Delek Logistics Partners, LP
Form 10-K
February 26, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K
(Mark One)

þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2014

OR

o 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 001-35721

DELEK LOGISTICS PARTNERS, LP
(Exact name of registrant as specified in its charter)

Delaware	45-5379027
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
7102 Commerce Way Brentwood, Tennessee	37027
(Address of principal executive offices)	(Zip Code)

(615) 771-6701
(Registrant's telephone number, including area code)

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

Title of each class	Name of each exchange on which registered
Common Units Representing Limited Partner Interests	New York Stock Exchange

Securities registered pursuant to Section 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 o No þ

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 o No þ

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 þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (section 232.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments of this Form 10-K. þ

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

Large accelerated filer o Accelerated filer þ Non-accelerated filer o Smaller reporting company o
(Do not check if a smaller reporting company)

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

The aggregate market value of the registrant's common limited partner units held by non-affiliates as of June 30, 2014 was approximately $324,422,161, based upon the closing price of its common units on the New York Stock Exchange on that date.

At February 20, 2015, there were 12,216,447 common limited partner units, 11,999,258 subordinated limited partner units and 494,197 general partner units outstanding.

Documents incorporated by reference: None

TABLE OF CONTENTS

	PART I	
Item 1.	Business	3
Item 1A.	Risk Factors	19
Item 1B.	Unresolved Staff Comments	41
Item 2.	Properties	41
Item 3.	Legal Proceedings	51
Item 4.	Mine Safety Disclosures	51
	PART II	
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	51
Item 6.	Selected Financial Data	56
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	58
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	83
Item 8.	Financial Statements and Supplementary Data	83
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	83
Item 9A.	Controls and Procedures	83
Item 9B.	Other Information	84
	PART III	
Item 10.	Directors, Executive Officers and Corporate Governance	85
Item 11.	Executive Compensation	90
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	95
Item 13.	Certain Relationships and Related Transactions, and Director Independence	98
Item 14.	Principal Accountant Fees and Services	101
	PART IV	
Item 15.	Exhibits, Financial Statement Schedules	102
	Signatures	
	Exhibit Index	

Unless otherwise indicated or the context requires otherwise, the terms "Delek Logistics Partners, LP," the "Partnership," “we,” “us,” or “our” may refer to Delek Logistics Partners, LP, one or more of its consolidated subsidiaries or all of them taken as a whole.

Statements in this Annual Report on Form 10-K, other than purely historical information, including statements regarding our plans, strategies, objectives, beliefs, expectations and intentions are forward-looking statements. These forward-looking statements generally are identified by the words “may,” “will,” “should,” “could,” “would,” “predicts,” “inten “believes,” “expects,” “plans,” “scheduled,” “goal,” “anticipates,” “estimates” and similar expressions. Forward-looking staten are based on current expectations and assumptions that are subject to risks and uncertainties, including those discussed below and in Item 1A, Risk Factors, which may cause actual results to differ materially from the forward-looking statements. See also “Forward-Looking Statements” included in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations included in Item 1, Business, of this Annual Report on Form 10-K.

PART I

ITEM 1. BUSINESS

General

Delek Logistics Partners, LP (the "Partnership") is a Delaware limited partnership formed in April 2012 by Delek US Holdings, Inc. ("Delek") and its indirect subsidiary, Delek Logistics GP, LLC, which is our general partner ("GP" or "general partner"). Unless otherwise indicated or the context requires, "Delek" and "Sponsor" refer collectively to Delek and any of its subsidiaries, other than the Partnership, its subsidiaries and its general partner. In November 2012, the Partnership completed its initial public offering (the "Offering").

The Partnership's business primarily consists of the assets, liabilities and results of operations of certain crude oil and refined product pipelines and transportation, storage, wholesale marketing and terminalling assets which were previously owned, operated or held by Delek and certain of its present subsidiaries, including Delek Refining, Ltd. ("Delek Refining"), Delek Marketing & Supply, LLC ("Delek Marketing") and Lion Oil Company ("Lion Oil") and former subsidiaries, including Paline Pipeline Company, LLC ("Paline"), which is now a subsidiary of the Partnership. The Partnership also owns and/or operates assets that it acquired from unrelated third parties. However, Delek is our primary or sole customer for a substantial majority of our assets.

For accounting purposes, only the assets, liabilities, and results of operations of the assets mentioned above that were owned by these related parties prior to the completion of the Offering and contributed to the Partnership as part of the Offering are attributed to Delek Logistics Partners, LP Predecessor (the "DKL Predecessor").

Overview

The Partnership primarily owns and operates logistics and marketing assets for crude oil and intermediate and refined products. We generate revenue and contribution margin, which we define as net sales less cost of goods sold and operating expenses, by charging fees for gathering, transporting and storing crude oil, for storing intermediate products and feed stocks, and for marketing, distributing, transporting and storing refined products. A substantial majority of our existing assets are both integral to and dependent on the success of Delek's refining operations and most of our assets are contracted exclusively to Delek in support of Delek's refineries in Tyler, Texas (the "Tyler Refinery") and El Dorado, Arkansas (the "El Dorado Refinery"). See "—Commercial Agreements" for a description of certain of such agreements. In addition to the services we provide to Delek, we also provide and generate substantial revenue and contribution margin from crude oil, intermediate and refined products transportation services for, and

terminalling and marketing services to, third parties primarily in Texas, Tennessee and Arkansas. Certain of these services are provided pursuant to contractual agreements with such third parties. See "—Commercial Agreements—Other Agreements with Third Parties."

We are not a taxable entity for federal income tax purposes or the income taxes of those states that follow the federal income tax treatment of partnerships. Instead, for purposes of these income taxes, each partner of the Partnership is required to take into account its share of items of income, gain, loss and deduction in computing its federal and state income tax

liabilities, regardless of whether cash distributions are made to such partner by the Partnership. The taxable income reportable to each partner takes into account differences between the tax basis and the fair market value of our assets and financial reporting bases of assets and liabilities, the acquisition price of their units and the taxable income allocation requirements under our partnership agreement.

Recent Developments

Paline Pipeline Capacity Reservation
Prior to the Partnership's acquisition of Paline, Paline had entered into a contract with an unrelated third party for such company to exclusively use 100% of the southbound capacity of our Paline Pipeline. This agreement expired by its terms on December 31, 2014. Effective January 1, 2015, we entered into two new agreements with unrelated third parties for use of capacity of the Paline Pipeline. Pursuant to the terms of the new agreements, these parties will each pay a fixed monthly fee allowing them the exclusive right to use their respective leased capacities on the pipeline, which account for a combined 35,000 bpd. The initial term of these agreements is for 18 months from January 1, 2015.
2014 Developments

Acquisitions

Trucking Assets Acquisition. On December 17, 2014, we completed the purchase of substantially all of the operating assets of Frank Thompson Transport, Inc. ("FTT"), a company that primarily hauled crude oil and other products by transport truck. The assets purchased from FTT primarily consisted of approximately 120 trucks and 200 trailers (the "FTT Assets"). The aggregate purchase price of the FTT Assets was approximately $11.5 million.

