588
Other depreciation and amortization expense	4,728	7,358	7,792
Total depreciation and amortization expense	$ 255,710	$ 259,236	$ 274,380
Reconciliation of segment operating income to income before income tax expense:			
Pipeline	$ 483,188	$ 438,670	$ 321,472
Storage	87,609	61,081	24,800
Fuels marketing	32,926	33,536	11,181
Segment operating income	603,723	533,287	357,453
Gain on sale of assets	41,075	—	—
General and administrative expenses	129,846	117,116	113,207
Other depreciation and amortization expense	4,728	7,358	7,792
Operating income	510,224	408,813	236,454
Interest expense, net	(241,364)	(209,009)	(213,985)
Other income, net	10,215	26,182	19,644
Income before income tax expense	$ 279,075	$ 225,986	$ 42,113

Revenues by geographic area are shown in the table below:

	Year Ended December 31,		
	2023	2022	2021
		(Thousands of Dollars)	
United States	$ 1,628,215	$ 1,667,672	$ 1,582,672
Foreign	5,972	15,551	35,828
Total revenues	$ 1,634,187	$ 1,683,223	$ 1,618,500

For the years ended December 31, 2023, 2022 and 2021, Valero Energy Corporation accounted for approximately 22%, or $360.4 million, 18%, or $307.3 million, and 19%, or $308.5 million, of our revenues, respectively. These revenues were included in our pipeline and storage segments for the year ended December 31, 2023, and in all of our reportable business segments for the years ended December 31, 2022 and 2021. No other single customer accounted for 10% or more of our consolidated revenues.

Total amounts of property, plant and equipment, net by geographic area were as follows:

	December 31,	
	2023	2022
	(Thousands of Dollars)	
United States	$ 3,234,544	$ 3,359,427
Foreign	47,993	43,656
Property, plant and equipment, net	$ 3,282,537	$ 3,403,083

Total assets by reportable segment were as follows:

	December 31,	
	2023	2022
	(Thousands of Dollars)	
Pipeline	$ 3,292,546	$ 3,360,685
Storage	1,398,929	1,438,609
Fuels marketing	46,151	37,763
Total segment assets	4,737,626	4,837,057
Other partnership assets	158,766	136,629
Total assets	$ 4,896,392	$ 4,973,686

Capital expenditures by reportable segment were as follows:

	Year Ended December 31,		
	2023	2022	2021
	(Thousands of Dollars)		
Pipeline	$ 100,759	$ 90,430	$ 67,340
Storage	43,584	47,222	112,043
Other partnership assets	3,165	2,978	1,750
Capital expenditures	$ 147,508	$ 140,630	$ 181,133

25. SUBSEQUENT EVENT

On January 22, 2024, NuStar Energy entered into an Agreement and Plan of Merger (the Merger Agreement) with Sunoco LP, a Delaware limited partnership (Sunoco), Saturn Merger Sub, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of Sunoco (Merger Sub), Riverwalk Logistics, L.P., NuStar GP, LLC, and Sunoco GP LLC, a Delaware limited liability company and sole general partner of Sunoco (the Sunoco GP). The Merger Agreement provides that, among other things and on the terms and subject to the conditions set forth therein, Sunoco will acquire NuStar Energy in an all-equity transaction by means of a merger of Merger Sub with and into NuStar Energy (the Merger) with NuStar Energy surviving the Merger as a subsidiary of Sunoco.

On the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the Effective Time), each NuStar Energy common unit issued and outstanding immediately prior to the Effective Time will be converted into and shall thereafter represent the right to receive 0.400 of a common unit of Sunoco and, if applicable, cash in lieu of fractional units. In addition, prior to the Effective Time, we will declare and pay a special cash distribution to our common unitholders in the amount of $0.212 per common unit (the Special Distribution) (in addition to continuing to pay our quarterly distributions in the ordinary course, subject to certain conditions, until the Effective Time).

Each Series A, B and C Preferred Unit issued and outstanding immediately prior to the Effective Time will remain issued and outstanding from and after the Effective Time as limited partnership interests of the surviving entity having the same terms as are applicable to the applicable series of NuStar Energy preferred unit immediately prior to the Effective Time.

The completion of the Merger is subject to the fulfillment or waiver of certain conditions, including, among others: approval and adoption by NuStar Energy’s common unitholders of the Merger Agreement and the transactions contemplated thereby, including the Merger; expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; and the effectiveness of the registration statement on Form S-4 to be filed by Sunoco pursuant to which Sunoco common units to be issued in connection with the Merger are registered with the U.S. Securities and Exchange Commission (the SEC).

The Merger Agreement contains termination rights for each of NuStar Energy and Sunoco. Upon termination of the Merger Agreement under specified circumstances, including the termination by Sunoco in the event of an adverse recommendation change by our Board of Directors or by NuStar Energy to accept a Superior Proposal (as defined in the Merger Agreement), NuStar Energy would be required to pay Sunoco a termination fee of approximately $90.3 million.

Concurrently with the entry into the Merger Agreement, NuStar Energy and Sunoco entered into an agreement (the Support Agreement) with Energy Transfer LP (Energy Transfer), a Delaware limited partnership and the sole member of the Sunoco GP. The Support Agreement provides, among other things, that Energy Transfer will not transfer its ownership interest in the Sunoco GP, any of the Sunoco incentive distribution rights owned by it or any material portion of the Sunoco common units owned by it prior to the Effective Time. Energy Transfer has also agreed to be bound by the terms of the non-solicitation provisions in the Merger Agreement with respect to competing proposals for Sunoco and the Sunoco GP and to abide by certain covenants with respect to regulatory approvals, SEC filings, confidentiality and litigation, among other things.

The foregoing descriptions of the Merger Agreement and the Support Agreement and the transactions contemplated thereby, including the Merger, are summaries, do not purport to be complete and are qualified in their entirety by reference to the full text of the Merger Agreement and the Support Agreement.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

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 amended) as of the end of the period covered by this report, and has concluded that our disclosure controls and procedures were effective as of December 31, 2023.

INTERNAL CONTROL OVER FINANCIAL REPORTING

(a) Management's Report on Internal Control over Financial Reporting.

Management's report on NuStar Energy L.P.'s internal control over financial reporting appears in Item 8. "Financial Statements and Supplementary Data" of this Form 10-K, and is incorporated herein by reference.

(b) Attestation Report of the Registered Public Accounting Firm.

The report of KPMG LLP on NuStar Energy L.P.'s internal control over financial reporting appears in Item 8. "Financial Statements and Supplementary Data" of this Form 10-K, and is incorporated herein by reference.

(c) 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.

ITEM 9B. OTHER INFORMATION

(a) None.

(b) Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, provides an affirmative defense that enables prearranged transactions in securities in a manner that avoids concerns about initiating transactions at a future date while possibly in possession of material nonpublic information. Our Insider Trading Policy permits our directors and executive officers to enter into trading plans designed to comply with Rule 10b5-1. During the three-month period ending December 31, 2023, we did not adopt or terminate and none of our executive officers or directors adopted or terminated a Rule 10b5-1 trading plan or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required to be disclosed under this Item 10. is incorporated by reference to the following sections of our Proxy Statement for the 2024 annual meeting of unitholders (Proxy Statement), which is expected to be filed within 120 days after the end of the fiscal year covered by this Form 10-K: “Corporate Governance;” “Proposal No. 1 Election of Directors;” “Information About Our Executive Officers,” and “Compensation Discussion and Analysis–Compensation Related Policies.”

ITEM 11. EXECUTIVE COMPENSATION

Information required to be disclosed under this Item 11. is incorporated by reference to the following sections of our Proxy Statement: “Compensation Discussion and Analysis;” “Evaluation of Compensation Risk;” “Summary Compensation Table;” “Pay Ratio;” “Grants of Plan-Based Awards During the Year Ended December 31, 2023;” “Outstanding Equity Awards at December 31, 2023;” “Option Exercises and Units Vested During the Year Ended December 31, 2023;” “Pension Benefits for the Year Ended December 31, 2023;” “Nonqualified Deferred Compensation for the Year Ended December 31, 2023;” “Potential Payments Upon Termination or Change of Control;” “Pay Versus Performance;” “Director Compensation;” “Corporate Governance-Compensation Committee Interlocks and Insider Participation;” “Compensation Committee Report;” “Corporate Governance-Board Structure and Governance;” and “Corporate Governance–Committees of the Board.”

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED UNITHOLDER MATTERS

Information required to be disclosed under this Item 12. is incorporated by reference to the following sections of our Proxy Statement: “Security Ownership.”

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Information required to be disclosed under this Item 13. is incorporated by reference to the following sections of our Proxy Statement: “Corporate Governance-Director Independence;” “Corporate Governance–Board Structure and Governance;” and “Certain Relationships and Related Party Transactions.”

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our independent registered public accounting firm is KPMG LLP, San Antonio, Texas, Auditor Firm ID: 185.

Information required to be disclosed under this Item 14. is incorporated by reference to the following sections of our Proxy Statement: “KPMG Fees;” and “Audit Committee Pre-Approval Policy.”

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) **(1)** **Financial Statements**. The following consolidated financial statements of NuStar Energy L.P. and its subsidiaries are included in Part II, Item 8 of this Form 10-K:

(2) **Financial Statement Schedules and Other Financial Information.** No financial statement schedules are submitted because either they are inapplicable or because the required information is included in the consolidated financial statements or notes thereto.

(3) **Exhibits.**

The following are filed or furnished, as applicable, as part of this Form 10-K:

Exhibit Number	Description	Incorporated by Reference to the Following Document
2.01	Agreement and Plan of Merger, dated as of January 22, 2024, among Sunoco LP, Saturn Merger Sub, LLC, NuStar Energy L.P., NuStar GP, LLC, Riverwalk Logistics, L.P., and Sunoco GP LLC	NuStar Energy L.P.'s Current Report on Form 8-K filed January 22, 2024 (File No. 001-16417), Exhibit 2.01
3.01	Amended and Restated Certificate of Limited Partnership of Shamrock Logistics, L.P. (n/k/a NuStar Energy L.P.), effective January 1, 2002	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2001 (File No. 001-16417), Exhibit 3.3
3.02	Amendment to Certificate of Limited Partnership of Valero L.P. (n/k/a NuStar Energy L.P.), dated March 21, 2007 and effective April 1, 2007	NuStar Energy L.P.'s Current Report on Form 8-K filed March 27, 2007 (File No. 001-16417), Exhibit 3.01
3.03	Eighth Amended and Restated Agreement of Limited Partnership of NuStar Energy L.P., dated as of July 20, 2018	NuStar Energy L.P.'s Current Report on Form 8-K filed July 20, 2018 (File No. 001-16417), Exhibit 3.1
3.04	Amendment No. 1 to Eighth Amended and Restated Agreement of Limited Partnership of NuStar Energy L.P., dated as of January 22, 2024	NuStar Energy L.P.'s Current Report on Form 8-K filed January 22, 2024 (File No. 001-16417), Exhibit 2.01
3.05	Amended and Restated Certificate of Limited Partnership of Shamrock Logistics Operations, L.P. (n/k/a NuStar Logistics, L.P.), dated as of January 7, 2002 and effective January 8, 2002	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2001 (File No. 001-16417), Exhibit 3.8
3.06	Certificate of Amendment to Certificate of Limited Partnership of Valero Logistics Operations, L.P. (n/k/a NuStar Logistics, L.P.), dated March 21, 2007 and effective April 1, 2007	NuStar Energy L.P.'s Quarterly Report on Form 10-Q for quarter ended March 31, 2007 (File No. 001-16417), Exhibit 3.03
3.07	Certificate of Amendment to Certificate of Limited Partnership of NuStar Logistics, L.P., dated and effective as of March 18, 2014	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2014 (File No. 001-16417), Exhibit 3.09
3.08	Second Amended and Restated Agreement of Limited Partnership of Shamrock Logistics Operations, L.P. (n/k/a NuStar Logistics, L.P.), dated as of April 16, 2001	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2001 (File No. 001-16417), Exhibit 3.9
3.09	First Amendment to Second Amended and Restated Agreement of Limited Partnership of Shamrock Logistics Operations, L.P. (n/k/a NuStar Logistics, L.P.), effective as of April 16, 2001	NuStar Energy L.P.'s Quarterly Report on Form 10-Q for quarter ended June 30, 2001 (File No. 001-16417), Exhibit 4.1

Exhibit Number	Description	Incorporated by Reference to the Following Document
3.10	Second Amendment to Second Amended and Restated Agreement of Limited Partnership of Shamrock Logistics Operations, L.P. (n/k/a NuStar Logistics, L.P.), dated as of January 7, 2002	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2001 (File No. 001-16417), Exhibit 3.10
3.11	Certificate of Limited Partnership of Riverwalk Logistics, L.P., dated as of June 5, 2000	NuStar Energy L.P.'s Registration Statement on Form S-1 filed August 14, 2000 (File No. 333-43668), Exhibit 3.7
3.12	First Amended and Restated Limited Partnership Agreement of Riverwalk Logistics, L.P., dated as of April 16, 2001	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2001 (File No. 001-16417), Exhibit 3.16
3.13	Certificate of Formation of Shamrock Logistics GP, LLC (n/k/a NuStar GP, LLC), dated as of December 7, 1999	NuStar Energy L.P.'s Registration Statement on Form S-1 filed August 14, 2000 (File No. 333-43668), Exhibit 3.9
3.14	Certificate of Amendment to Certificate of Formation of Shamrock Logistics GP, LLC (n/k/a NuStar GP, LLC), dated as of December 31, 2001	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2001 (File No. 001-16417), Exhibit 3.14
3.15	Certificate of Amendment to Certificate of Formation of Valero GP, LLC (n/k/a NuStar GP, LLC), dated March 21, 2007 and effective April 1, 2007	NuStar Energy L.P.'s Quarterly Report on Form 10-Q for quarter ended March 31, 2007 (File No. 001-16417), Exhibit 3.02
3.16	Second Amended and Restated Limited Liability Company Agreement of NuStar GP, LLC, dated as of July 20, 2018	NuStar Energy L.P.'s Current Report on Form 8-K filed July 20, 2018 (File No. 001-16417), Exhibit 3.2
4.01	Description of Securities	*
4.02	Indenture, dated as of July 15, 2002, among Valero Logistics Operations, L.P., as Issuer, Valero L.P., as Guarantor, and The Bank of New York, as Trustee, relating to Senior Debt Securities	NuStar Energy L.P.'s Current Report on Form 8-K filed July 15, 2002 (File No. 001-16417), Exhibit 4.1
4.03	Third Supplemental Indenture, dated as of July 1, 2005, to Indenture dated as of July 15, 2002, as amended and supplemented, among Valero Logistics Operations, L.P., Valero L.P., Kaneb Pipe Line Operating Partnership, L.P., and The Bank of New York Trust Company, N.A.	NuStar Energy L.P.'s Quarterly Report on Form 10-Q for quarter ended June 30, 2005 (File No. 001-16417), Exhibit 4.02
4.04	Instrument of Resignation, Appointment and Acceptance, dated March 31, 2008, among NuStar Logistics, L.P., NuStar Energy L.P., Kaneb Pipeline Operating Partnership, L.P., The Bank of New York Trust Company N.A., and Wells Fargo Bank, National Association	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2008 (File No. 001-16417), Exhibit 4.05
4.05	Eighth Supplemental Indenture, dated as of April 28, 2017, among NuStar Logistics, L.P., as Issuer, NuStar Energy L.P., as Guarantor, NuStar Pipeline Operating Partnership L.P., as Affiliate Guarantor, and Wells Fargo Bank, National Association, as Successor Trustee	NuStar Energy L.P.'s Current Report on Form 8-K filed April 28, 2017 (File No. 001-16417), Exhibit 4.4
4.06	Ninth Supplemental Indenture, dated as of May 22, 2019, among NuStar Logistics, L.P., as Issuer, NuStar Energy L.P., as Guarantor, NuStar Pipeline Operating Partnership L.P., as Affiliate Guarantor, and Wells Fargo Bank, National Association, as Successor Trustee	NuStar Energy L.P.'s Current Report on Form 8-K filed May 22, 2019 (File No. 001-16417), Exhibit 4.3

Exhibit Number	Description	Incorporated by Reference to the Following Document
4.07	Tenth Supplemental Indenture, dated as of September 14, 2020, among NuStar Logistics, L.P., as Issuer, NuStar Energy L.P., as Guarantor, NuStar Pipeline Operating Partnership L.P., as Affiliate Guarantor, and Wells Fargo Bank, National Association, as Successor Trustee	NuStar Energy L.P.'s Current Report on Form 8-K filed September 14, 2020 (File No. 001-16417), Exhibit 4.3
4.08	Indenture, dated as of January 22, 2013, among NuStar Logistics, L.P., as Issuer, NuStar Energy L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee, relating to Subordinated Debt Securities	NuStar Energy L.P.'s Current Report on Form 8-K filed January 22, 2013 (File No. 001-16417), Exhibit 4.1
4.09	First Supplemental Indenture, dated as of January 22, 2013, among NuStar Logistics, L.P., as Issuer, NuStar Energy L.P., as Parent Guarantor, NuStar Pipeline Operating Partnership L.P., as Affiliate Guarantor, and Wells Fargo Bank, National Association, as Trustee	NuStar Energy L.P.'s Current Report on Form 8-K filed January 22, 2013 (File No. 001-16417), Exhibit 4.2
4.10	Registration Rights Agreement, dated as of June 29, 2018, by and among NuStar Energy L.P. and the Purchasers party thereto	NuStar Energy L.P.'s Current Report on Form 8-K filed June 29, 2018 (File No. 001-16417), Exhibit 4.2
10.01	Second Amended and Restated 5-Year Revolving Credit Agreement, dated as of January 28, 2022, among NuStar Logistics, L.P., NuStar Energy L.P., NuStar Pipeline Operating Partnership L.P., Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto	NuStar Energy L.P.'s Current Report on Form 8-K filed January 31, 2022 (File No. 001-16417), Exhibit 10.01
10.02	First Amendment to Second Amended and Restated 5-Year Revolving Credit Agreement, dated as of June 30, 2023, among NuStar Logistics, L.P., NuStar Energy L.P., NuStar Pipeline Operating Partnership L.P., Wells Fargo Bank, National Association, and the lenders party thereto	NuStar Energy L.P.'s Current Report on Form 8-K filed June 30, 2023 (File No. 001-16417), Exhibit 10.01
10.03	Lease Agreement between the Parish of St. James, State of Louisiana and NuStar Logistics, L.P. dated as of June 1, 2008	NuStar Energy L.P.'s Current Report on Form 8-K filed June 5, 2020 (File No. 001-16417), Exhibit 10.1
10.04	First Supplement and Amendment to Lease Agreement (Series 2008), dated June 1, 2020, among the Parish of St. James, State of Louisiana, NuStar Logistics, L.P., NuStar Energy L.P. and NuStar Pipeline Operating Partnership L.P.	NuStar Energy L.P.'s Current Report on Form 8-K filed June 5, 2020 (File No. 001-16417), Exhibit 10.2
10.05	Lease Agreement Between Parish of St. James, State of Louisiana and NuStar Logistics, L.P. dated as of July 1, 2010	NuStar Energy L.P.'s Current Report on Form 8-K filed July 21, 2010 (File No. 001-16417), Exhibit 10.01
10.06	First Supplement and Amendment to Lease Agreement (Series 2010), dated June 1, 2020, among the Parish of St. James, State of Louisiana, NuStar Logistics, L.P., NuStar Energy L.P. and NuStar Pipeline Operating Partnership L.P.	NuStar Energy L.P.'s Current Report on Form 8-K filed June 5, 2020 (File No. 001-16417), Exhibit 10.4
10.07	Lease Agreement between the Parish of St. James, State of Louisiana and NuStar Logistics, L.P. dated as of October 1, 2010	NuStar Energy L.P.'s Current Report on Form 8-K filed June 5, 2020 (File No. 001-16417), Exhibit 10.5

Exhibit Number	Description	Incorporated by Reference to the Following Document
10.08	First Supplement and Amendment to Lease Agreement (Series 2010A), dated June 1, 2020, among the Parish of St. James, State of Louisiana, NuStar Logistics, L.P., NuStar Energy L.P. and NuStar Pipeline Operating Partnership L.P.	NuStar Energy L.P.'s Current Report on Form 8-K filed June 5, 2020 (File No. 001-16417), Exhibit 10.6
10.09	Lease Agreement between Parish of St. James, State of Louisiana and NuStar Logistics, L.P. dated as of December 1, 2010	NuStar Energy L.P.'s Current Report on Form 8-K filed December 30, 2010 (File No. 001-16417), Exhibit 10.01
10.10	First Supplement and Amendment to Lease Agreement (Series 2010B), dated June 1, 2020, among the Parish of St. James, State of Louisiana, NuStar Logistics, L.P., NuStar Energy L.P. and NuStar Pipeline Operating Partnership L.P.	NuStar Energy L.P.'s Current Report on Form 8-K filed June 5, 2020 (File No. 001-16417), Exhibit 10.8
10.11	Lease Agreement between Parish of St. James, State of Louisiana and NuStar Logistics, L.P. dated as of August 1, 2011	NuStar Energy L.P.'s Current Report on Form 8-K filed August 10, 2011 (File No. 001-16417), Exhibit 10.01
10.12	First Supplement and Amendment to Lease Agreement (Series 2011), dated June 1, 2020, among the Parish of St. James, State of Louisiana, NuStar Logistics, L.P., NuStar Energy L.P. and NuStar Pipeline Operating Partnership L.P.	NuStar Energy L.P.'s Current Report on Form 8-K filed June 5, 2020 (File No. 001-16417), Exhibit 10.10
10.13	Purchase and Sale Agreement, dated as of June 15, 2015, among NuStar Energy Services, Inc., NuStar Logistics, L.P., NuStar Pipeline Operating Partnership L.P. and NuStar Supply & Trading LLC, as Originators, NuStar Energy L.P., as Servicer, and NuStar Finance LLC, as Buyer	NuStar Energy L.P.'s Current Report on Form 8-K filed June 19, 2015 (File No. 001-16417), Exhibit 10.1
10.14	Receivables Financing Agreement, dated as of June 15, 2015, by and among NuStar Finance LLC, as Borrower, the persons from time to time party thereto as Lenders and Group Agents, PNC Bank, National Association, as Administrative Agent, and NuStar Energy L.P., as initial Servicer	NuStar Energy L.P.'s Current Report on Form 8-K filed June 19, 2015 (File No. 001-16417), Exhibit 10.2
10.15	Omnibus Amendment, dated as of January 15, 2016, which is the First Amendment to the Purchase and Sale Agreement referenced above and the First Amendment to the Receivables Financing Agreement referenced above among the respective parties thereto	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2015 (File No. 001-16417), Exhibit 10.26
10.16	Second Amendment to Purchase and Sale Agreement, dated as of September 20, 2017, by and among the Originators listed therein, NuStar Energy L.P., NuStar Finance LLC, Mizuho Bank, Ltd. and PNC Bank, National Association	NuStar Energy L.P.'s Current Report on Form 8-K filed September 20, 2017 (File No. 001-16417), Exhibit 10.01
10.17	Second Amendment to Receivables Financing Agreement, dated as of September 20, 2017, by and among NuStar Finance, LLC, as Borrower, NuStar Energy L.P., as initial Servicer, Mizuho Bank, Ltd. and PNC Bank, National Association	NuStar Energy L.P.'s Current Report on Form 8-K filed September 20, 2017 (File No. 001-16417), Exhibit 10.02
10.18	Third Amendment to Receivables Financing Agreement, dated as of March 28, 2018, by and among NuStar Finance, LLC, as Borrower, NuStar Energy L.P., as initial Servicer, Mizuho Bank, Ltd. and PNC Bank, National Association	NuStar Energy L.P.'s Current Report on Form 8-K filed March 28, 2018 (File No. 001-16417), Exhibit 10.01

Exhibit Number	Description	Incorporated by Reference to the Following Document
10.19	Fourth Amendment to Receivables Financing Agreement, dated as of April 29, 2019, by and among NuStar Finance, LLC, as Borrower, NuStar Energy L.P., as initial Servicer, Mizuho Bank, Ltd. and PNC Bank, National Association	NuStar Energy L.P.'s Current Report on Form 8-K filed April 29, 2019 (File No. 001-16417), Exhibit 10.1
10.20	Fifth Amendment to Receivables Financing Agreement, dated as of September 3, 2020, by and among NuStar Finance, LLC, as Borrower, NuStar Energy L.P., as initial Servicer, and PNC Bank, National Association	NuStar Energy L.P.'s Current Report on Form 8-K filed September 3, 2020 (File No. 001-16417), Exhibit 10.01
10.21	Sixth Amendment to Receivables Financing Agreement, dated as of January 28, 2022, by and among NuStar Finance, LLC, as Borrower, NuStar Energy L.P., as initial Servicer, and PNC Bank, National Association	NuStar Energy L.P.'s Current Report on Form 8-K filed January 31, 2022 (File No. 001-16417), Exhibit 10.02
10.22	Seventh Amendment to Receivables Financing Agreement, dated as of June 29, 2023, by and among NuStar Finance, LLC, as Borrower, NuStar Energy L.P., as initial Servicer, and PNC Bank, National Association	NuStar Energy L.P.'s Current Report on Form 8-K filed June 30, 2023 (File No. 001-16417), Exhibit 10.02
+10.23	NuStar GP, LLC Fifth Amended and Restated 2000 Long-Term Incentive Plan, amended and restated as of January 28, 2016	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2017 (File No. 001-16417), Exhibit 10.30
+10.24	First Amendment to the NuStar GP, LLC Fifth Amended and Restated 2000 Long-Term Incentive Plan, dated as of February 7, 2018	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2017 (File No. 001-16417), Exhibit 10.31
+10.25	Form of Restricted Unit Award Agreement under the NuStar GP, LLC Fifth Amended and Restated 2000 Long-Term Incentive Plan	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2016 (File No. 001-16417), Exhibit 10.28
+10.26	NuStar GP Holdings, LLC Long-Term Incentive Plan, amended and restated as of April 1, 2007	NuStar GP Holdings, LLC's Quarterly Report on Form 10-Q for quarter ended June 30, 2007 (File No. 001-32040), Exhibit 10.04
+10.27	First Amendment to the NuStar GP Holdings, LLC Long-Term Incentive Plan, dated as of February 7, 2018	NuStar GP Holdings, LLC's Annual Report on Form 10-K for year ended December 31, 2017 (File No. 001-32040), Exhibit 10.46
+10.28	Form of Converted Award Agreement under the NuStar GP Holdings, LLC Amended and Restated Long-Term Incentive Plan	NuStar Energy L.P.'s Current Report on Form 8-K filed July 20, 2018 (File No. 001-16417), Exhibit 10.1
+10.29	Form of Restricted Unit Award Agreement under the NuStar GP Holdings, LLC Amended and Restated Long-Term Incentive Plan	NuStar Energy L.P.'s Quarterly Report on Form 10-Q for quarter ended September 30, 2018 (File No. 001-16417), Exhibit 10.06
+10.30	Form of Restricted Unit Award Agreement under the NuStar Energy L.P. 2019 Long-Term Incentive Plan	NuStar Energy L.P.'s Current Report on Form 8-K filed April 23, 2019 (File No. 001-16417), Exhibit 10.2
+10.31	Form of Non-employee Director Restricted Unit Award Agreement under the NuStar Energy L.P. 2019 Long-Term Incentive Plan	NuStar Energy L.P.'s Current Report on Form 8-K filed April 23, 2019 (File No. 001-16417), Exhibit 10.3
+10.32	Form of 2020 Performance Cash Award Agreement under the NuStar Energy L.P. 2019 Long-Term Incentive Plan	NuStar Energy L.P.'s Quarterly Report on Form 10-Q for quarter ended June 30, 2020 (File No. 001-16417), Exhibit 10.11
+10.33	Form of 2020 Restricted Unit Award Agreement under the NuStar Energy L.P. 2019 Long-Term Incentive Plan	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2020 (File No. 001-16417), Exhibit 10.43
+10.34	Amended and Restated NuStar Energy L.P. 2019 Long-Term Incentive Plan	NuStar Energy L.P.'s Current Report on Form 8-K filed April 28, 2023 (File No. 001-16417), Exhibit 10.1