Terminal and Pipeline Acquisition. On October 1, 2014, we completed the purchase from an affiliate of Magellan Midstream Partners, L.P. of (i) a light products terminal in Mount Pleasant, Texas (the "Mount Pleasant Terminal"), (ii) a light products storage facility in Greenville, Texas (the "Greenville Storage Facility"), and (iii) a 76-mile pipeline connecting the locations (the "Greenville-Mount Pleasant Pipeline"). The Mount Pleasant Terminal, the Greenville Storage Facility and the Greenville-Mount Pleasant Pipeline are hereinafter collectively referred to as the "Greenville-Mount Pleasant Assets." The Mount Pleasant Terminal consists of approximately 200,000 barrels of light product storage capacity, three truck loading lanes and ethanol blending capability. The Greenville Storage Facility has approximately 325,000 barrels of storage capacity and is connected to the Explorer Pipeline System, which is a common carrier pipeline owned by a third party. The aggregate purchase price of the Greenville-Mount Pleasant Assets was approximately $11.1 million, including approximately $1.1 million in finished product inventory.

El Dorado Terminal and Tankage Acquisition. On February 10, 2014, the Partnership, through our subsidiary, Delek Logistics Operating, LLC ("OpCo"), completed a transaction with Lion Oil, pursuant to which OpCo acquired a refined products terminal, storage tanks and ancillary assets on and adjacent to the El Dorado Refinery from Lion Oil (the "El Dorado Acquisition"). The purchase price paid for the assets acquired was $95.9 million in cash. The assets acquired consist of the following:

- The refined products terminal located at the El Dorado Refinery (the "El Dorado Terminal"), which consisted of a truck loading rack with three loading bays supplied by pipelines from storage tanks located at the El Dorado Refinery, along with certain ancillary assets. Total throughput capacity for the El Dorado Terminal is approximately 26,700 barrels per day ("bpd").

- One hundred fifty-eight (158) storage tanks and certain ancillary assets (such as pumps and piping) located at and adjacent to the El Dorado Refinery with an aggregate shell capacity of approximately 2.5 million barrels (such storage tanks and certain ancillary assets, the "El Dorado Storage Tanks"). The El Dorado Storage Tanks, together with the El

Dorado Terminal, are sometimes hereinafter collectively referred to as the "El Dorado Terminal and Tank Assets." Delek retained any current assets and current liabilities related to the El Dorado Terminal and Tank Assets as of the date of the El Dorado Acquisition. The only historical balance sheet items that transferred to the Partnership in the El Dorado Acquisition were property, plant and equipment assets, tank inspection liabilities and asset retirement obligations, which were recorded by us at historical cost.

In connection with the El Dorado Acquisition, the Partnership and Delek entered into (i) an asset purchase agreement, (ii) the Second Omnibus Amendment (as defined below), (iii) a throughput and tankage agreement with respect to the El Dorado Terminal and Tank Assets, (iv) a lease and access agreement, and (v) a site services agreement.
Second Omnibus Amendment. In connection with the Offering, the Partnership entered into an omnibus agreement with Delek, our general partner, OpCo, Lion Oil and certain of the Partnership's and Delek's other subsidiaries on November 7, 2012 (the "Omnibus Agreement"). On July 26, 2013, in connection with the acquisition from Delek of the refined products terminal and 96 storage tanks and ancillary assets adjacent to the Tyler Refinery, the Partnership and the other parties entered into an amendment and restatement of the Omnibus Agreement (the "First Omnibus Amendment"), which was amended and restated on February 10, 2014, in connection with the El Dorado Acquisition (the "Second Omnibus Amendment").
Other Developments

Second Amended and Restated Credit Facility. We entered into a senior secured revolving credit agreement on November 7, 2012, with Fifth Third Bank, as administrative agent, and a syndicate of lenders. The agreement was amended and restated on July 9, 2013 (the "Amended and Restated Credit Agreement") and was most recently amended and restated on December 30, 2014 (the "Second Amended and Restated Credit Agreement"). Under the terms of the Second Amended and Restated Credit Agreement, the lender commitments were increased from $400.0 million to $700.0 million. The Second Amended and Restated Credit Agreement also contains an accordion feature whereby the Partnership can increase the size of the credit facility to an aggregate of $800.0 million, subject to receiving increased or new commitments from lenders and the satisfaction of certain other conditions precedent. While the majority of the terms of the Second Amended and Restated Credit Agreement are substantially unchanged from the predecessor facility, among other things, changes were made to certain negative covenants, the financial covenants and the interest rate pricing grid. The Second Amended and Restated Credit Agreement contains an option for Canadian dollar denominated borrowings. Borrowings denominated in U.S. dollars bear interest at either a U.S. dollar prime rate, plus an applicable margin, or the London Interbank Offered Rate ("LIBOR"), plus an applicable margin, at the election of the borrowers. Borrowings denominated in Canadian dollars bear interest at either a Canadian dollar prime rate, plus an applicable margin, or the Canadian Dealer Offered Rate ("CDOR"), plus an applicable margin, at the election of the borrowers. The applicable margin in each case varies based upon the Partnership's most recent leverage ratio calculation delivered to the lenders, as called for and defined under the terms of the credit facility. The Second Amended and Restated Credit Agreement matures on December 30, 2019.

Information About Our Segments

We prepare segment information on the same basis that we review financial information for operational decision-making purposes. Currently, our business consists of two operating segments: (i) our pipelines and transportation segment and (ii) our wholesale marketing and terminalling segment. Additional segment and financial information is contained in our segment results included in Item 6, Selected Financial Data; Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations; and Note 13, Segment Data, of our consolidated financial statements included in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K.

Pipelines and Transportation Segment
Our pipelines and transportation segment consists of assets, including pipelines and trucks and ancillary assets, that provide crude oil gathering and crude oil, intermediate and finished products transportation and storage services primarily in support of the Tyler and El Dorado Refineries. Additionally, this segment provides crude oil and other products transportation services to certain unrelated third parties. In providing these services, we do not take ownership of the products or crude oil that we transport or store; and, therefore, we are not directly exposed to changes in commodity prices.