Exhibit Number	Description	Incorporated by Reference to the Following Document
+10.35	Form of 2021 Performance Cash Award Agreement under the Amended and Restated NuStar Energy L.P. 2019 Long-Term Incentive Plan	NuStar Energy L.P.'s Quarterly Report on Form 10-Q for quarter ended June 30, 2021 (File No. 001-16417), Exhibit 10.02
+10.36	Form of 2021 Restricted Unit Award Agreement under the Amended and Restated NuStar Energy L.P. 2019 Long-Term Incentive Plan	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2021 (File No. 001-16417), Exhibit 10.35
+10.37	Form of 2021 Non-employee Director Restricted Unit Award Agreement under the NuStar Energy L.P. 2019 Long-Term Incentive Plan	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2021 (File No. 001-16417), Exhibit 10.36
+10.38	Form of 2022 Performance Cash Award Agreement under the Amended and Restated NuStar Energy L.P. 2019 Long-Term Incentive Plan	NuStar Energy L.P.'s Quarterly Report on Form 10-Q for quarter ended March 31, 2022 (File No. 001-16417), Exhibit 10.03
+10.39	Form of 2022 Restricted Unit Award Agreement under the Amended and Restated NuStar Energy L.P. 2019 Long-Term Incentive Plan	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2022 (File No. 001-16417), Exhibit 10.37
+10.40	Form of 2022 Non-employee Director Restricted Unit Award Agreement under the Amended and Restated NuStar Energy L.P. 2019 Long-Term Incentive Plan	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2022 (File No. 001-16417), Exhibit 10.38
+10.41	Form of 2023 Performance Cash Award Agreement under the Amended and Restated NuStar Energy L.P. 2019 Long-Term Incentive Plan	*
+10.42	Form of 2023 Restricted Unit Award Agreement under the Amended and Restated NuStar Energy L.P. 2019 Long-Term Incentive Plan	*
+10.43	Form of 2023 Non-employee Director Restricted Unit Award Agreement under the Amended and Restated NuStar Energy L.P. 2019 Long-Term Incentive Plan	*
+10.44	NuStar Energy L.P. Annual Bonus Plan	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2006 (File No. 001-16417), Exhibit 10.18
+10.45	Form of NuStar Energy L.P. Amended and Restated Change of Control Severance Agreement	NuStar Energy L.P.'s Current Report on Form 8-K filed August 4, 2016 (File No. 001-16417), Exhibit 10.1
+10.46	NuStar Excess Pension Plan, amended and restated effective as of January 1, 2014	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2015 (File No. 001-16417), Exhibit 10.45
+10.47	Amendment to NuStar Excess Pension Plan, effective October 9, 2018	NuStar Energy L.P.'s Quarterly Report on Form 10-Q for quarter ended September 30, 2018 (File No. 001-16417), Exhibit 10.04
+10.48	NuStar Excess Thrift Plan, amended and restated effective as of January 1, 2008	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2008 (File No. 001-16417), Exhibit 10.30
+10.49	Amendment to NuStar Excess Thrift Plan, effective as of January 1, 2017	NuStar Energy L.P.'s Quarterly Report on Form 10-Q for quarter ended March 31, 2017 (File No. 001-16417), Exhibit 10.02
+10.50	Amendment No. 2 to NuStar Excess Thrift Plan, effective October 9, 2018	NuStar Energy L.P.'s Quarterly Report on Form 10-Q for quarter ended September 30, 2018 (File No. 001-16417), Exhibit 10.05
10.51	Lease Agreement between NuStar Logistics, L.P. as Tenant and NS San Antonio TX Landlord, LLC as Landlord, dated March 21, 2023	NuStar Energy L.P.'s Current Report on Form 8-K filed March 21, 2023 (File No. 001-16417), Exhibit 10.1

Exhibit Number	Description	Incorporated by Reference to the Following Document
10.52	Amended and Restated Aircraft Time Sharing Agreement, dated as of September 4, 2009, between NuStar Logistics, L.P. and William E. Greehey	NuStar Energy L.P.'s Annual Report on Form 10-K for year ended December 31, 2009 (File No. 001-16417), Exhibit 10.24
10.53	First Amendment to Amended and Restated Aircraft Time Sharing Agreement, dated as of August 18, 2017, between NuStar Logistics, L.P. and William E. Greehey	NuStar Energy L.P.'s Quarterly Report on Form 10-Q for quarter ended September 30, 2017 (File No. 001-16417), Exhibit 10.02
10.54	Support Agreement, dated as of January 22, 2024, by and among Sunoco LP, NuStar Energy L.P. and Energy Transfer LP.	NuStar Energy L.P.'s Current Report on Form 8-K filed January 22, 2024 (File No. 001-16417), Exhibit 10.01
19.01	Insider Trading Policy	*
21.01	List of subsidiaries of NuStar Energy L.P.	*
22.01	Subsidiary Guarantors and Issuers of Guaranteed Securities	*
23.01	Consent of KPMG LLP dated February 22, 2024	*
24.01	Powers of Attorney (included in signature page of this Form 10-K)	*
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	**
97.01	Policy on Recovery of Incentive-based Compensation	*
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.

\+ Identifies management contracts or compensatory plans or arrangements required to be filed as an exhibit hereto pursuant to Item 15 of Form 10-K.

An electronic copy of this Form 10-K is available on our website, free of charge, at www.nustarenergy.com (select the "Investors" link, then the "SEC Filings" link). A paper copy of the Form 10-K also is available without charge to unitholders upon written request at the address below. Copies of exhibits filed as a part of this Form 10-K may be obtained by unitholders of record at a charge of $0.15 per page, minimum $5.00 each request. Direct inquiries to Corporate Secretary, NuStar Energy L.P., 19003 IH-10 West, San Antonio, Texas 78257 or corporatesecretary@nustarenergy.com.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, 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
Chairman of the Board, President and Chief Executive Officer
February 22, 2024

By: **/s/ Thomas R. Shoaf**
Thomas R. Shoaf
Executive Vice President and Chief Financial Officer
February 22, 2024

By: **/s/ Jorge A. del Alamo**
Jorge A. del Alamo
Senior Vice President - Chief Information Officer and Controller
February 22, 2024

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Bradley C. Barron, Thomas R. Shoaf and Amy L. Perry, or any of them, each with power to act without the other, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all subsequent amendments and supplements to this Annual Report on Form 10-K, and to file the same, or cause to be filed the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agent full power to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby qualifying and confirming all that said attorney-in-fact and agent or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Bradley C. Barron Bradley C. Barron	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	February 22, 2024
/s/ Thomas R. Shoaf Thomas R. Shoaf	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 22, 2024
/s/ Jorge A. del Alamo Jorge A. del Alamo	Senior Vice President - Chief Information Officer and Controller (Principal Accounting Officer)	February 22, 2024
/s/ J. Dan Bates J. Dan Bates	Director	February 22, 2024
/s/ Jelynne LeBlanc Burley Jelynne LeBlanc Burley	Director	February 22, 2024
/s/ William B. Burnett William B. Burnett	Director	February 22, 2024
/s/ Ed A. Grier Ed A. Grier	Director	February 22, 2024
/s/ Dan J. Hill Dan J. Hill	Director	February 22, 2024
/s/ Robert J. Munch Robert J. Munch	Director	February 22, 2024
/s/ W. Grady Rosier W. Grady Rosier	Director	February 22, 2024
/s/ Martin Salinas, Jr. Martin Salinas, Jr.	Director	February 22, 2024
/s/ Suzanne Allford Wade Suzanne Allford Wade	Director	February 22, 2024

Exhibit 4.01

DESCRIPTION OF SECURITIES

NuStar Energy L.P. ("NuStar Energy") has four classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), each of which is listed on the New York Stock Exchange ("NYSE"), as set forth in the table below.

Title of Class	Trading Symbol	Exchange
Common Units ("Common Units")	NS	NYSE
Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units ("Series A Preferred Units")	NSprA	NYSE
Series B Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units ("Series B Preferred Units")	NSprB	NYSE
Series C Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units ("Series C Preferred Units")	NSprC	NYSE

The following summary of the material terms of our Common Units, Series A Preferred Units, Series B Preferred Units and Series C Preferred Units is based upon our Eighth Amended and Restated Agreement of Limited Partnership, dated as of July 20, 2018 (the "partnership agreement"). The summary is not complete and is qualified by reference to our partnership agreement, which is filed as an exhibit to this Annual Report on Form 10-K and is incorporated herein by reference.

DESCRIPTION OF COMMON UNITS

The Common Units represent limited partner interests that entitle the holders to participate in NuStar Energy's cash distributions and to exercise the rights and privileges as set forth in the partnership agreement. Please read "The Partnership Agreement" below.

Voting Rights

Each holder of Common Units is entitled to one vote for each unit on all matters submitted to a vote of the Common Unitholders, subject to any limitations contained in NuStar Energy's partnership agreement. See "The Partnership Agreement—Voting Rights" below.

Cash Distributions

Within 45 days after the end of each quarter, NuStar Energy will distribute all of its available cash to its Common Unitholders of record on the applicable record date.

Available cash is defined in NuStar Energy's partnership agreement and generally means, with respect to any fiscal quarter, the sum of all cash and cash equivalents at the end of such quarter, plus any cash resulting from working capital borrowings made subsequent to the end of such quarter, less the amount of any cash reserves that NuStar Energy's general partner determines in its reasonable discretion are necessary or appropriate to:

- provide for the proper conduct of NuStar Energy's business, including reserves for future capital expenditures and anticipated credit needs;
- comply with applicable law or any debt instrument or other agreement or obligation;
- provide funds for payments to holders of NuStar Energy's preferred units; or
- provide funds for distributions with respect to any one or more of the next four fiscal quarters.

NuStar Energy's current policy is, to the extent it has sufficient available cash from operating surplus, as defined in the partnership agreement, to distribute to each Common Unitholder a quarterly distribution of $0.40 per quarter or $1.60 per year. However, there is no guarantee that NuStar Energy will pay a quarterly distribution on the Common Units in any quarter and NuStar Energy may be prohibited from making any distributions to unitholders if it would cause an event of default under the terms of NuStar Energy's indebtedness. In addition, NuStar Energy's preferred units rank senior to the Common Units with respect to distribution rights and rights upon liquidation. If NuStar Energy does not pay the required distributions (including any arrears) on its preferred units, it will be unable to pay distributions on the Common Units.

Exchange Listing

Our outstanding Common Units are listed on the NYSE under the ticker symbol "NS." Any additional Common Units we issue will also be listed on the NYSE.

Transfer Agent and Registrar

Our transfer agent and registrar for the Common Units is Computershare Trust Company, N.A.

DESCRIPTION OF SERIES A, SERIES B AND SERIES C PREFERRED UNITS

The Series A Preferred Units, Series B Preferred Units and Series C Preferred Units (collectively, the "Series A, B and C Preferred Units" or "Preferred Units") represent limited partner interests that entitle the holders to receive cash distributions and to exercise the rights and privileges as set forth in the partnership agreement. Please read "The Partnership Agreement" below.

The following table summarizes the original issuance dates, price per unit, fixed and floating distribution rates and optional redemption dates of our Series A, B and C Preferred Units, as further described below.

Units	Original Issuance Date	Price per Unit	Fixed Distribution Rate per Annum (as a Percentage of the $25.00 Liquidation Preference per Unit)	Fixed Distribution Rate per Unit 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)
Series A Preferred Units	November 25, 2016	$ 25.00	8.50 %	$ 2.125	December 15, 2021	Three-month LIBOR(a) plus 6.766%
Series B Preferred Units	April 28, 2017	$ 25.00	7.625 %	$ 1.90625	June 15, 2022	Three-month LIBOR(a) plus 5.643%
Series C Preferred Units	November 30, 2017	$ 25.00	9.00 %	$ 2.25	December 15, 2022	Three-month LIBOR(a) plus 6.88%

(a) Beginning with the distribution period starting on September 15, 2023, LIBOR was replaced with the corresponding CME Term SOFR plus the applicable tenor spread adjustment of 0.26161%.

Ranking; Maturity

The Series A, B and C Preferred Units rank senior to NuStar Energy's Common Units with respect to the payment of distributions and distribution of assets upon liquidation, dissolution and winding up. The Series A, B and C Preferred Units rank on parity with each other and with any other securities with terms expressly providing that they rank on parity with the Series A, B and C Preferred Units as to the payment of distributions and distribution of assets upon liquidation, dissolution and winding up, such as NuStar Energy's and collectively with the Series A, B and C Preferred Units, "Preferred Units"). The Series A, B and C Preferred Units have no stated maturity and are not subject to mandatory redemption or any sinking fund and will remain outstanding indefinitely unless repurchased or redeemed by NuStar Energy or converted into its Common Units in connection with a change of control, as described below.

Series D Preferred Units

On September 12, 2023, NuStar Energy redeemed all of its outstanding Series D Cumulative Convertible Preferred Units ("Series D Preferred Units"). Series D Preferred Units that are purchased or otherwise acquired by NuStar Energy are automatically cancelled, as provided in the partnership agreement. As a result of the redemption and subsequent cancellation, Series D Preferred Units no longer represent a limited partnership interest in NuStar Energy; therefore, former holders of Series D Preferred Units are no longer entitled to (1) receive quarterly cash distributions from NuStar Energy or (2) exercise the rights and privileges described in the partnership agreement.

Distributions

Holders of our Series A, B and C Preferred Units are entitled to receive, when, as and if declared by our general partner, out of legally available funds, quarterly cumulative cash distributions. Distributions on the Series A, B and C Preferred Units are cumulative from the original issuance date, and are payable quarterly in arrears on the 15th day of each of March, June, September and December (or the next business day) of each year to holders of record on the first business day of each payment month. Distributions on the Series A, B and C Preferred Units are payable from and including the original issuance date to, but not including, September 15, 2023, the date at which the distribution rate for each series became a floating rate (the "floating rate period"), as set forth in the table above. During the floating rate period distributions accumulate at a percentage of the $25.00 liquidation preference equal to the annual floating rate set forth in the table above for such series. The calculation agent determines SOFR as provided in the partnership agreement.

Optional Redemption; Conversion

At any time on or after the optional redemption dates set forth in the table above for each of the Series A, B and C Preferred Units, NuStar Energy may, at its option, redeem the Series A, B and C Preferred Units, in whole or in part, out of amounts legally available therefor, by paying $25.00 per unit plus an amount equal to all accumulated and unpaid distributions thereon to the date of redemption, whether or not declared. In addition, NuStar Energy may redeem the Series A, B and C Preferred Units following certain changes of control, as well as at any time within 120 days after the conclusion of any review or appeal process instituted by NuStar Energy following the occurrence of a rating event, each as described in the partnership agreement.

For purposes of the Series A, B and C Preferred Units, a "change of control" generally means the occurrence of either (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by merger, consolidation or business combination), in one or a series of related transactions, of all or substantially all of the assets of NuStar Energy and its subsidiaries taken as a whole to any person or (2) the completion of any transaction (including any merger, consolidation or business combination), the result of which is that any person other than NuStar GP Holdings, LLC and its subsidiaries becomes the direct or indirect beneficial owner of more than 50% of the voting interests in NuStar Energy's general partner and, in the case of either (1) or (2), neither NuStar Energy nor such acquiring person has a class of common equity securities listed or admitted to trading on any National Securities Exchange. A "rating event" generally means a change by any nationally recognized statistical rating organization that publishes a rating for NuStar Energy to its equity credit criteria for securities such as the Series A, B and C Preferred Units, as in effect on the original issuance date of the applicable series (the "current criteria"), which change results in (1) any shortening of the length of time for which the current criteria are scheduled to be in effect with respect to such series or (2) a lower equity credit being given to such series than the equity credit that would have been assigned to such series by such rating agency under the current criteria.

If NuStar Energy does not exercise the option to redeem following a change of control, then the holders of the Series A, B and C Preferred Units have the option to convert their Series A, B and C Preferred Units into a number of Common Units per Series A, B and C Preferred Unit, respectively, as set forth for each such series in the partnership agreement. If NuStar Energy exercises its redemption rights relating to any Series A, B or C Preferred Units following a change of control, the holders of those units will not have the conversion right described above with respect to the units called for redemption.