The tables below show the operating results for each of our operating systems. For the years ended December 31, 2014, 2013 and 2012, we present the results of both the Partnership and our Predecessors, as delineated in any notes accompanying the tables.

Lion Pipeline System. Our Lion Pipeline System is a system of common carrier pipelines that transport crude oil to, and refined products from, Delek's El Dorado Refinery. The pipelines in this system also have injection points where crude oil gathered from the SALA Gathering System is injected and then transported to the El Dorado Refinery. We do not charge an additional tariff for the transportation of these gathered crude oils over the Lion Pipeline System if a tariff has been charged for transportation on the SALA Gathering System. In addition, a pipeline within the Lion Pipeline System transports minimal crude oil for third parties pursuant to a common carrier tariff. We own substantially all of these pipelines but do

lease from an unrelated third party, capacity on a portion of the Lion Pipeline System which runs from El Dorado, Arkansas to our terminal in Memphis, Tennessee. The Lion Pipeline System has crude oil storage tanks and facilities ancillary to the operation of the pipeline system. The Lion Pipeline System is capable of transporting crude oil offloaded from rail cars at or near the El Dorado Refinery. The following table details certain operating data for our Lion Pipeline System.

	Average Daily Throughput (bpd) Year Ended December 31,		
	2014	2013	2012 [1]
Lion Pipeline System:			
Crude Oil Pipelines (Non-gathered) [2]	47,906	46,515	46,027
Refined Products Pipelines to Enterprise System	53,461	49,694	45,220

(1) Throughputs for the year ended December 31, 2012 include the throughputs of the DKL Predecessor from January 1, 2012 through November 6, 2012 and those of the Partnership for the period beginning November 7, 2012 through December 31, 2012.

(2) Excludes crude oil gathered on our SALA Gathering System and injected into our Lion Pipeline System.

SALA Gathering System. The SALA Gathering System is a system of common carrier pipelines that primarily gathers and transports crude oil and condensate that is purchased by Delek or a third party to whom Delek has assigned its rights, from various crude oil producers in Arkansas, Texas and Louisiana. In addition, the gathering system transports small volumes of crude oil that are received from other sources and condensate that is purchased from a third party in east Texas. All such crude oil and other products are ultimately transported to the El Dorado Refinery for processing. In addition, a pipeline within the SALA Gathering System transports minimal crude oil for third party shippers pursuant to a common carrier tariff. The table below sets forth historical throughput information for the SALA Gathering System.

	Average Daily Throughput (bpd) Year Ended December 31,		
	2014	2013	2012 [1]
SALA Gathering System:			
Throughput (average bpd):	22,656	22,152	20,747

(1) Throughputs for the year ended December 31, 2012 include the throughputs of the DKL Predecessor from January 1, 2012 through November 6, 2012 and those of the Partnership for the period beginning November 7, 2012 through December 31, 2012.

Paline Pipeline System. Our Paline Pipeline System runs from Longview, Texas to Nederland, Texas and was initially a northbound crude oil pipeline prior to the reversal of the pipeline in 2012. Prior to the Partnership's acquisition of Paline, Paline entered into a contract with an unrelated third party for such company to exclusively use 100% of the southbound capacity of our Paline Pipeline. This agreement expired by its terms on December 31, 2014. Effective January 1, 2015, we entered into two new agreements with unrelated third parties with respect to the pipeline. For a more thorough discussion of these agreements, please see "—Commercial Agreements—Other Agreements with Third Parties—Paline Pipeline System Capacity Reservation" of this Annual Report on Form 10-K. A three-mile portion of the Paline Pipeline System still runs northbound from Kilgore, Texas to Longview and transports crude oil for third parties pursuant to a common carrier tariff.

East Texas Crude Logistics System. Our East Texas Crude Logistics System is comprised of the Nettleton and McMurrey Pipelines and their related tank farms. The Nettleton Pipeline is used to transport crude oil from our tank farms in and around Longview, Texas to the Bullard Junction at the Tyler Refinery. The McMurrey Pipeline also begins at our tank farms in and around Longview, Texas and runs roughly parallel to the Nettleton Pipeline. The table below sets forth historical average daily throughput for the East Texas Crude Logistics System.

6

	Average Daily Throughput (bpd) Year Ended December 31,					
	2014		2013		2012 [1]	
East Texas Crude Logistics System (average bpd)	7,361		19,896		55,068	
% of Tyler Refinery Crude Throughput	12.5	%	34.1	%	97.6	%

[1] Throughputs for the year ended December 31, 2012 include the throughputs of the DKL Predecessor from January 1, 2012 through November 6, 2012 and those of the Partnership for the period beginning November 7, 2012 through December 31, 2012.

We have a pipelines and tankage agreement with Delek to provide throughput on the East Texas Crude Logistics System. However, in April 2013, a reconfigured pipeline system that is owned and operated by third parties began transporting crude oil to the Tyler Refinery from west Texas. Delek has a 10-year agreement, expiring in 2023, with such third parties to transport a substantial majority of the Tyler Refinery’s crude oil requirements on this reconfigured pipeline system. As a result of the third parties' ability to transport crude oil on its reconfigured pipeline system directly to the Tyler Refinery, the crude oil supplied through the Nettleton and McMurrey Pipelines fell below the minimum aggregate throughput requirements of our pipelines and tankage agreement with Delek during the second quarter of 2013 and has remained below the minimum aggregate throughput requirements since that time. We expect crude oil volumes transported on our East Texas Crude Logistics System to continue to be below the minimum throughput requirement of 35,000 bpd for the foreseeable future. However, until November 2017, Delek is required under its commercial agreement with us, to pay us throughput fees in an amount equal to the fees it would pay were we to throughput 35,000 bpd, based on the per barrel fees in our agreement. In 2013, to provide flexibility for our assets, we reconfigured a portion of the East Texas Crude Logistics System to be bi-directional, which enables it to transport crude oil from the west to Longview.

Tyler-Big Sandy Pipeline. The Tyler-Big Sandy Pipeline is essentially one pipeline link between the Tyler Refinery and the Partnership's terminal at Big Sandy, Texas that consists of the following two pipelines, which effectively connect at the Hopewell Station: (i) the Hopewell Pipeline, which originates at the Tyler Refinery and terminates at the Hopewell Station, and (ii) the Big Sandy Pipeline, which originates at the Hopewell Station and terminates at the Big Sandy Terminal.