Voting Rights

Holders of Series A, B and C Preferred Units have only limited voting rights with respect to potential amendments to the partnership agreement that have a material adverse effect on the existing terms of the Series A, B and C Preferred Units, respectively, and in certain other limited circumstances or as required by law. See "The Partnership Agreement—Voting Rights" below.

Exchange Listing

Our outstanding Series A, B and C Preferred Units are listed on the NYSE under the ticker symbols "NSprA," "NSprB" and "NSprC," respectively. Any additional Series A, B and C Preferred Units we issue will also be listed on the NYSE.

THE PARTNERSHIP AGREEMENT

The material provisions of NuStar Energy's partnership agreement are summarized below.

Organization and Duration

NuStar Energy was organized in December 1999 and will continue in existence until dissolved in accordance with the partnership agreement.

Purpose

The purpose of NuStar Energy is: (1) to serve as a partner of NuStar Logistics, one of NuStar Energy’s primary operating subsidiaries, and its other subsidiaries established for conducting the business of NuStar Energy (collectively, the "Operating Partnership"); (2) to engage in any business activities that may be engaged in by the Operating Partnership or that are approved by NuStar Energy’s general partner, provided that NuStar Energy’s general partner must reasonably determine that such activity generates or enhances the operations of any activity that generates "qualifying income," as this term is defined in Section 7704 of the Internal Revenue Code of 1986, as amended; (3) to serve as a member of NuStar GP Holdings, LLC and to exercise all the rights and powers held by NuStar Energy as a member of NuStar GP Holdings, LLC as the member of NuStar GP, LLC; and (4) to do anything necessary or appropriate to the foregoing, including the making of capital contributions or loans to NuStar Energy’s subsidiaries. NuStar Energy’s general partner has no obligation or duty to NuStar Energy, its limited partners or assignees of partnership interests to propose or approve, and in its discretion may decline to propose or approve, the conduct by NuStar Energy of any business.

Power of Attorney

Each limited partner, and each person who acquires a limited partner interest and executes and delivers a transfer application, grants to NuStar Energy’s general partner and, if appointed, a liquidator, a power of attorney to, among other things, execute and file documents required for the qualification, continuance or dissolution of NuStar Energy. The power of attorney also grants NuStar Energy’s general partner and the liquidator the authority to amend the partnership agreement, and to make consents and waivers under the partnership agreement.

Capital Contributions

NuStar Energy’s unitholders are not obligated to make additional capital contributions, except as described below under "—Limited Liability."

Limited Liability

Assuming that a limited partner does not participate in the control of NuStar Energy’s business within the meaning of the Delaware Revised Uniform Limited Partnership Act (the "Delaware law"), and that it otherwise acts in conformity with the provisions of NuStar Energy’s partnership agreement, the limited partner’s liability under the Delaware law will be limited, subject to possible exceptions, to the amount of capital the limited partner is obligated to contribute to NuStar Energy for such partner’s units plus the partner’s share of any undistributed profits and assets and any funds wrongfully distributed to it, as described below. If it were determined, however, that the right or exercise of the right, by the limited partners as a group:

- to remove or replace NuStar Energy’s general partner;
- to approve some amendments to the partnership agreement; or
- to take other action under the partnership agreement

constituted "participation in the control" of NuStar Energy’s business for the purposes of the Delaware law, then the limited partners could be held personally liable for NuStar Energy’s obligations under the Delaware law, to the same extent as its general partner. This liability would extend to persons who transact business with NuStar Energy who reasonably believe that a limited partner is a general partner based on the limited partner’s conduct.

Neither NuStar Energy’s partnership agreement nor the Delaware law specifically provides for legal recourse against NuStar Energy’s general partner if a limited partner were to lose limited liability through any fault of NuStar Energy’s general partner. While this does not mean that a limited partner could not seek legal recourse, we know of no precedent for this type of a claim in Delaware case law.

Under the Delaware law, a limited partnership may not make a distribution to a partner if, after the distribution, all liabilities of the limited partnership, other than liabilities to partners on account of their partnership interests and liabilities for which the recourse of creditors is limited to specific property of the partnership, would exceed the fair value of the assets of the limited partnership. For the purpose of determining the fair value of the assets of a limited partnership, the Delaware law provides that the fair value of property subject to liability for which recourse of creditors is limited shall be included in the assets of the limited partnership only to the extent that the fair value of that property exceeds the nonrecourse liability. The Delaware law provides that a limited partner who receives a distribution and knew at the time of the distribution that the distribution was in violation of the Delaware law will be liable to the limited partnership for the amount of the distribution for three years from the date of distribution. Under the Delaware law, an assignee who becomes a substituted limited partner of a limited partnership is liable for the obligations of its assignor to make contributions to the limited partnership, excluding any obligations of the assignor with respect to wrongful distributions, as described above, except the assignee is not obligated for liabilities unknown to it at the time it became a limited partner and that could not be ascertained from the partnership agreement.

NuStar Energy's operating subsidiaries conduct business or own assets in the United States and internationally. Maintenance of NuStar Energy's limited liability as a limited partner or member, respectively, of its operating subsidiaries may require compliance with legal requirements in the jurisdictions in which the operating subsidiary conducts business. Limitations on the liability of limited partners or members for the obligations of a limited partnership or limited liability company have not been clearly established in many jurisdictions. If it were determined that NuStar Energy was, by virtue of NuStar Energy's ownership interest in its subsidiaries or otherwise, conducting business in any state without compliance with the applicable limited partnership or limited liability company statute, or that the right or exercise of the right by the limited partners as a group to remove or replace NuStar Energy's general partner, to approve certain amendments to the partnership agreement, or to take other action under the partnership agreement constituted "participation in the control" of NuStar Energy's business for purposes of the statutes of any relevant jurisdiction, then the limited partners could be held personally liable for NuStar Energy's obligations under the law of that jurisdiction to the same extent as its general partner under the circumstances. NuStar Energy will operate in a manner that its general partner considers reasonable and necessary or appropriate to preserve the limited liability of the limited partners.

Voting Rights

The following matters require the unitholder vote specified below. Matters that require the approval of a "unit majority" require the approval of holders of a majority of the outstanding Common Units and the outstanding Series D Preferred Units (voting on an as-converted basis), voting together as a single class (subject to the limitations set forth in the definition of "Outstanding" in the partnership agreement).

Election of directors to the board	Plurality of the votes cast by the limited partners holding outstanding Common Units and Series D Preferred Units (voting on an as-converted basis), voting together as a single class, at a meeting of the limited partners. Please read "—Meetings; Voting."
Amendment of the partnership agreement	Certain amendments may be made by NuStar Energy's general partner without the approval of unitholders. Certain other amendments require the approval of a unit majority. Certain other amendments require the approval of the holders of a super-majority of outstanding Common Units and Series D Preferred Units (voting on an as-converted basis), voting together as a single class. Certain amendments that would have a material adverse effect on a class of NuStar Energy interests require the approval of a majority of NuStar Energy interests to be affected by such amendment. Please read "—Amendment of the Partnership Agreement."
Merger or the sale of all or substantially all of NuStar Energy's assets	The holders of a unit majority. Please read "—Merger, Sale or Other Disposition of Assets."
Dissolution of NuStar Energy	The holders of a unit majority. Please read "—Termination and Dissolution."
Removal/Replacement of the general partner	The holders of a unit majority. Please read "—Withdrawal or Removal of the General Partner."

Issuance of Additional Securities

NuStar Energy's partnership agreement authorizes NuStar Energy, subject to any approvals required by the holders of Preferred Units, to issue an unlimited number of additional partnership securities for the consideration and on the terms and conditions established by NuStar Energy's general partner in its sole discretion without the approval of any limited partners.

Except for restrictions arising from the need for approval of the holders of Preferred Units, there are no restrictions under the partnership agreement on the ability of NuStar Energy's general partner to issue partnership securities, including partnership securities junior or senior to the Common Units.

It is possible that NuStar Energy will fund acquisitions through the issuance of additional Common Units or other partnership securities. Holders of any additional Common Units NuStar Energy issues will be entitled to share equally with the then-existing Common Unitholders in NuStar Energy's distributions of available cash and additional partnership securities may be senior to the Common Units with respect to distributions. In addition, the issuance of additional partnership securities may dilute the value of the interests of the then-existing Common Unitholders in NuStar Energy's net assets.

In accordance with Delaware law and the provisions of the partnership agreement, NuStar Energy may also issue additional partnership securities that, in the sole discretion of NuStar Energy's general partner, may have special voting rights to which Common Units are not entitled.

No person will have any preemptive, preferential or other similar right with respect to the issuance of any partnership securities.

Amendment of the Partnership Agreement

General

Amendments to the partnership agreement may be proposed only by or with the consent of NuStar Energy's general partner, which consent may be given or withheld in its sole discretion. In order to adopt a proposed amendment, other than the amendments discussed below, NuStar Energy's general partner is required to seek written approval of the holders of the number of units required to approve the amendment or call a meeting of the limited partners to consider and vote upon the proposed amendment. Except as described below, an amendment must be approved by a unit majority.

Prohibited Amendments

No amendment may be made that would:

- amend, alter, change, repeal or rescind, in any respect, a provision of the partnership agreement that establishes a percentage of outstanding units required to take any action, that would have the effect of reducing such voting percentage, unless such amendment is approved by the written consent or the affirmative vote of holders of outstanding units whose aggregate outstanding units constitute not less than the voting requirement sought to be reduced;
- enlarge the obligations of any limited partner without its consent, unless approved by at least a majority of the type or class of limited partner interests so affected;
- enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable by NuStar Energy to its general partner or any of its affiliates without the consent of NuStar Energy's general partner, which may be given or withheld in its sole discretion;
- change the term of NuStar Energy;
- provide that NuStar Energy is not dissolved upon an election to dissolve NuStar Energy by its general partner that is approved by the holders of a unit majority;
- give any person the right to dissolve NuStar Energy, other than its general partner's right to dissolve NuStar Energy with the approval of the holders of a unit majority; or
- have a material adverse effect on the rights or preferences of any class of partnership securities in relation to other classes of partnership securities, unless approved by the holders of not less than a majority of the outstanding partnership securities of the class affected.

The provision of the partnership agreement prohibiting amendments to the partnership agreement having the effects described in the seven bullets above can be amended, subject to certain exceptions, only upon the approval of the holders of at least 90% of the outstanding Common Units and Series D Preferred Units (voting on an as-converted basis), voting together as a single class. In addition, no amendment may be made to the partnership agreement that would have a material adverse effect on the powers, preferences, duties or special rights of the Preferred Units without first obtaining the affirmative vote or consent of the holders of (a) 66-2/3% of the respective outstanding class of Series A Preferred Units, Series B Preferred Units and Series C Preferred Units or (b) a majority of the outstanding Series D Preferred Units.

No Unitholder Approval

NuStar Energy's general partner may generally make amendments to the partnership agreement without the approval of any partner or assignee to reflect:

- a change in the name of NuStar Energy, the location of the principal place of business of NuStar Energy, the registered agent or the registered office of NuStar Energy;
- the admission, substitution, withdrawal or removal of partners in accordance with the partnership agreement;
- a change that, in the sole discretion of NuStar Energy's general partner, is necessary or advisable to qualify or continue the qualification of NuStar Energy as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any state or to ensure that neither NuStar Energy nor the Operating Partnership will be treated as an association taxable as a corporation or otherwise taxed as an entity for federal income tax purposes;
- an amendment that is necessary, in the opinion of counsel to NuStar Energy, to prevent NuStar Energy, its general partner, NuStar GP, LLC, or any of the directors, officers, agents or trustees of NuStar GP, LLC from in any manner being subjected to the provisions of the Investment Company Act of 1940, the Investment Advisors Act of 1940, or "plan asset" regulations adopted under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), whether or not substantially similar to plan asset regulations currently applied or proposed;
- subject to any restrictions imposed by the terms of the Preferred Units and the limitations on the issuance of additional partnership securities described above, an amendment that in the discretion of NuStar Energy's general partner is necessary or advisable for the authorization of additional partnership securities;
- any amendment expressly permitted in the partnership agreement to be made by NuStar Energy's general partner acting alone;
- an amendment effected, necessitated or contemplated by a merger agreement that has been approved under the terms of the partnership agreement;
- any amendment that, in the discretion of NuStar Energy's general partner, is necessary or advisable for the formation by NuStar Energy of, or its investment in, any corporation, partnership or other entity, as otherwise permitted by the partnership agreement;
- a change in the fiscal year or taxable year of NuStar Energy and related changes; and
- any other amendments substantially similar to any of the matters described above.

In addition, subject to any restrictions imposed by the terms of the Preferred Units, NuStar Energy's general partner may make amendments to the partnership agreement without the approval of any partner or assignee if those amendments, in the discretion of NuStar Energy's general partner:

- do not adversely affect the limited partners (or any particular class of limited partners) in any material respect;
- are necessary or advisable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute;
- are necessary or advisable to facilitate the trading of limited partner interests or to comply with any rule, regulation, guideline or requirement of any securities exchange on which the limited partner interests are or will be listed for trading, compliance with any of which NuStar Energy's general partner deems to be in the best interests of NuStar Energy and the limited partners;
- are necessary or advisable for any action taken by NuStar Energy's general partner relating to splits or combinations of partnership securities under the provisions of the partnership agreement; or
- are required to effect the intent of the provisions of the partnership agreement or are otherwise contemplated by the partnership agreement.

Opinion of Counsel and Unitholder Approval

Except for amendments described above under "—No Unitholder Approval" or in connection with a merger, no other amendments to the partnership agreement will become effective without the approval of holders of at least 90% of the outstanding Common Units and Series D Preferred Units (voting on an as-converted basis), voting together as a single class, unless NuStar Energy obtains an opinion of counsel to the effect that the amendment will not affect the limited liability of any limited partner of NuStar Energy under applicable law.

Merger, Sale or Other Disposition of Assets

Subject to certain exceptions, a merger or consolidation of NuStar Energy requires the prior approval of NuStar Energy's general partner. NuStar Energy's general partner must also approve the merger agreement, which must include certain information as set forth in NuStar Energy's partnership agreement. Once approved by NuStar Energy's general partner, the merger agreement must be submitted to a vote of Common Unitholders and Series D Preferred Unitholders (voting on an as-converted basis), voting together as a single class, and the merger agreement will be approved upon receipt of the affirmative vote or consent of the holders of a unit majority (unless the affirmative vote of the holders of a greater percentage is required under the merger agreement or Delaware law).