Tyler Tank Assets. The Tyler Tank Assets consist of 96 storage tanks and certain ancillary assets (such as pumps and piping) located at and adjacent to the Tyler Refinery with an aggregate shell capacity of approximately 2.0 million barrels. On July 26, 2013, in connection with the Tyler Acquisition, we and Delek entered into an eight-year throughput and tankage agreement with respect to the Tyler Terminal and Tank Assets. Under the agreement, Delek is subject to a $855,041 per month storage fee for the right to use the active shell capacity of the Tyler Storage Tanks, which fee is adjusted for inflation in July of each year. See "Commercial Agreements—Commercial Agreements in Connection with the Tyler Acquisition" for additional detail.

El Dorado Tank Assets. The El Dorado Tank Assets consist of 158 storage tanks and certain ancillary assets (such as pumps and piping) located at and adjacent to the El Dorado Refinery with an aggregate shell capacity of approximately 2.5 million barrels. On February 10, 2014, in connection with the El Dorado Acquisition, we and Delek entered into an eight-year throughput and tankage agreement with respect to the El Dorado Terminal and Tank Assets. Under the agreement, Delek is subject to a $1,319,641 per month storage fee for the right to use the active shell capacity of the El Dorado Storage Tanks, which fee is adjusted for inflation in July of each year. See "Commercial Agreements—Commercial Agreements in Connection with the El Dorado Acquisition" for additional detail.

Greenville-Mount Pleasant Pipeline and Greenville Storage Facility. The Greenville-Mount Pleasant Pipeline connects the Greenville Storage Facility and the Mount Pleasant Terminal. The Greenville Storage Facility has a total storage capacity of approximately 325,000 barrels and is connected to the Explorer Pipeline System.

FTT Trucking Assets. We own approximately 120 trucks and 200 trailers used to haul primarily crude oil and other products both for Delek and its affiliates and for third parties.

7

Wholesale Marketing and Terminalling Segment

Our wholesale marketing and terminalling segment provides wholesale marketing and terminalling services to Delek's refining operations and to independent third parties from whom we receive fees for marketing, transporting, storing and terminalling refined products. As of December 31, 2014, we generated revenue in our wholesale marketing and terminalling segment by (i) providing marketing services for the refined products output of the Tyler Refinery, (ii) engaging in wholesale activity at our Abilene and San Angelo, Texas terminals, as well as at terminals owned by third parties, whereby we purchase light products for sale and exchange to third parties, and (iii) providing terminalling services to independent third parties and Delek. See "—Commercial Agreements—Commercial Agreements Entered Into in Connection with the Offering—Terminalling" and "—Commercial Agreements—Other Agreements with Third Parties." The tables below show the operating results for the wholesale marketing and terminalling segment. For the years ended December 31, 2014, 2013 and 2012, we present the results of both the Partnership and our Predecessors, as delineated in any notes accompanying the tables.

Wholesale Marketing

East Texas. Pursuant to a marketing agreement with Delek, we market 100% of the refined products output of the Tyler Refinery, other than jet fuel and petroleum coke. See "—Commercial Agreements—Commercial Agreements Entered Into in Connection with the Offering—East Texas." The following table sets forth the historical sales volumes under this marketing agreement.

	Year Ended December 31,		
	2014	2013	2012 [1]
Sales volumes (average bpd):	61,368	58,773	57,574

[1] Sales volumes for the year ended December 31, 2012 include the throughputs of the DKL Predecessor from January 1, 2012 through November 6, 2012 and those of the Partnership for the period beginning November 7, 2012 through December 31, 2012.

West Texas. In our west Texas marketing operations, we generate revenue by purchasing refined products from independent third-party suppliers for sale and exchange to third parties at our San Angelo and Abilene, Texas terminals and at third-party terminals located elsewhere in Texas. Substantially all of our product sales in west Texas are on a wholesale basis.

The majority of the petroleum products we sell in west Texas are purchased from Noble Petro, Inc. ("Noble Petro"). Under the terms of a supply contract with Noble Petro, we have the right to purchase up to 20,350 bpd of petroleum products for sale at our San Angelo and Abilene, Texas terminals, which we lease to Noble Petro. See "—Commercial Agreements—Other Agreements with Third Parties—West Texas."

The following table details the average aggregate daily number of barrels of refined products, and the margins associated with such products, that we sold in our west Texas wholesale operations for the periods indicated.

	Year Ended December 31,		
	2014	2013	2012 [1]
Throughput (average bpd) [2]	16,707	18,156	16,523
Bulk Biofuels [3]	—	—	5,577
Gross margin (in thousands) [2]	$28,174	$12,420	$15,512
Gross margin per barrel [2]	$4.67	$2.12	$2.56

[1] Throughputs for the year ended December 31, 2012 include the throughputs of the DKL Predecessor from January 1, 2012 through November 6, 2012 and those of the Partnership for the period beginning November 7, 2012 through December 31, 2012.

(2) Excludes bulk ethanol and biodiesel.

(3) Prior to November 7, 2012, the DKL Predecessor also marketed bulk ethanol and biodiesel, beginning in the fourth quarter of 2011. Subsequent to November 7, 2012, we have not marketed bulk ethanol and biodiesel. Accordingly, these amounts are presented for the time period during which the DKL Predecessor marketed bulk biofuels.

Terminalling

We provide terminalling services for products to independent third parties and Delek through light products terminals in Nashville, Tennessee and Mount Pleasant, Texas and to Delek through our light products terminals in Memphis, Tennessee, Tyler, Texas, Big Sandy, Texas, El Dorado, Arkansas and North Little Rock, Arkansas. Delek has an agreement to use our Memphis, El Dorado, Tyler, Big Sandy and North Little Rock terminals. See “—Commercial Agreements—Commercial Agreements Entered Into in Connection with the Offering—Terminalling," “—Commercial Agreements—Commercial Agreements in Connection with the El Dorado Acquisition," “—Commercial Agreements—Commercial Agreements in Connection with the Tyler Acquisition" and “—Commercial Agreements—Other Agreements with Delek.” The table below sets forth historical average daily throughput for each of our terminals.

	Year Ended December 31, 2014	2013	2012 (1)
Throughput (average bpd):			
Big Sandy, TX (2)	1,760	—	—
Memphis, TN	9,616	9,575	10,334
Nashville, TN	6,376	6,270	5,086
Tyler, TX (3)	61,501	55,686	—
El Dorado, AR (4)	9,807	—	—
North Little Rock, AR (5)	7,324	3,907	—
Mount Pleasant, TX (6)	417	—	—
Total (average bpd)	96,801	75,438	15,420

(1) Throughputs for the year ended December 31, 2012 include the throughputs of the DKL Predecessor from January 1, 2012 through November 6, 2012 and those of the Partnership for the period beginning November 7, 2012 through December 31, 2012.