Except in connection with a dissolution and liquidation of NuStar Energy or a duly approved merger, NuStar Energy's general partner may not (a) sell, exchange or otherwise dispose of all or substantially all of NuStar Energy's assets in a single transaction or a series of related transactions, or (b) approve on behalf of NuStar Energy the sale, exchange or other disposition of all or substantially all of the assets of the Operating Partnership without the approval of the holders of a unit majority. However, NuStar Energy's general partner may mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the assets of NuStar Energy or the Operating Partnership without the approval of the unitholders. In addition, NuStar Energy's general partner may sell any or all of the assets of NuStar Energy or the Operating Partnership in a forced sale pursuant to the foreclosure of, or other realization upon, any such encumbrance without the approval of the unitholders.

Termination and Dissolution

NuStar Energy will continue in existence as a limited partnership until terminated in accordance with its partnership agreement. NuStar Energy will dissolve upon:

- the election of NuStar Energy's general partner to dissolve NuStar Energy, if approved by the holders of a unit majority;
- the entry of a decree of judicial dissolution of NuStar Energy pursuant to Delaware law;
- the sale of all or substantially all of the assets and properties of NuStar Energy, the Operating Partnership and their respective subsidiaries; or
- the withdrawal or removal of NuStar Energy's general partner or any other event that results in its ceasing to be the general partner other than by reason of a transfer of its general partner interest in accordance with the partnership agreement or withdrawal or removal following approval and admission of a successor.

Upon a dissolution under the last clause above, the holders of a unit majority may also elect, within specific time limitations, to reconstitute NuStar Energy and continue its business on the same terms and conditions described in the partnership agreement by forming a new limited partnership on terms identical to those in the partnership agreement and having as general partner an entity approved by the holders of a unit majority, subject to receipt by NuStar Energy of an opinion of counsel to the effect that:

- the action would not result in the loss of limited liability of any limited partner; and
- neither NuStar Energy, the reconstituted limited partnership, nor any operating subsidiary would be treated as an association taxable as a corporation or otherwise be taxable as an entity for federal income tax purposes upon the exercise of that right to continue.

Liquidation and Distribution of Proceeds

Upon its dissolution, unless NuStar Energy is reconstituted and continued as a new limited partnership, the liquidator authorized to wind up NuStar Energy's affairs will, acting with all of the powers of NuStar Energy's general partner that the liquidator deems necessary or desirable in its judgment, liquidate NuStar Energy's assets and apply the proceeds of the liquidation as follows. NuStar Energy will first apply the proceeds of liquidation to the payment of, or provision of payment for, its creditors. NuStar Energy will then pay any accumulated and unpaid distributions and the applicable liquidation preference on the Preferred Units. NuStar Energy will distribute any remaining proceeds to Common Unitholders, in accordance with their capital account balances, as adjusted to reflect any gain or loss upon the sale or other disposition of its assets in liquidation. The liquidator may defer liquidation or distribution of NuStar Energy's assets for a reasonable period of time or distribute assets to partners in kind if it determines that a sale would be impractical or would cause undue loss to the partners.

Withdrawal or Removal of the General Partner

NuStar Energy's general partner may withdraw as general partner without first obtaining approval of any unitholder by giving 90 days' written notice, and that withdrawal will not constitute a violation of the partnership agreement. In addition, the partnership agreement permits NuStar Energy’s general partner to sell or otherwise transfer all of its general partner interest in NuStar Energy without the approval of the unitholders. Please read "—Transfer of General Partner Interests."

Upon the withdrawal of NuStar Energy’s general partner under any circumstances, other than as a result of a transfer of all or a part of its general partner interest in NuStar Energy, the holders of a unit majority may select a successor to that withdrawing general partner. If a successor is not elected, or is elected but an opinion of counsel regarding limited liability and tax matters cannot be obtained, NuStar Energy will be dissolved, wound up and liquidated, unless within 180 days after that withdrawal, the holders of a unit majority agree in writing to continue the business of NuStar Energy and to appoint a successor general partner. Please read "—Termination and Dissolution."

If NuStar Energy’s general partner withdraws under circumstances where such withdrawal does not violate the partnership agreement, and a successor general partner is elected under the terms of the partnership agreement, the departing general partner will have the option to require the successor general partner to purchase its general partner interests for cash. If NuStar Energy’s general partner withdraws under circumstances where such withdrawal does violate the partnership agreement, and a successor general partner is elected, the successor general partner will have the option to purchase the general partner interests of the departing general partner. If such general partner interests are not purchased by the successor general partner, they will be converted into Common Units.

NuStar Energy’s general partner may not be removed unless that removal is approved by the vote of the holders of not less than a unit majority, and NuStar Energy receives an opinion of counsel regarding limited liability and tax matters. Any removal of NuStar Energy’s general partner is also subject to the approval of a successor general partner by the vote of a unit majority.

If NuStar Energy’s general partner is removed under circumstances where cause does not exist, and a successor general partner is elected under the partnership agreement, the departing general partner will have the option to require the successor general partner to purchase its general partner interests for cash. If NuStar Energy’s general partner is removed under circumstances where cause does exist, and a successor general partner is elected, the successor general partner will have the option to purchase the general partner interests of the departing general partner. If NuStar Energy’s general partner interests are not purchased by the successor general partner, they will be converted into Common Units.

"Cause" is narrowly defined to mean that a court of competent jurisdiction has entered a final, non-appealable judgment finding the general partner liable for actual fraud, gross negligence, or willful or wanton misconduct in its capacity as the general partner.

Withdrawal or removal of the general partner of NuStar Energy also constitutes withdrawal or removal of the general partner of the Operating Partnership.

In addition, NuStar Energy will be required to reimburse the departing general partner for all amounts due the departing general partner, including, without limitation, all employee-related liabilities, including severance liabilities, incurred for the termination of any employees employed by the departing general partner for the benefit of NuStar Energy.

Transfer of General Partner Interests

NuStar Energy’s general partner may transfer all or any part of its general partner interest in NuStar Energy without unitholder approval.

No transfer by NuStar Energy’s general partner of all or any part of its general partner interest is permitted unless (1) the transferee agrees to assume the rights and duties of the general partner and be bound by the partnership agreement, (2) NuStar Energy receives an opinion of counsel regarding limited liability and tax matters and (3) such transferee agrees to purchase all of the partnership interests of the general partner as the general partner of the Operating Partnership and any of NuStar Energy’s or the Operating Partnership’s subsidiaries.

Change of Management Provisions

NuStar Energy’s partnership agreement contains specific provisions that are intended to discourage a person or group from attempting to remove NuStar Energy’s general partner or otherwise change management, including the following:

- with certain limited exceptions, any partnership securities held by a person that owns 20% or more of any class of partnership securities then outstanding, other than NuStar Energy’s general partner and its affiliates, cannot be voted on any matter; provided, however that such restriction generally does not apply to any Series D Preferred Units held by a person who acquired such Series D Preferred Units pursuant to the Series D Cumulative Convertible Preferred Unit Purchase Agreement, dated as of June 26, 2018, among NuStar Energy L.P. and the purchasers party thereto;

- limiting the ability of unitholders to replace members of the board of directors of NuStar GP, LLC (the “board”) by having staggered elections where each director is elected for a three-year term and providing that directors may only be removed for cause; and
- limiting the ability of unitholders to call meetings or to acquire information about NuStar Energy’s operations, as well as other provisions limiting the unitholders’ ability to influence the manner or direction of management.

Meetings; Voting

An annual meeting of the limited partners for the election of directors to the board, and other matters that NuStar Energy’s general partner submits to a vote of the limited partners, will be held in April of each year or on such other date as determined by NuStar Energy’s general partner. Special meetings of the limited partners may be called by NuStar Energy’s general partner or by limited partners owning 20% or more of the outstanding limited partner interests of the class or classes for which a meeting is proposed.

For the purpose of determining the limited partners entitled to notice of or to vote at any meeting or to give approvals without a meeting, NuStar Energy’s general partner may set a record date, which date for purposes of notice of a meeting shall not be less than 10 days nor more than 60 days before the date of the meeting.

Each record holder of limited partner interests has a vote according to his percentage interest in NuStar Energy. Limited partner interests held for a person’s account by another person (such as a broker, dealer or bank), in whose name such limited partner interests are registered, will be voted by such other person in favor of, and at the direction of, the beneficial owner unless the arrangement between such persons provides otherwise. Representation in person or by proxy of a majority of the outstanding limited partner interests of the class or classes for which a meeting has been called will constitute a quorum at such meeting (unless a particular action by the limited partners requires approval by a greater percentage of limited partner interests, in which case the quorum shall be such greater percentage).

At any meeting at which a quorum is present, the act of the limited partners holding a majority of the outstanding limited partner interests entitled to vote at the meeting will be deemed to be the act of all the limited partners, unless a greater or different percentage is required under the partnership agreement, in which case the act of the limited partners holding such greater or different percentage of the outstanding limited partner interests will be required. At a meeting for the election of directors, directors are elected by a plurality of votes cast by the limited partners holding outstanding Common Units and Series D Preferred Units (voting on an as-converted basis), voting together as a single class.

If authorized by NuStar Energy’s general partner, any action that is required or permitted to be taken at a meeting of the limited partners may be taken either at a meeting of the limited partners or without a meeting if consents in writing describing the action so taken are signed by the holders of the number of limited partner interests necessary to authorize or take that action at a meeting.

The Board of Directors

The number of directors on the board will be nine unless otherwise determined from time to time by a majority of the directors then in office or automatically increased pursuant to the terms of the Series D Preferred Units. Any decrease in the number of directors by the board may not have the effect of shortening the term of any incumbent director.

The directors are grouped into three groups with respect to their terms. At each annual meeting of limited partners, successors to the directors whose terms expire at that annual meeting will be elected for a three-year term.

A director may only be removed for cause at a meeting of limited partners upon the affirmative vote of the limited partners holding a unit majority and only if, at the same meeting, the limited partners holding a unit majority nominate a replacement director and elect the replacement director to the board. Vacancies on the board (other than vacancies caused by the removal of a director by the limited partners) may be filled by a majority of the remaining directors then in office.

Nominations of persons for election as directors to the board may be made at an annual meeting of the limited partners only pursuant to NuStar Energy’s general partner’s notice of meeting (1) by or at the direction of a majority of the directors of the board or (2) by a limited partner, or a group of limited partners, that holds or beneficially owns, and has continuously held or beneficially owned without interruption for the prior two years, 5% of the outstanding Common Units and outstanding Series D Preferred Units (on an as-converted basis), considered together for this purpose as a single class, and such limited partner, or each limited partner in such group, (A) was a limited partner at the time the notice provided for in the partnership agreement is delivered to NuStar Energy’s general partner and (B) complies with the notice procedures set forth in the partnership agreement.

For any nominations brought before an annual meeting by a limited partner, the limited partner must give timely notice thereof in writing to NuStar Energy's general partner. The notice must contain certain information as described in the partnership agreement. To be timely, a limited partner's notice must be delivered to NuStar Energy's general partner not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the preceding year's annual meeting. The public announcement of an adjournment or postponement of an annual meeting will not commence a new time period (or extend any time period) for the giving of a limited partner's notice as described above.

In the event that the number of directors is increased effective after the time period for which nominations would otherwise be due and there is no public announcement by NuStar Energy or its general partner naming the nominees for the additional directorships at least 100 days prior to the first anniversary of the preceding year's annual meeting, a limited partner's notice will also be considered timely with respect to nominees for the additional directorships, if it is delivered to NuStar Energy's general partner not later than the close of business on the 10th day following the day on which such public announcement is first made by NuStar Energy or its general partner.

Nominations for directors may be made at a special meeting of limited partners at which directors are to be elected in accordance with the provisions of the partnership agreement.

Only persons who are nominated in accordance with the procedures set forth in the partnership agreement will be eligible to be elected at an annual or special meeting of limited partners to serve as directors. Unless otherwise required by law or the partnership agreement, if each nominating limited partner does not appear at the annual or special meeting of limited partners to present a nomination, the nomination will be disregarded.

In addition to the provisions described above and in the partnership agreement, a limited partner must also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder. Any references in the partnership agreement to the Exchange Act or the rules promulgated thereunder are not intended to, and do not, limit any requirements applicable to nominations pursuant to the partnership agreement, and compliance with the partnership agreement is the exclusive means for a limited partner to make nominations.

Limited Call Right

If at any time NuStar Energy's general partner and its affiliates own 80% or more of the issued and outstanding limited partner interests of any class, NuStar Energy's general partner will have the right (which right it may assign and transfer to NuStar Energy or any affiliate of its general partner) to purchase all, but not less than all, of the outstanding limited partner interests of that class that are held by non-affiliated persons. The record date for determining ownership of the limited partner interests to be purchased by NuStar Energy's general partner will be selected by NuStar Energy's general partner, and NuStar Energy's general partner must mail notice of its election to purchase the interests to the holders of such interests at least 10 but not more than 60 days prior to the purchase date. The purchase price in the event of a purchase under these provisions would be the greater of (1) the current market price (as defined in the partnership agreement) of the limited partner interests of the class as of the date three days prior to the date NuStar Energy's general partner mails notice of its election to purchase the limited partner interests and (2) the highest cash price paid by NuStar Energy's general partner or any of its affiliates for any limited partner interest of the class purchased within the 90 days preceding the date NuStar Energy's general partner mails notice of its election to purchase the limited partner interests.

Transfer of Limited Partner Interests and Status as a Limited Partner or Assignee

No transfer of NuStar Energy limited partner interests represented by certificates will be recognized by NuStar Energy unless certificates representing those limited partner interests are surrendered and such certificates are accompanied by a duly executed transfer application. Each transferee of limited partner interests must execute a transfer application whereby the transferee, among other things, requests admission as a substituted limited partner, makes certain representations, executes and agrees to comply with and be bound by the partnership agreement, and gives the consents and approvals and makes the waivers contained in the partnership agreement. Transferees may hold limited partner interests in nominee accounts.

Once a transferee has executed and delivered a transfer application in accordance with the partnership agreement, the transferee becomes an assignee. An assignee becomes a limited partner upon the consent of NuStar Energy's general partner and the recordation of the name of the assignee on NuStar Energy's books and records. Such consent may be withheld in the sole discretion of NuStar Energy's general partner. An assignee, pending its admission as a substituted limited partner, is entitled to an interest in NuStar Energy equivalent to that of a limited partner with respect to the right to share in allocations and distributions, including liquidating distributions of NuStar Energy. NuStar Energy's general partner will vote and exercise, at the written direction of the assignee, other powers attributable to limited partner interests owned by an assignee who has not become a substituted limited partner.

Transferees who do not execute and deliver transfer applications will be treated neither as assignees nor as record holders of limited partner interests and will not receive distributions, federal income tax allocations or reports furnished to record holders of limited partner interests. The only right such transferees will have is the right to admission as a substituted limited partner upon execution of a transfer application, subject to the approval of NuStar Energy's general partner. A nominee or broker who has executed a transfer application with respect to limited partner interests held in street name or nominee accounts will receive distributions and reports pertaining to such limited partner interests.