(2) The Big Sandy Terminal was acquired by Delek Marketing-Big Sandy, LLC on February 7, 2012. The terminal was idle during the year ended December 31, 2012 and for the majority of the year ended December 31, 2013.

(3) Throughputs for the year ended December 31, 2013 are for the 159 days the Partnership owned the Tyler Terminal in 2013.

(4) Throughputs for the year ended December 31, 2014 are for the 324 days the Partnership owned the El Dorado Terminal in 2014.

(5) Throughputs for the year ended December 31, 2013 are for the 69 days the Partnership owned the North Little Rock Terminal in 2013.

(6) Throughputs for the year ended December 31, 2014 are for the 92 days the Partnership operated the Mount Pleasant Terminal in 2014.

Commercial Agreements

Commercial Agreements Entered Into in Connection with the Offering

The Partnership entered into various long-term, fee-based commercial agreements with Delek at the completion of the Offering. Except where noted, each of these agreements, described below, became effective on November 7, 2012, concurrent with the completion of the Offering. Each of these agreements includes minimum quarterly volume or throughput commitments. Fees under each agreement are payable to us monthly by Delek or certain third parties to whom Delek has assigned certain of its rights. For a discussion of a third party's involvement in certain agreements, see "Delek's Crude Oil and Refined Products Supply and Offtake Arrangement." The tariffs, throughput fees and the storage fees under our agreements with Delek are subject to increase or decrease on July 1 of each year, by the amount of any change in the Federal Energy Regulatory Commission ("FERC") oil pipeline index or, in the case of the east Texas marketing agreement, to the consumer price index and, in the case of the El Dorado Terminal and Tank Assets and the Tyler Terminal and Tank Assets, to other inflation-based indices; provided, however, that in no event will the fees be adjusted below the amount initially set forth in the applicable agreement. In most circumstances, if Delek or the applicable third party assignee fails to meet or exceed the minimum volume or throughput commitment during any calendar quarter, Delek, and not any third party assignee, will be required to make a quarterly shortfall payment to us equal to the volume of the shortfall multiplied by the applicable fee. Carry-over of any volumes in excess of such commitment to any subsequent quarter is not permitted. Exceptions to this requirement that Delek make minimum payments under a given agreement can exist if (i) there is an event of force majeure affecting our asset, or (ii) after the first three years of the applicable commercial agreement's term (a) there is an event of force majeure affecting the applicable Delek asset or (b) if Delek shuts down the applicable refinery upon giving 12 months' notice, which such notice may only be given after the first two years of the applicable commercial agreement's term. In addition, Delek may terminate any of these agreements under certain circumstances.

Under each of these agreements, we are required to maintain the capabilities of our pipelines, storage facilities and terminals such that Delek or its assignee may throughput and/or store, as the case may be, specified volumes of crude oil and refined products. To the extent that Delek or its assignee is prevented by our failure to maintain such capacities from throughputting or storing such specified volumes for more than 30 days per year, Delek's minimum throughput commitment will be reduced proportionately and prorated for the portion of the quarter during which the specified throughput capacity was unavailable, and/or the storage fee will be reduced, prorated for the portion of the month during which the specified storage capacity was unavailable. Such reduction would occur even if actual throughput or storage amounts were below the minimum volume commitment levels.

Each of the Partnership's commercial agreements with Delek entered into at the completion of the Offering, other than the marketing agreement described under "—East Texas," has an initial term of five years, which may be extended at the option of Delek for up to two additional five-year terms. The marketing agreement has an initial term of ten years and may be renewed annually thereafter.

Lion Pipeline and SALA Gathering Systems. We entered into a pipelines and storage facilities agreement with Delek under which we provide transportation and storage services to the El Dorado Refinery for crude oil and finished products. Under this pipelines and storage facilities agreement, Delek is obligated to meet certain minimum aggregate throughput volumes on the pipelines of our Lion Pipeline System and our SALA Gathering System as follows:

- Lion Pipeline System. The minimum throughput commitment on the Lion Pipeline System crude oil pipelines is an aggregate of 46,000 bpd (on a quarterly average basis) of crude oil shipped on the El Dorado, Magnolia and rail connection pipelines, other than crude oil volumes gathered on our SALA Gathering System, at a current tariff rate of $0.92 per barrel. For the Lion Pipeline System refined products pipelines, the minimum throughput commitment is an aggregate of 40,000 bpd (on a quarterly average basis) of diesel or gasoline shipped on these pipelines at a current tariff rate of $0.109 per barrel.

- SALA Gathering System. The minimum throughput commitment is an aggregate of 14,000 bpd (on a quarterly average basis) of crude oil transported on the SALA Gathering System at a current tariff rate of $2.44 per barrel. Volumes initially gathered on the SALA Gathering System before injection into the Lion Pipeline System are not subject to an additional fee for transportation on our Lion Pipeline System to the El Dorado Refinery.

For a discussion of a third party's involvement in this agreement, see "—Delek's Crude Oil and Refined Products Supply and Offtake Arrangement."

East Texas Crude Logistics System. We entered into a pipelines and tankage agreement with Delek pursuant to which we provide crude oil transportation and storage services for the Tyler Refinery. This agreement replaced the pipelines and

tankage agreement between Delek and the DKL Predecessor. Under the current pipelines and tankage agreement, Delek is obligated to meet minimum aggregate throughput volumes of crude oil of at least 35,000 bpd, calculated on a quarterly average basis, on our East Texas Crude Logistics System for a current transportation fee of $0.43 per barrel. For any volumes in excess of 50,000 bpd, calculated on a quarterly average basis, Delek is required to pay an additional fee currently at $0.21 per barrel. In addition, Delek pays a current storage fee of $271,640 per month for the use of our crude oil storage tanks along our East Texas Crude Logistics system.

East Texas. We entered into a marketing agreement with Delek pursuant to which we market 100% of the output of the Tyler Refinery, other than jet fuel and petroleum coke. This agreement replaced the marketing agreement between Delek and the DKL Predecessor and has a ten-year initial term and automatically renews annually thereafter unless notice is given by either party ten months prior to the end of the then current term. Under the marketing agreement, Delek is obligated to make available to us for marketing and sale at our Tyler Terminal and/or our Big Sandy Terminal an aggregate amount of refined products of at least 50,000 bpd, calculated on a quarterly average basis. In exchange for our marketing services, Delek pays us a current base fee of $0.62 per barrel of products it sells. In addition, Delek has agreed to pay us 50% of the margin, if any, above an agreed base level generated on the sale as an incentive fee, provided that the incentive fee shall not be less than $175,000 nor greater than $500,000 per quarter.