Non-Citizen Assignees; Redemption

If NuStar Energy, the Operating Partnership or any of their respective subsidiaries is or becomes subject to federal, state or local laws or regulations that, in the reasonable determination of NuStar Energy's general partner, create a substantial risk of cancellation or forfeiture of any property that NuStar Energy, the Operating Partnership or any of their respective subsidiaries has an interest in because of the nationality, citizenship or other related status of any limited partner or assignee, NuStar Energy may redeem the limited partner interests held by the limited partner or assignee at their current market price. In order to avoid any cancellation or forfeiture, NuStar Energy's general partner may require each limited partner or assignee to furnish information about his nationality, citizenship or related status. If a limited partner or assignee fails to furnish information about this nationality, citizenship or other related status within 30 days after a request for the information or NuStar Energy's general partner determines after receipt of the information that the limited partner or assignee is not an eligible citizen, the limited partner or assignee may be treated as a non-citizen assignee. In addition to other limitations on the rights of an assignee who is not a substituted limited partner, a non-citizen assignee does not have the right to direct the voting of his limited partner interests and may not receive distributions in kind upon NuStar Energy's liquidation.

Indemnification

Under the partnership agreement, in most circumstances, NuStar Energy will indemnify the following persons, to the fullest extent permitted by law, from and against all losses, claims, damages or similar events as long as such persons acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of NuStar Energy, and, with respect to any criminal proceeding, had no reasonable cause to believe their conduct was unlawful:

- NuStar Energy's general partner;
- any departing general partner;
- any person who is or was an affiliate of NuStar Energy's general partner or any departing general partner;
- any person who is or was a member, partner, officer, director, employee, agent or trustee of NuStar Energy, the Operating Partnership or any of their respective subsidiaries, NuStar Energy's general partner or any departing general partner or any affiliate of NuStar Energy, the Operating Partnership, their respective subsidiaries, NuStar Energy's general partner or any departing general partner; or
- any person who is or was serving at the request of NuStar Energy's general partner or departing general partner or any affiliate of NuStar Energy's general partner or departing general partner as an officer, director, employee, member, partner, agent, fiduciary or trustee of another person.

Any indemnification under these provisions will only be out of NuStar Energy's assets. NuStar Energy's general partner will not be personally liable for any of NuStar Energy's indemnification obligations, or have any obligation to contribute or loan funds or assets to NuStar Energy to enable it to effectuate indemnification. NuStar Energy is authorized to purchase insurance against liabilities asserted against and expenses incurred by persons for its activities, regardless of whether NuStar Energy would have the power to indemnify the person against liabilities under the partnership agreement.

Books and Reports

NuStar Energy's general partner is required to keep appropriate books of NuStar Energy's business at NuStar Energy's principal offices. The books will be maintained for both tax and financial reporting purposes on an accrual basis. For tax and financial reporting purposes, NuStar Energy's fiscal year is the calendar year.

NuStar Energy will furnish or make available to record holders of partnership securities, within 120 days after the close of each fiscal year, an annual report containing audited financial statements and a report on those financial statements by its registered public accounting firm. Except for its fourth quarter, NuStar Energy will also furnish or make available summary financial information within 90 days after the close of each quarter.

NuStar Energy will furnish each record holder of a partnership security with information reasonably required for tax reporting purposes within 90 days after the close of each calendar year.

Right to Inspect NuStar Energy's Books and Records

The partnership agreement provides that a limited partner can, for a purpose reasonably related to such limited partner's interest as a limited partner, upon reasonable demand and at its own expense, have furnished to it:

- information regarding the status of the business and financial condition of NuStar Energy;
- a copy of NuStar Energy's tax returns;
- a current list of the name and last known address of each partner;
- copies of the partnership agreement, the certificate of limited partnership of NuStar Energy, related amendments and powers of attorney under which they have been executed;
- information as to the amount of cash, and a description and statement of the agreed value of any other property or services, contributed or to be contributed by each partner and the date on which each became a partner;
- any other information regarding NuStar Energy's affairs as is just and reasonable.

NuStar Energy's general partner may, and intends to, keep confidential from the limited partners trade secrets or other information the disclosure of which it believes in good faith is not in NuStar Energy's, the Operating Partnership's and their respective subsidiaries' best interests, could damage NuStar Energy, the Operating Partnership and their respective subsidiaries or which NuStar Energy, the Operating Partnership or their respective subsidiaries are required by law or by agreements with third parties to keep confidential.

Registration Rights

Under the partnership agreement, NuStar Energy has agreed to register for resale under the Securities Act of 1933, as amended, and applicable state securities laws any Common Units or other partnership securities proposed to be sold by the general partner or any of its affiliates or their assignees if an exemption from the registration requirements is not otherwise available. These registration rights continue for two years following any withdrawal or removal of Riverwalk Logistics, L.P. as the general partner of NuStar Energy. NuStar Energy is obligated to pay all expenses incidental to the registration, excluding underwriting discounts and commissions.

Conflicts of Interest

Riverwalk Logistics, L.P., the general partner of NuStar Energy, has a legal duty to manage NuStar Energy in a manner beneficial to NuStar Energy's unitholders. This legal duty originates in statutes and judicial decisions and is commonly referred to as a "fiduciary" duty.

NuStar Energy's partnership agreement contains provisions that allow its general partner to take into account the interests of parties in addition to NuStar Energy in resolving conflicts of interest. In effect, these provisions limit NuStar Energy's general partner's fiduciary duties to the unitholders. The partnership agreement also restricts the remedies available to unitholders for actions taken that might, without those limitations, constitute breaches of fiduciary duty. Whenever a conflict arises between NuStar Energy's general partner or its affiliates, on the one hand, and NuStar Energy or any other partner, on the other hand, NuStar Energy's general partner will resolve that conflict.

NuStar Energy's general partner will not be in breach of its obligations under the partnership agreement or its duties to NuStar Energy or the unitholders if the resolution of the conflict is considered to be fair and reasonable to NuStar Energy. Any resolution is considered to be fair and reasonable to NuStar Energy if that resolution is:

- approved by a conflicts committee consisting of three or more independent directors of NuStar GP, LLC, although no party is obligated to seek approval and NuStar Energy's general partner may adopt a resolution or course of action that has not received approval;
- on terms no less favorable to NuStar Energy than those generally being provided to or available from unrelated third parties; or
- fair to NuStar Energy, taking into account the totality of the relationships between the parties involved, including other transactions that may be particularly favorable or advantageous to NuStar Energy.

In resolving a conflict, NuStar Energy's general partner may, unless the resolution is specifically provided for in the partnership agreement, consider:

- the relative interests of the parties involved in the conflict or affected by the action;
- any customary or accepted industry practices or historical dealings with a particular person or entity; and
- generally accepted accounting principles and other factors it considers relevant, if applicable.

Fiduciary Duties

Fiduciary duties are generally considered to include an obligation to act with due care and loyalty. The duty of care, in the absence of a provision in a partnership agreement providing otherwise, generally requires a general partner to act for the partnership in the same manner as a prudent person would act on his own behalf. The duty of loyalty, in the absence of a provision in a partnership agreement providing otherwise, generally prohibits a general partner from taking any action or engaging in any transaction where a conflict of interest is present. The Delaware law generally provides that a limited partner may institute legal action on a partnership's behalf to recover damages from a third party where a general partner has refused to institute the action or where an effort to cause a general partner to do so is not likely to succeed. In addition, the statutory or case law of some jurisdictions may permit a limited partner to institute legal action on behalf of himself and all other similarly situated limited partners to recover damages from a general partner for violations of its fiduciary duties to the limited partners.

The Delaware law provides that Delaware limited partnerships may, in their partnership agreements, restrict or expand the fiduciary duties owed by a general partner to limited partners and the partnership.

Fiduciary standards may be modified by NuStar Energy's partnership agreement. NuStar Energy's partnership agreement contains various provisions restricting the fiduciary duties that might otherwise be owed by NuStar Energy's general partner. The following is a summary of the material restrictions of the fiduciary duties owed by NuStar Energy's general partner to the limited partners:

The partnership agreement contains provisions that waive or consent to conduct by NuStar Energy's general partner and its affiliates that might otherwise raise issues as to compliance with fiduciary duties or applicable law. For example, the partnership agreement permits NuStar Energy's general partner to make a number of decisions in its "sole discretion," such as:

- the incurrence of indebtedness;
- the acquisition or disposition of assets, except for the disposition of all of the assets of NuStar Energy, which requires unitholder approval;
- the negotiation of any contracts; and
- the disposition of NuStar Energy's cash.

Sole discretion entitles NuStar Energy's general partner to consider only the interests and factors that it desires and it does not have a duty or obligation to give any consideration to any interest of, or factors affecting, NuStar Energy, its affiliates or any limited partner, including the public unitholders. Other provisions of NuStar Energy's partnership agreement provide that NuStar Energy's general partner's actions must be carried out in its reasonable discretion.

The partnership agreement generally provides that affiliated transactions and resolutions of conflicts of interest not involving a required vote of unitholders must be "fair and reasonable" to NuStar Energy under the factors previously set forth. In determining whether a transaction or resolution is "fair and reasonable" NuStar Energy's general partner may consider interests of all parties involved, including its own. Unless NuStar Energy's general partner has acted in bad faith, the action taken by NuStar Energy's general partner will not constitute a breach of its fiduciary duty.

In addition to the other more specific provisions limiting the obligations of NuStar Energy's general partner, the partnership agreement further provides that NuStar Energy's general partner and the officers and directors of NuStar GP, LLC will not be liable for monetary damages to NuStar Energy, the limited partners or assignees for errors of judgment or for any acts or omissions if NuStar Energy's general partner and those other persons acted in good faith.

NuStar Energy is required to indemnify its general partner and NuStar GP, LLC and their officers, directors, employees, affiliates, partners, members, agents and trustees, to the fullest extent permitted by law, against liabilities, costs and expenses incurred by NuStar Energy's general partner and NuStar GP, LLC or these other persons. This indemnification is required if NuStar Energy's general partner or these persons acted in good faith and in a manner they reasonably believed to be in, or (in the case of a person other than NuStar Energy's general partner) not opposed to, the best interests of NuStar Energy. Indemnification is required for criminal proceedings if NuStar Energy's general partner and NuStar GP, LLC or these other persons had no reasonable cause to believe their conduct was unlawful. Thus, NuStar Energy's general partner and NuStar GP, LLC could be indemnified for their negligent acts if they met these requirements concerning good faith and the best interests of NuStar Energy.

DISTRIBUTION STOPPER PURSUANT TO SUBORDINATED NOTES

On January 22, 2013, NuStar Logistics, L.P., a subsidiary of NuStar Energy ("NuStar Logistics"), issued $402.5 million of fixed-to-floating rate subordinated notes due January 15, 2043 (the "Subordinated Notes"). The Subordinated Notes are fully and unconditionally guaranteed on an unsecured and subordinated basis by NuStar Energy and NuStar Pipeline Operating Partnership L.P. ("NuPOP"). Effective January 15, 2018, the interest rate on the Subordinated Notes converted from a fixed rate to an annual rate equal to the sum of three-month LIBOR for the related quarterly interest period plus 6.734%, payable quarterly, unless payment is deferred in accordance with the terms of the notes. Effective with the quarterly interest periods starting after June 30, 2023, three-month LIBOR was replaced with three-month CME term SOFR plus the applicable tenor spread adjustment of 0.26161%. NuStar Logistics may elect to defer interest payments on the Subordinated Notes on one or more occasions for up to five consecutive years. Deferred interest will accumulate additional interest at a rate equal to the interest rate then applicable to the Subordinated Notes until paid. If NuStar Logistics elects to defer interest payments, NuStar Energy cannot declare or make cash distributions with respect to, or redeem, repurchase or make a liquidation payment with respect to, its equity securities during the period that interest payments are deferred. As of December 31, 2023, the interest rate was 12.4%.

The Subordinated Notes do not have sinking fund requirements and are subordinated to existing senior unsecured indebtedness of NuStar Logistics and NuPOP. The Subordinated Notes do not contain restrictions on NuStar Logistics’ ability to incur additional indebtedness, including debt that ranks senior in priority of payment to the notes. In addition, the Subordinated Notes do not limit NuStar Logistics’ ability to incur indebtedness secured by liens or to engage in certain sale-leaseback transactions. Effective January 15, 2018, we may redeem the Subordinated Notes in whole or in part at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest to the redemption date.

PERFORMANCE CASH AWARD AGREEMENT

This Performance Cash Award Agreement ("**Agreement**"), effective as of **April 27, 2023** ("**Grant Date**"), is between NuStar Energy L.P. (the "**Partnership**") and [______________________] ("**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**"), and is made pursuant to and subject to the Plan. All capitalized terms contained in this Agreement shall have the same definitions as set forth in the Plan unless otherwise defined herein.

1. **Grant of Performance Cash**. The Compensation Committee (the "**Committee**") of the Board of Directors of NuStar GP, LLC (the "**Company**") hereby grants to Participant pursuant to Section 6.3 of the Plan a Performance Cash Award in the amount of $[______________], which represents the target amount of Performance Cash subject to this Agreement, and 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 in the event of a Change of Control and except as the Committee may provide with respect to TUR (as defined in Section 4.A.II. below), 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 2023, 2024 and 2025, 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 will 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, 2023, 2024 and 2025, 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 in Section 3.C. below, 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. The Performance Cash may not vest in an amount greater than 200% of the target amount of Performance Cash subject to this Agreement.

   B. **Payment**. Except as provided otherwise in Section 6 below, 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 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 3.A. shall not be forfeited (the "**Carried Forward Amount**") 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 will be 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	1.77 : 1	50%
Target	1.97 : 1	100%
Exceeds Target	2.07 : 1	150%
Maximum	2.11 : 1	200%

If actual performance falls 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 A** (the "**Peer Group**") for the period beginning on January 1, 2021 and ending on December 31, 2023 ("**Year 1 TUR Period**").

a. **TUR**. The TUR for each company in the Peer 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 Closing Average Price as of the last day of the Year 1 TUR Period and the Closing Average Price for the trading day immediately prior to the first day 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 Closing Average Price for the trading day immediately prior to the first day of the Year 1 TUR Period. For purposes of this Agreement, the "Closing Average Price" shall be determined based on the average of the closing price of a common share or common unit of such company for the 20 consecutive trading days ending on (and including) the applicable measurement date.

b. __Performance Ranking__. The TUR for the Year 1 TUR Period for the Partnership and each company in the Peer Group shall be ranked from highest to lowest 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 highest and the 4th Quartile being the lowest), 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 Peer 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)
1/4	1st Quartile
1/2	1st Quartile 2nd Quartile
3/4	1st Quartile 2nd Quartile 3rd Quartile

c. __Vesting Percentage__. 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. __**Performance Cash Vesting for the Year 2 and Year 3 Performance Periods.**__ 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 forfeited for no consideration. Any Performance Cash that vests pursuant to this Section 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 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 12 months, for a period of not less than three months under the accident and health plan of the Company, the Partnership or an Affiliate.

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. **<u>Acceptance and Acknowledgment</u>**. Participant hereby accepts and agrees to be bound by the terms and conditions of the Plan and any subsequent amendments thereto, as if they had been set forth verbatim in this Agreement. Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. Participant has read and understands the terms and provisions thereof, and accepts the Performance Cash subject to the terms and conditions of 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. **<u>Plan Incorporated by Reference</u>**. The Plan is incorporated into this Agreement by this reference and made a part hereof for all purposes; provided, however, that, in the event of a conflict between the Plan and this Agreement, the Plan shall control.

10. **<u>Additional Terms</u>**.

a. **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).

b. **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.

c. **Governing Law**. This Agreement shall be governed by the laws of the State of Delaware without regard to conflict of laws principles.

d. **No Rights as a 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.

e. **Amendment**. The Committee has the right to amend 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.

f. **No Right to Continued Service**. Neither the Plan nor this Agreement confers 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. 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.

g. **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.

h. **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.

i. **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.

11. **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
Chairman of the Board, President and
Chief Executive Officer

Agreed and Accepted:

__
[name of Participant]

APPENDIX A
Peer 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.

RESTRICTED UNIT AWARD AGREEMENT

This Restricted Unit Award Agreement ("**Agreement**"), effective as of November 16, 2023 ("**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. Capitalized terms contained in this Agreement shall have the same definitions as are set forth in the Plan unless otherwise defined herein.

1. **Grant of Restricted Units**. The Compensation Committee (the "**Committee**") of the Board of Directors of NuStar GP, LLC (the "**Company**") hereby grants to Participant the number of Restricted Units under the Plan communicated to the Participant in the Company's Workday application. A "**Restricted Unit**" is an unfunded, unsecured contractual right (commonly referred to as a "phantom unit") which, upon vesting, entitles Participant to receive a Unit of the Partnership.

2. **Vesting**. The Restricted Units granted hereunder are subject to the following Restricted Periods and are scheduled to vest in the following increments:

- 20% of the Award to vest on the first anniversary of the Grant Date;
- 20% of the Award to vest on the second anniversary of the Grant Date;
- 20% of the Award to vest on the third anniversary of the Grant Date;
- 20% of the Award to vest on the fourth anniversary of the Grant Date; and
- 20% of the Award to vest on the fifth anniversary of the Grant Date.

The Restricted Units may vest prior to the expiration of such period, as set forth in the Plan or herein. Upon the vesting of each Restricted Unit awarded under this Agreement, Participant will be entitled to receive an unrestricted Unit of the Partnership.

3. **Distribution Equivalent Rights**. Restricted Units are granted hereunder in tandem with 0.55 of a distribution equivalent right ("**DERs**") for each Restricted Unit covered by this Award. A DER is a right to receive an amount in cash from the Partnership or its designee equal to the distributions made by the Partnership with respect to a Unit during the period that begins on the Grant Date and ends upon vesting of the tandem Restricted Unit or its forfeiture pursuant to this Agreement or the Plan.

4. **Settlement**. The issuance of Units under this Award shall be made on or as soon as reasonably practical following the applicable date of vesting or the earlier events set forth in Section 5, but in any event no later than the 60th day following the applicable date of vesting or, if earlier, the events set forth in Section 5. Distributions with respect to DERs will be paid to Participant in cash as soon as reasonably practical following the date distributions are paid with respect to Units during the period such DERs are outstanding, but in all events no later than 60 days following the date related amounts are declared with respect to Units. Upon vesting or forfeiture of a Restricted Unit, the related DER shall automatically and immediately terminate for no consideration, except that unpaid distributions with respect to DERs relating to distributions paid on Units prior to the date of such settlement shall be paid no later than the 60th day following the date such pre-vesting/forfeiture distributions are declared with respect to Units. 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. Participant agrees that the unrestricted Units to which Participant will be entitled in connection with the vesting of Restricted Units may be issued in uncertificated form and recorded with the Partnership's or its Affiliates' service provider.

5. **Acceleration Events**.

a. Notwithstanding the foregoing, if Participant becomes Disabled (as defined below) while employed by the Company, the Partnership or any of their respective Affiliates, or Participant's employment is terminated because of Participant's death (such Disability or death, an "**Acceleration Event**"), then:

i. if the Acceleration Event occurs within one year after the Grant Date (the "**Grant Year**"), then all then-outstanding Restricted Units and DERs shall automatically be forfeited for no consideration as of the close of business on the date of the Acceleration Event; and

ii. if the Acceleration Event occurs *after* the last day of the Grant Year (any such later year, a "**Post-Grant Year**"), then

A. a portion of the Restricted Units that remain unvested and outstanding on the date of the Acceleration Event shall automatically become vested, where such portion shall be equal to the product of:

(x) the percentage equal to the number of months of the Post-Grant Year elapsed prior to the date of the Acceleration Event; divided by the product of (i) the number of Post-Grant Years remaining, inclusive of the Post-Grant Year in which the Acceleration Event occurs, multiplied by (ii) 12 months;

multiplied by:

(y) the number of unvested Restricted Units that would have vested had Participant remained continuously employed with the Company, the Partnership or an Affiliate thereof through the latest date on the vesting schedule set forth in Section 2, and

B. the remaining Restricted Units (and all DERs) shall automatically and immediately be forfeited for no consideration.

For illustration purposes only: In Year 1, 100 Restricted Units are granted to a participant in November to vest in equal annual installments over a five year period beginning on the first anniversary of the date of grant. In Year 2, the participant dies with a last day of service of June 9. In this scenario, seven months of Year 2 have elapsed, so (x) is 15%, which is then multiplied by (y), that is, the Restricted Units remaining to vest for Year 2 through Year 5, which is 80 units. The product of (x) and (y) is 12; therefore, 12 of the 80 Restricted Units will vest with respect to the participant. The remaining 68 Restricted Units will be forfeited.

		Restricted Units Vesting Schedule								
Award Date	Restricted Units Awarded	2024	2025	2026	2027	2028	(x) = Percent of Restricted Units Vesting	(y) = Unvested Restricted Units	Pro-ration Formula	Pro-Rated Vesting
11/16/2023	100	20	20	20	20	20	7/48 = 15%	80	15% x 80	12

b. 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 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 12 months, for a period of not less than three months under the accident and health plan of the Company, the Partnership or an applicable Affiliate thereof.

c. The Award shall vest in full upon a Change of Control in accordance with Section 6.5(vii) of the Plan.

6. **<u>Withholding</u>**. 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 a number of Restricted Units or the Units issuable thereunder otherwise payable to Participant.

7. **<u>Acceptance and Acknowledgment</u>**. Participant hereby accepts and agrees to be bound by 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 60 days after the Grant Date. Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. Participant has read and understands the terms and provisions thereof, and accepts the Restricted Units and DERs subject to all of the terms and conditions of the Plan and this Agreement. Participant acknowledges that there may be adverse tax consequences upon payment of DERs and/or the vesting or settlement of the Restricted Units or disposition of the underlying Units and that Participant has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

8. **<u>Plan Incorporated by Reference</u>**. The Plan is incorporated into this Agreement by this reference and made a part hereof for all purposes; provided, however, that, in the event of a conflict between the Plan and this Agreement, the Plan shall control.

9. **<u>Additional Terms</u>**.

a. **No Guarantee of Tax Consequences**. Neither the Board, the Company, the Partnership nor 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).

b. **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 Restricted Units and/or DERs may be transferred by will or the laws of descent or distribution.

c. **Governing Law**. This Agreement shall be construed under the laws of the State of Delaware without regard to conflict of laws principles.

d. **No Rights as Unitholder**. Neither Participant nor any person claiming by, through or under Participant with respect to the Restricted Units or DERs shall have any rights as a unitholder of the Partnership (including, without limitation, voting rights) unless and until the Restricted Units vest and are settled by the issuance of Units.

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

f. **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.

g. **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.

h. **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.

i. **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.

10. **Restrictions**. This Agreement and Participant's interest in the Restricted Units and the DERs 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
Chairman of the Board, President and
Chief Executive Officer

NON-EMPLOYEE DIRECTOR
RESTRICTED UNIT AWARD AGREEMENT

This Restricted Unit Award Agreement ("**Agreement**"), effective as of November 16, 2023 ("**Grant Date**"), is between NuStar Energy L.P. (the "**Partnership**") and [__________] ("**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. Capitalized terms contained in this Agreement shall have the same definitions as are set forth in the Plan unless otherwise defined herein.

1. **<u>Grant of Restricted Units</u>**. The Board of Directors (referred to for purposes of this Agreement and the Plan as the "**Committee**") of NuStar GP, LLC (the "**Company**") hereby grants to Participant **7,714** Restricted Units under the Plan. A "**Restricted Unit**" is an unfunded, unsecured contractual right (commonly referred to as a "phantom unit") which, upon vesting, entitles Participant to receive a Unit of the Partnership.

2. **<u>Vesting</u>**. The Restricted Units granted hereunder are subject to the following Restricted Periods and are scheduled to vest in the following increments:

- one-third of the Award to vest on the first anniversary of the Grant Date;
- one-third of the Award to vest on the second anniversary of the Grant Date; and
- one-third of the Award to vest on the third anniversary of the Grant Date.

The Restricted Units may vest prior to the expiration of such period, as set forth in the Plan or herein. Upon the vesting of each Restricted Unit awarded under this Agreement, Participant will be entitled to receive an unrestricted Unit of the Partnership.

3. **<u>Distribution Equivalent Rights</u>**. Restricted Units are granted hereunder in tandem with an equal number of distribution equivalent rights ("**DERs**"). A DER is a right to receive an amount in cash from the Partnership or its designee equal to the distributions made by the Partnership with respect to a Unit during the period that begins on the Grant Date and ends upon vesting of the tandem Restricted Unit or its forfeiture pursuant to this Agreement or the Plan.

4. **<u>Settlement</u>**. The issuance of Units under this Award shall be made on or as soon as reasonably practical following the applicable date of vesting or the earlier events set forth in Section 5, but in any event no later than the 60th day following the applicable date of vesting or, if earlier, the events set forth in Section 5. Distributions with respect to DERs will be paid to Participant in cash as soon as reasonably practical following the date distributions are paid with respect to Units during the period such DERs are outstanding, but in all events no later than 60 days following the date related amounts are declared with respect to Units. Upon vesting or forfeiture of a Restricted Unit, the related DER shall automatically and immediately terminate for no consideration, except that unpaid distributions with respect to DERs relating to distributions paid on Units prior to the date of such settlement shall be paid no later than the 60th day following the date such pre-vesting/forfeiture distributions are declared with respect to Units. 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. Participant agrees that the unrestricted Units to which Participant will be entitled in connection with the vesting of Restricted Units may be issued in uncertificated form and recorded with the Partnership's or its Affiliates' service provider.

5. **<u>Acceleration Events</u>**.

a. Notwithstanding the foregoing, if Participant becomes Disabled (as defined below) while providing services to the Company, the Partnership or any of their respective Affiliates, or Participant's service is terminated because of Participant's death (such Disability or death, an "**Acceleration Event**"), then:

i. if the Acceleration Event occurs within one year after the Grant Date (the "**Grant Year**"), then all then-outstanding Restricted Units and DERs shall automatically be forfeited for no consideration as of the close of business on the date of the Acceleration Event; and

ii. if the Acceleration Event occurs *after* the last day of the Grant Year (any such later year, a "**Post-Grant Year**"), then

A. a portion of the Restricted Units that remain unvested and outstanding on the date of the Acceleration Event shall automatically become vested, where such portion shall be equal to the product of:

(x) the percentage equal to the number of months of the Post-Grant Year elapsed prior to the date of the Acceleration Event; divided by the product of (i) the number of Post-Grant Years remaining, inclusive of the Post-Grant Year in which the Acceleration Event occurs, multiplied by (ii) 12 months;

multiplied by:

(y) the number of unvested Restricted Units that would have vested had Participant remained continuously providing services to the Company, the Partnership or an Affiliate thereof through the latest date on the vesting schedule set forth in Section 2, and

B. the remaining Restricted Units (and all DERs) shall automatically and immediately be forfeited for no consideration.

For illustration purposes only: In Year 1, 100 Restricted Units are granted to a participant in November to vest in equal annual installments over a three-year period beginning on the first anniversary of the date of grant. In Year 2, the participant dies with a last day of service of June 9. In this scenario, seven months of Year 2 have elapsed, so (x) is 29%, which is then multiplied by (y), that is, the Year 2 and Year 3 Restricted Units remaining to vest, which is 66 units. The product of (x) and (y) is 19; therefore, 19 of the 66 Restricted Units will vest with respect to the participant. The remaining 47 Restricted Units will be forfeited.

Award Date	Restricted Units Awarded	Restricted Units Vesting			(x) = Percent of Restricted Units Vesting	(y) = Unvested Restricted Units	Pro-ration Formula	Pro-Rated Vesting
		2024	2025	2026				
11/16/2023	100	34	33	33	7/24 = 29%	66	29% x 66	19

b. For purposes of this Agreement, "**Disabled**" or "**Disability**" means 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 12 months.

c. The Award shall vest in full upon a Change of Control in accordance with Section 6.5(vii) of the Plan.

6. **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 a number of Restricted Units or the Units issuable thereunder otherwise payable to Participant.

7. **Acceptance and Acknowledgment**. Participant hereby accepts and agrees to be bound by 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 60 days after the Grant Date. Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. Participant has read and understands the terms and provisions thereof, and accepts the Restricted Units and DERs subject to all of the terms and

conditions of the Plan and this Agreement. Participant acknowledges that there may be adverse tax consequences upon payment of DERs and/or the vesting or settlement of the Restricted Units or disposition of the underlying Units and that Participant has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

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

9. **Additional Terms**.

a. **No Guarantee of Tax Consequences**. Neither the Board, the Company, the Partnership nor 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).

b. **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 Restricted Units and/or DERs may be transferred by will or the laws of descent or distribution.

c. **Governing Law**. This Agreement shall be construed under the laws of the State of Delaware without regard to conflict of laws principles.

d. **No Rights as Unitholder**. Neither Participant nor any person claiming by, through or under Participant with respect to the Restricted Units or DERs shall have any rights as a unitholder of the Partnership (including, without limitation, voting rights) unless and until the Restricted Units vest and are settled by the issuance of Units.

e. **Amendment**. The Committee has the right to amend or alter this Agreement, the Restricted Units and/or DERs; provided, that no such amendment shall adversely affect Participant’s material rights under this Agreement without Participant’s consent.

f. **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.

g. **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.

h. **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.

i. **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.

10. **Restrictions**. This Agreement and Participant’s interest in the Restricted Units and the DERs 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
Chairman of the Board, President and
Chief Executive Officer

Exhibit 19.01

Insider Trading Policy
Effective Date: April 27, 2023
Responsibility: Corporate Secretary

This Insider Trading Policy ("**Policy**") establishes terms and conditions regarding transactions in securities by our employees and directors. We encourage employees and directors to have a direct interest in the success of NuStar Energy L.P. through ownership of the partnership's units. We also seek to avoid any appearance that a NuStar employee or director has traded in securities on the basis of material nonpublic information.