Terminalling. We entered into two, five-year terminalling services agreements pursuant to which Delek pays us fees for providing terminalling and other services to Delek at our Memphis and Big Sandy terminals, as well as for storing product at our Big Sandy Terminal. The minimum throughput commitments under these agreements are 10,000 bpd (on a quarterly average basis) for the Memphis terminal, representing approximately 75% of maximum loading capacity, and 5,000 bpd (on a quarterly average basis) for the Big Sandy Terminal, representing approximately 55% of maximum loading capacity, in each case currently at a fee of $0.54 per barrel. Delek is also subject to a current fee of $54,280 per month for the right to store product at our Big Sandy Terminal. For a discussion of a third party's involvement in the terminalling agreement relative to our Memphis terminal, see "—Delek's Crude Oil and Refined Products Supply and Offtake Arrangement."

Amended and Restated Services Agreement (Big Sandy Terminal and Pipeline). In connection with the acquisition of the Hopewell Pipeline on July 25, 2013, we entered into the Amended and Restated Services Agreement (Big Sandy Terminal and Pipeline) with Delek, which amended and restated the Terminalling Services Agreement (Big Sandy Terminal) dated November 7, 2012 to include, among other things, a minimum throughput commitment and a per-barrel throughput fee that Delek must pay us for throughput along the Tyler-Big Sandy Pipeline. Pursuant to the Amended and Restated Services Agreement (Big Sandy Terminal and Pipeline), Delek is obligated to throughput a minimum aggregate volume of at least 5,000 bpd through the Tyler-Big Sandy Pipeline, calculated on a quarterly average basis, and to pay a current transportation fee of $0.54 per barrel for volumes shipped on the pipeline in addition to its terminal throughput obligations, regardless of the fact that the Tyler-Big Sandy Pipeline was not operational until the fourth quarter of 2013. The term of the Amended and Restated Services Agreement (Big Sandy Terminal and Pipeline) expires on November 6, 2017.

Commercial Agreements in Connection with the El Dorado Acquisition

El Dorado Throughput and Tankage Agreement. On February 10, 2014, in connection with the El Dorado Acquisition, Lion Oil, OpCo and, for limited purposes, J. Aron & Company ("J. Aron"), entered into the El Dorado Throughput and Tankage Agreement. Under the El Dorado Throughput and Tankage Agreement, OpCo provides Lion Oil with throughput and storage services in return for payment of throughput and storage fees. During each calendar quarter, Delek is obligated to throughput an aggregate amount of at least 11,000 bpd of certain refined products through the El Dorado Terminal at a current throughput fee of $0.51 per barrel (the "El Dorado Throughput Fee"). Delek is also subject to a current fee of $1,319,641 per month for the right to use the active shell capacity of the El Dorado Storage Tanks. The throughput and storage fees under this agreement with Delek are subject to increase or decrease on July 1 of each year, by the amount of any change in the producer price index; provided, however, that in no event will the

fees be adjusted below the amount initially set forth in the applicable agreement. The initial term of the El Dorado Throughput and Tankage Agreement is eight years, and Lion Oil, at its sole option, may extend the term for up to two renewal terms of four years each. If Delek does not throughput the aggregate amounts equal to the minimum throughput commitments described above during any calendar quarter, Delek must pay us a shortfall payment equal to the shortfall volume multiplied by the El Dorado Throughput Fee. Effective February 10, 2014, Lion Oil assigned to J. Aron its rights to use and transport materials through the El Dorado Terminal and Tank Assets until the expiration of Lion Oil’s amended and restated supply and offtake agreement with J.

Aron, which is discussed more fully below. Despite the assignment, Lion Oil still retains certain rights and obligations under the El Dorado Throughput and Tankage Agreement.

El Dorado Lease and Access Agreement. In connection with the El Dorado Acquisition, Lion Oil and OpCo entered into the El Dorado Lease and Access Agreement (the "El Dorado Lease"). Under the El Dorado Lease, OpCo leases from Lion Oil the real property on which the El Dorado Terminal and Tank Assets are located. The El Dorado Lease has an initial term of 50 years with automatic renewal for up to four successive 10-year periods thereafter.

El Dorado Site Services Agreement. In connection with the El Dorado Acquisition, Lion Oil and OpCo also entered into the El Dorado Site Services Agreement. Under the El Dorado Site Services Agreement, Lion Oil provides OpCo with shared use of certain services, materials and facilities that are necessary to operate and maintain the El Dorado Terminal and Tank Assets as currently operated and maintained. The term of the El Dorado Site Services Agreement is co-terminous with the El Dorado Lease discussed above.

Commercial Agreements in Connection with the Tyler Acquisition

Tyler Throughput and Tankage Agreement. On July 26, 2013, in connection with the Tyler Acquisition, we and Delek entered into the Tyler Throughput and Tankage Agreement. Under the Tyler Throughput and Tankage Agreement, we provide Delek with throughput and storage services in return for payment of throughput and storage fees. During each calendar quarter, Delek is obligated to throughput an aggregate amount of at least 50,000 bpd of certain refined products through the Tyler Terminal at a current throughput fee of $0.36 per barrel (the "Tyler Throughput Fee"). Delek is also subject to a current fee of $855,041 per month for the right to use the active shell capacity of the Tyler Storage Tanks. The throughput and storage fees under this agreement with Delek are subject to increase or decrease on July 1 of each year, by the amount of any change in the producer price index; provided, however, that in no event will the fees be adjusted below the amount initially set forth in the applicable agreement. The initial term of the Tyler Throughput and Tankage Agreement is eight years and Delek, at its sole option, may extend the term for up to two renewal terms of four years each. If Delek does not throughput the aggregate amounts equal to the minimum throughput commitments described above during any calendar quarter, Delek must pay us a shortfall payment equal to the shortfall volume multiplied by the Tyler Throughput Fee.

As set forth in the agreement, we are obligated to maintain certain throughput and storage capacities. Failure to meet such obligations may result in a reduction of fees payable by Delek to us under the agreement.

Tyler Lease and Access Agreement. In connection with the Tyler Acquisition, we and Delek entered into the Tyler Lease and Access Agreement (the "Tyler Lease"). Under the Tyler Lease, we lease from Delek the real property on which the Tyler Terminal and Tank Assets are located. The lease has an initial term of 50 years with automatic renewal for up to four successive 10-year periods thereafter.

Tyler Site Services Agreement. In connection with the Tyler Acquisition, we and Delek also entered into the Tyler Site Services Agreement. Under the Tyler Site Services Agreement, Delek provides us with shared use of certain services, materials and facilities that are necessary to operate and maintain the Tyler Terminal and Tank Assets as currently operated and maintained. The term of the Tyler Site Services Agreement is co-terminous with the Tyler Lease discussed above.

Other Agreements with Delek

In addition to the commercial agreements described above, the Partnership has entered into the following agreements with Delek:

Second Amended and Restated Omnibus Agreement. On July 26, 2013, in connection with the Tyler Acquisition, the Partnership and the other parties entered into the First Omnibus Amendment, which was then amended and restated by the Second Omnibus Amendment on February 10, 2014, in connection with the El Dorado Acquisition.

The Second Omnibus Amendment includes, among other things, (i) modifications in the reimbursement by Delek and certain of its subsidiaries under the Omnibus Agreement for certain operating expenses and capital expenditures incurred by the Partnership or its subsidiaries, (ii) modifications of the indemnification provisions under the Omnibus

Agreement in favor of the Partnership with respect to certain environmental matters, and (iii) an increase in the annual administrative fee payable by us to Delek under the Omnibus Agreement from $3.0 million to $3.3 million as of the date of the Second Omnibus Amendment for general corporate and administrative services. For more information regarding the Second Omnibus Amendment, see “Recent Developments—El Dorado Terminal and Tankage Acquisition.”

Under the Second Omnibus Amendment, Delek has agreed to reimburse us for (i) certain expenses that we incur for inspections, maintenance and repairs to any storage tanks we acquired in the El Dorado Acquisition to cause such storage tanks to comply with applicable regulatory and/or industry standards, (ii) certain expenses that we incur for inspections, maintenance and repairs to most of the storage tanks contributed to us by Delek (subject to a deductible of $0.5 million per year) that are necessary to comply with the DOT pipeline integrity rules and certain American Petroleum Institute storage tank standards for a period of five years, and (iii) certain non-discretionary maintenance capital expenditures with respect to certain of our assets in excess of specified amounts.

North Little Rock Terminalling Agreement. On October 24, 2013, we purchased the North Little Rock Terminal from Enterprise Refined Products Company LLC. On the same date, we entered into an eight-year terminalling services agreement, pursuant to which Delek pays us fees for providing terminalling and other services at the North Little Rock Terminal, and for storing product at the terminal. The minimum throughput commitments under this agreement are currently 8,100 bpd (on a quarterly average basis) at a fee of $0.235 per barrel and a storage fee of $64,001 per month. Pursuant to the agreement, we may, but are not required to, complete certain capital projects in two phases in order to support and enhance blending activities and increase throughput capacity at the terminal. Upon completion of both phases of the capital projects, the minimum throughput fee will decrease to $0.22 per barrel, while the storage fee will increase to $99,000 per month and Delek’s minimum throughput commitment will increase to 15,500 bpd (on a quarterly average basis). For a discussion of a third party's involvement in this agreement, see "—Delek's Crude Oil and Refined Products Supply and Offtake Arrangement."

Memphis Pipeline Agreement. We lease from an unrelated third party capacity on a portion of the Lion Pipeline System, which runs from El Dorado, Arkansas to our terminal in Memphis, Tennessee. We entered into a throughput agreement with Delek under which we provide transportation services from the El Dorado Refinery to the Memphis terminal for finished products. The minimum throughput commitments under this agreement are an aggregate of 10,959 bpd (on a quarterly average basis) of finished products shipped on the pipeline, at a current tariff rate of $1.32 per barrel.

Other Agreements with Third Parties

Paline Pipeline System Capacity Reservation. Prior to the Partnership's acquisition of Paline, Paline entered into a contract with an unrelated third party for such company to exclusively use 100% of the southbound capacity of our Paline Pipeline. This agreement expired by its terms on December 31, 2014. Effective January 1, 2015, we entered into two new agreements with unrelated third parties for use of capacity of the Paline Pipeline. Pursuant to the terms of the new agreements, these third parties will each pay a fixed monthly fee allowing them the exclusive right to use their respective leased capacities on the pipeline, which account for a combined 35,000 bpd. The initial term of these agreements is 18 months from January 1, 2015.

West Texas. In our west Texas marketing operations, we generate revenue by purchasing refined products from independent third-party suppliers for sale and exchange to third parties at our San Angelo and Abilene, Texas terminals and at third-party terminals located elsewhere in Texas. Substantially all of our product sales in west Texas are on a wholesale basis. The majority of the petroleum products we sell in west Texas are purchased from Noble Petro. Under the terms of the Abilene Contract with Noble Petro, we have the right to purchase up to 20,350 bpd of petroleum products. Under this contract, we purchase petroleum products based on monthly average prices from Noble Petro immediately prior to our resale of such products to customers at our San Angelo and Abilene, Texas terminals, which we lease to Noble Petro. Under this arrangement, we have limited direct exposure to risks associated with fluctuating prices for these refined products due to the short period of time between the purchase and resale of these refined products. The Abilene Contract expires in December 2017 and does not have a renewal option.

Delek's Crude Oil and Refined Products Supply and Offtake Arrangement

Pursuant to an arrangement with Delek and Lion Oil, to which we are not a party, J. Aron acquires and holds title to substantially all crude oil and refined products transported on our Lion Pipeline System and SALA Gathering System. J. Aron is therefore considered the shipper for the liquid it owns on the Lion Pipeline System and the SALA Gathering System. J. Aron also has title to the refined products stored at our Memphis, North Little Rock and El Dorado

terminals and in the El Dorado Storage Tanks. Under (i) our pipelines and storage agreement with Lion Oil relating to the Lion Pipeline System and the SALA Gathering System, (ii) our terminalling agreements with Lion Oil relating to the Memphis and North Little Rock terminals, and (iii) our throughput and tankage agreement relating to the El Dorado Terminal and Tank Assets. Lion Oil has assigned to J. Aron certain of its rights under these agreements, including the right to have J. Aron's crude oil and intermediate and refined products stored in or transported on or through these systems, the Memphis and North Little Rock

terminals and the El Dorado Terminal and Tank Assets, with Lion Oil acting as J. Aron's agent for scheduling purposes. Accordingly, even though this is effectively a financing arrangement for Delek whereby J. Aron sells the product back to Delek, J. Aron is technically our primary customer under each of these agreements. J. Aron will retain these storage and transportation rights for the term of its arrangement with Delek and Lion Oil, which currently runs through April 30, 2017, and J. Aron will pay us for the transportation, throughput and storage services we provide to it. The rights assigned to J. Aron will not alter Lion Oil's obligations to meet certain throughput minimum volumes under our agreements with respect to the transportation, throughputting and storage of crude oil and refined products through our facilities, but J. Aron's throughput will be credited toward Lion Oil's minimum throughput commitments. Accordingly, Lion Oil will be responsible for making any shortfall payments incurred under the pipelines and storage agreement or the terminalling agreement which may result from minimum throughputs or volumes not being met.