Trading in securities on the basis of material nonpublic information is prohibited under this Policy and under the rules and regulations of the Securities and Exchange Commission. Violations of the securities laws can result in imprisonment, criminal fines and civil penalties. NuStar will impose disciplinary action for violations of this Policy up to and including termination of employment, whether or not such individual's conduct results in a violation of applicable securities laws.

INSIDER TRADING POLICY

Summary:

- This Policy covers Securities Transactions and the handling of confidential information about NuStar.
- Restricted Persons must contact NuStar's Corporate Secretary or designee before engaging in Securities Transactions.
- Restricted Persons may not engage in Securities Transactions during the period beginning on the last business day of a calendar quarter through the first business day after NuStar's disclosure of its quarterly or annual financial results.
- NuStar employees and directors may not engage in Securities Transactions while in possession of Material Information.
- NuStar employees and directors may not purchase, sell or write calls, puts or other options on the Securities.
- Restricted Persons must receive prior consent from the Chief Executive Officer before entering into margin loans or other financing arrangements involving Securities.
- Gifts and charitable donations of Securities are subject to this Policy.

Defined Terms:

"**Material Information**" means (i) information that has not been disclosed to the public that a reasonable investor would consider important in arriving at a decision to buy or sell securities or (ii) information that would otherwise be deemed material under federal securities laws. Examples of Material Information include: (i) earnings estimates, (ii) an increase or decrease to NuStar's quarterly distributions, (iii) unscheduled downtime at key facilities, (iv) significant cybersecurity incidents, (v) significant litigation developments and (vi) substantial purchases or sales of assets.

"**NuStar**" means NuStar Energy L.P. or any of its subsidiaries or affiliated entities.

“**Restricted Persons**” means:

- Members of the boards of directors of NuStar;
- Employees who are privy to NuStar financial information;
- Any employee who is director-level or above and located at NuStar’s San Antonio headquarters;
- Any Vice Presidents and above, regardless of where located; and
- Any other key employee so designated by the Corporate Secretary.

“**Securities**” means the securities of NuStar Energy L.P., including, for example, common units, preferred units and debt securities.

“**Securities Transaction**” means any transaction (directly or indirectly) in NuStar Securities, including the purchase or sale of Securities, as well as other transfers of Securities for the benefit of others. Gifts and charitable contributions of Securities are considered Securities Transactions for the purposes of this definition, but transfers of Securities where the ultimate beneficial ownership of and pecuniary interest in such Securities does not change are not considered transactions for the purposes of this definition.

<u>Possession of Material Information</u>:

Employees and directors may not directly or indirectly engage in any Securities Transactions while in possession of Material Information regarding NuStar, or otherwise use such information for his or her personal benefit. In addition, NuStar employees and directors may not pass such information directly or indirectly to others who may engage in such transactions, including but not limited to members of the individual’s household.

No person who, by virtue of his or her position, acquires Material Information about another publicly traded entity may purchase or sell securities of such other entity, or otherwise use such information for personal benefit or pass such information directly or indirectly to others who engage in such transactions.

The approval by the Corporate Secretary of a Securities Transaction does not relieve an individual of the obligation to refrain from trading on the basis of Material Information; if, notwithstanding such approval, such individual is in possession of Material Information, he or she may not engage in a Securities Transaction.

If you have any question about whether information in your possession is Material Information, you must contact NuStar’s Corporate Secretary or designee before engaging in a Securities Transaction by sending an email to *corporatesecretary@nustarenergy.com*.

<u>“Blackout” Period</u>:

Restricted Persons are prohibited from entering into Securities Transactions during the period beginning on the last business day of a calendar quarter through the first business day after NuStar’s disclosure of its quarterly or annual financial results. NuStar’s Chief Executive Officer, Chief Financial Officer, General Counsel or Corporate Secretary may also designate other periods during which Restricted Persons will be prohibited from engaging in Securities Transactions.

Restricted Persons must be careful about the use of standing sell orders or standing purchase orders. If these orders are left with a broker, the execution of these orders may create an inadvertent conflict with this Policy, as a transaction could be executed during a

Blackout Period. A similar caution applies to any permitted margin trading, as the broker may inadvertently buy or sell securities during a Blackout Period in order to satisfy a margin call.

Restricted Persons:
Restricted Persons must contact NuStar's Corporate Secretary or designee by sending an email to *corporatesecretary@nustarenergy.com* and receive approval prior to engaging in Securities Transactions – other than transactions consummated through the EUPP (as defined below).

As soon as practicable after receiving an inquiry, the Corporate Secretary or designee will consult with appropriate executive officers regarding any possible Material Information. If no such information exists, approval will be granted. If Material Information does exist, however, the Corporate Secretary or designee will withhold approval, which will also serve as a withdrawal of any other outstanding approvals previously granted.

Prohibitions on Calls, Puts, Options and Trading on Margin:
Employees and directors may not purchase, sell or write calls, puts or other options on the Securities.

In addition, Restricted Persons should avoid financial arrangements involving Securities that may lead to the ownership and rights of the Securities being transferred to a third-party. Restricted Persons must receive prior consent from the Chief Executive Officer before entering into margin loans or other financing arrangements involving Securities. In the case of the Chief Executive Officer, approval must be obtained from the Chair of the Audit Committee of the NuStar GP, LLC board of directors.

If required by NuStar, Restricted Persons must provide the Corporate Secretary with information relevant to the margin loans or financing arrangements.

Employee Unit Purchase Program:
Automatic payroll deductions and purchases by the administrator of NuStar's Employee Unit Purchase Program ("**EUPP**") are exempt from this Policy; however, any subsequent sale by the employee of Securities purchased through the EUPP is subject to this Policy.

Rule 10b5-1 Plans:
The restrictions set forth in this Policy do not apply to Securities Transactions made pursuant to a written plan, contract, instruction or arrangement made in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934.

Any Rule10b5-1 plan for any employee or director must be approved in advance by NuStar's Corporate Secretary or designee.

Exhibit 21.01

Subsidiaries of NuStar Energy L.P.

Name of Entity	Jurisdiction of Organization
Cöoperatie NuStar Holdings U.A.	Netherlands
LegacyStar Services, LLC	Delaware
NS Security Services, LLC	Delaware
NuStar Energy Services, Inc.	Delaware
NuStar Finance LLC	Delaware
NuStar GP Holdings, LLC	Delaware
NuStar GP, Inc.	Delaware
NuStar GP, LLC	Delaware
NuStar Holdings B.V.	Netherlands
NuStar Internacional, S. de R.L. de C.V.	Mexico
NuStar Logistics, L.P.	Delaware
NuStar Permian Crude Logistics, LLC	Delaware
NuStar Permian Holdings, LLC	Delaware
NuStar Permian Transportation and Storage, LLC	Delaware
NuStar Pipeline Company, LLC	Delaware
NuStar Pipeline Holding Company, LLC	Delaware
NuStar Pipeline Operating Partnership L.P.	Delaware
NuStar Pipeline Partners L.P.	Delaware
NuStar Services Company LLC	Delaware
NuStar Supply & Trading LLC	Delaware
NuStar Terminals Delaware, Inc.	Delaware
NuStar Terminals Operations Partnership L.P.	Delaware
NuStar Terminals Services, Inc.	Delaware
Riverwalk Logistics, L.P.	Delaware
Shore Terminals LLC	Delaware
Star Creek Ranch, LLC	Delaware

Exhibit 22.01

NuStar Energy L.P.
Subsidiary Guarantors and Issuers of Guaranteed Securities

NuStar Logistics, L.P., a Delaware limited partnership and wholly owned subsidiary of NuStar Energy L.P., a Delaware limited partnership (the “Partnership”), is the issuer of the securities listed in the table below (the “Logistics Notes”). The Logistics Notes are guaranteed by the Partnership and NuStar Pipeline Operating Partnership L.P., a Delaware limited partnership and wholly owned subsidiary of the Partnership.

Logistics Notes
5.750% senior notes due 2025
6.00% senior notes due 2026
5.625% senior notes due 2027
6.375% senior notes due 2030
12.4% fixed-to-floating rate subordinated notes due 2043

Exhibit 23.01

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-209717, 333-226279, 333-231004, 333-255637, and 333-271572) on Form S-8 and (No. 333-264947) on Form S-3ASR of our reports dated February 22, 2024, with respect to the consolidated financial statements of NuStar Energy L.P. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

San Antonio, Texas
February 22, 2024

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 annual report on Form 10-K 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: February 22, 2024

/s/ Bradley C. Barron

Bradley C. Barron
Chairman of the Board, 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 annual report on Form 10-K 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: February 22, 2024

/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 Annual Report of NuStar Energy L.P. (the Partnership) on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Bradley C. Barron, Chairman of the Board, 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
Chairman of the Board, President and Chief Executive Officer
February 22, 2024

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 Annual Report of NuStar Energy L.P. (the Partnership) on Form 10-K for the year ended December 31, 2023, 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
February 22, 2024

NuStar Energy L.P.

Policy on Recovery of Incentive-based Compensation

I. Introduction

The Board of Directors (the "**Board**") of NuStar GP, LLC (the "**General Partner**"), the general partner of Riverwalk Logistics, L.P., the general partner of NuStar Energy L.P. (the "**Partnership**"), has adopted this **Policy on Recovery of Incentive-based Compensation** (this "**Policy**"), which provides for the recovery of compensation in certain circumstances in the event of a restatement of financial results by the Partnership. This Policy is intended to comply with the requirements of Securities and Exchange Commission rules and New York Stock Exchange ("**NYSE**") listing standards implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Dodd-Frank Act**").

II. Administration

This Policy shall be administered by the Compensation Committee of the Board ("**Compensation Committee**"). Any determinations made by the Compensation Committee shall be final and binding on all affected individuals. The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy, in all cases consistent with the Dodd-Frank Act. The Compensation Committee is authorized to amend this Policy from time to time in its discretion.

III. Covered Persons

This Policy applies to any current or former "executive officer," within the meaning of Rule 10D-1 under the Securities Exchange Act of 1934, as amended, who served as an "executive officer" of the Partnership (each such individual, an "**Executive Officer**") during the applicable Recovery Period, as defined below. This Policy shall be binding and enforceable against all Executive Officers and their beneficiaries, executors, administrators and other legal representatives.

IV. Recovery Upon Financial Restatement

If the Partnership is required to prepare an accounting restatement due to the material noncompliance of the Partnership with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "**Financial Restatement**"), the Compensation Committee shall cause the Partnership to recover from each Executive Officer, as promptly as reasonably possible, any erroneously awarded Incentive-based Compensation, as defined below.

V. No-fault Recovery

Recovery under this Policy shall be required regardless of whether the Executive Officer or any other person was at fault or responsible for accounting errors that contributed to the need for the Financial Restatement or engaged in any misconduct.

VI. <u>Compensation Subject to Recovery</u>

A. This Policy applies to all compensation granted, earned or vested based wholly or in part upon the attainment of any financial reporting measure, including common unit price and total unitholder return ("**TUR**"), including but not limited to performance-based cash, units, options or other equity-based awards paid or granted to the Executive Officer ("**Incentive-based Compensation**"). Compensation that is granted, vests or is earned based solely upon the occurrence of non-financial events, such as base salary, restricted units or options with time-based vesting, or a bonus awarded solely at the discretion of the Board or Compensation Committee and not based on the attainment of any financial measure is not subject to this Policy.

B. In the event of a Financial Restatement, the amount to be recovered will be the excess of (i) the Incentive-based Compensation received by the Executive Officer during the three completed fiscal years immediately preceding the date on which the Partnership is required to prepare the Financial Restatement, as determined in accordance with Section VI.E. below (the "**Recovery Period**"), based on the erroneous data and calculated without regard to any taxes paid or withheld, over (ii) the Incentive-based Compensation that would have been received by the Executive Officer had the compensation been calculated based on the restated financial information, as determined by the Compensation Committee.

C. For this purpose, Incentive-based Compensation is considered to have been received by an Executive Officer in the fiscal year during which the applicable financial reporting measure was attained or purportedly attained, regardless of when the payment or grant of such Incentive-based Compensation occurs.

D. The compensation recovered under this Policy shall not include Incentive-based Compensation received by an Executive Officer (i) prior to beginning service as an Executive Officer or (ii) if he or she did not serve as an Executive Officer at any time during the applicable Recovery Period.

E. The date on which the Partnership is required to prepare a Financial Restatement is the earlier to occur of (i) the date the Board or a Board committee (or authorized officers of the General Partner if Board action is not required) concludes, or reasonably should have concluded, that the Partnership is required to prepare a Financial Restatement or (ii) the date a court, regulator, or other legally authorized body directs the Partnership to prepare a Financial Restatement.

F. For Incentive-based Compensation based on common unit price or TUR, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in the Financial Restatement, then the Compensation Committee shall determine the amount to be recovered based on a reasonable estimate of the effect of the Financial Restatement on the common unit price or TUR upon which the Incentive-based Compensation was received and the Partnership shall document the determination of that reasonable estimate and provide such documentation to the NYSE.

VII. <u>Enforcement</u>

The Partnership may use any legal or equitable remedies that are available to the Partnership to recover any erroneously awarded Incentive-based Compensation, including but not limited to by collecting from the Executive Officer a cash payment or common units of the Partnership or by causing the forfeiture of any amounts that the Partnership owes to the Executive Officer.

VIII. No Indemnification

Neither the Partnership nor the General Partner shall indemnify any Executive Officer or pay or reimburse the premium for any insurance policy to cover any losses incurred by such Executive Officer under this Policy.

IX. Exceptions

The Compensation Committee (or a majority of independent directors serving on the Board) may determine not to seek recovery from an Executive Officer in whole or part to the extent it determines in its sole discretion that such recovery would be impracticable because: (i) the direct expense paid to a third party to assist in enforcing recovery would exceed the recoverable amount (after having made a reasonable attempt to recover the erroneously awarded Incentive-based Compensation and providing corresponding documentation of such attempt to the NYSE); (ii) recovery would violate the home country law that was in effect prior to November 28, 2022, as determined by an opinion of counsel licensed in the applicable jurisdiction that is provided to the NYSE; or (iii) recovery would likely cause the Partnership’s 401(k) plan or any other tax-qualified retirement plan to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended.

X. Other Remedies Not Precluded

The exercise by the Compensation Committee of any rights pursuant to this Policy shall be without prejudice to any other rights or remedies that the Partnership, the Board or the Compensation Committee may have with respect to any Executive Officer subject to this Policy.

XI. Effective Date

This Policy was adopted by the Board effective as of October 2, 2023 (the “**Effective Date**”) and shall apply to any Incentive-based Compensation that is received by an Executive Officer on or after the Effective Date.