Customers

We are dependent upon Delek as our primary customer and the loss of Delek as a customer would have a material adverse effect on both of our operating segments. We derive a substantial majority of our gross margin, which is defined as net sales less cost of goods sold, from fee-based commercial agreements with Delek or as a direct result of its operations. See "—Delek's Crude Oil and Refined Products Supply and Offtake Arrangement." For more information pertaining to these agreements, please see "—Commercial Agreements." We also have other customers, including major oil companies, independent refiners and marketers, jobbers, distributors, utility and transportation companies, and independent retail fuel operators.

Major Customers

Sunoco LP accounted for 23.3%, 17.7% and 17.5% of our total revenues for the years ended December 31, 2014, 2013 and 2012, respectively. Delek accounted for 13.6%, 8.6% and 23.1% of our total revenues for the years ended December 31, 2014, 2013 and 2012, respectively. However, we believe that gross margin is a better measure of performance of our business than revenue, particularly in our wholesale marketing and terminalling segment, as total revenue varies with the price of the underlying product, such as a gallon of finished product. Accordingly, we believe that, for the purpose of evaluating our business on a customer-specific basis, gross margin is a more accurate indicator to reflect the importance of certain customers to our operations. Delek, directly or indirectly, accounted for 76.6%, 79.5%, and 71.1% of our gross margin for the years ended December 31, 2014, 2013 and 2012, respectively.

Competition

Pipelines and Transportation

Our business in this segment primarily consists of gathering, transporting and storing crude oil, intermediate and finished products for Delek and third parties, especially other refiners. This business is very competitive. We face competition for the transportation and storage of crude oil from other pipeline owners whose pipelines or storage facilities (i) may have a location advantage over our pipelines or storage facilities, (ii) may be able to transport or store more desirable crude oil to Delek or to third parties, (iii) may be able to transport or store crude oil or finished product at a lower rate, or (iv) may be able to store more crude oil or finished product than we can. In addition, Delek's or any of our third-party customers' wholesale customers could reduce their purchases of refined products due to the increased availability of more competitively priced product from other refiners or suppliers or for other reasons. Any or all such factors could cause Delek or our third-party customers to reduce throughput at their respective facilities, reduce throughput to a level that is below the minimum throughput commitments established in any contracts we may have with them, or determine not to renew such contracts when the term expires.

As a result of our physical integration with Delek's El Dorado Refinery and our contractual relationships with Delek relative to the El Dorado Refinery, we do not believe that we will face significant competition for the transportation of crude oil or refined products to or from the El Dorado Refinery, particularly during the term of our Lion Pipeline System and SALA Gathering System agreements with Delek. See "—Commercial Agreements—Commercial Agreements

Entered Into in Connection with the Offering—Lion Pipeline and SALA Gathering Systems."

Wholesale Marketing and Terminalling

The wholesale marketing and terminalling business is generally very competitive. Our owned refined product terminals, as well as the other third-party terminals we use to sell refined product, compete with other independent terminal operators

as well as integrated oil companies on the basis of terminal location, price, versatility and services provided. The costs associated with transporting products from a loading terminal to end users usually limit the geographic size of the market that can be served economically by any terminal. Two key markets in west Texas that we serve from our owned facilities are Abilene and San Angelo, Texas. We have direct competition from an independent refinery that markets through another terminal in the Abilene market. However, there are no competitive fuel loading terminals within approximately 90 miles of our San Angelo terminal. Our Nashville terminal competes with a significant number of other terminals located in the greater Nashville area. With respect to terminalling services we provide to Delek at our Memphis and North Little Rock terminals, as a result of our exclusive terminalling agreements, we do not believe we will face significant competition from third parties for these services.

With respect to the marketing services we provide to Delek's Tyler Refinery, as a result of our exclusive 10-year agreement with Delek to market 100% of the refined products output of the Tyler Refinery (other than jet fuel and petroleum coke), we do not believe that we will face significant competition for these services from third parties. In addition, as a result of our physical integration with the Tyler Refinery and our contractual relationships with Delek relative to the Tyler Refinery, we do not believe that we will face significant competition for the storage or throughput of intermediate or refined products at the Tyler Refinery, particularly during the term of our agreements with Delek. See "—Commercial Agreements—Commercial Agreements in Connection with the Tyler Acquisition." Should Delek's wholesale customers, however, reduce their purchases of refined products due to the increased availability of more competitively priced products from other suppliers or for other reasons, the volumes we sell under the aforementioned agreement could decrease below the minimum volume commitment under the contract. Delek's Tyler Refinery is the only full-range product supplier within 100 miles; therefore, we believe its location gives the Tyler Refinery a natural advantage over more distant competitors.

Governmental Regulation and Environmental Matters

Rate Regulation of Petroleum Pipelines

The rates and terms and conditions of service on certain of our pipelines are subject to regulation by the FERC under the Interstate Commerce Act (“ICA”) and by the state regulatory commissions in the states in which we transport crude oil and refined products, including the Railroad Commission of Texas, the Louisiana Public Service Commission, and the Arkansas Public Service Commission. Certain of our pipeline systems are subject to such regulation and have filed tariffs with the appropriate entities. We also comply with the reporting requirements for these pipelines. Other of our pipelines have received a waiver from the application of FERC's tariff requirements but comply with other applicable regulatory requirements.

The FERC regulates interstate transportation under the ICA, the Energy Policy Act of 1992 and the rules and regulations promulgated under those laws. The ICA and its implementing regulations require that tariff rates for interstate service on oil pipelines, including pipelines that transport crude oil and refined products in interstate commerce (collectively referred to as “petroleum pipelines”), be just and reasonable and non-discriminatory and that such rates and terms and conditions of service be filed with the FERC. Under the ICA, shippers may challenge new or existing rates or services. The FERC is authorized to suspend the effectiveness of a challenged rate for up to seven months, though rates are typically not suspended for the maximum allowable period. Tariff rates are typically contractually subject to increase or decrease on July 1 of each year, by the amount of any change in the FERC oil pipeline index; provided, however, that in no event will the fees be adjusted below the amount initially set forth in the applicable agreement.

While the FERC regulates rates for shipments of crude oil or refined products in interstate commerce, state agencies may regulate rates and service for shipments in intrastate commerce. We own pipeline assets in Texas, Arkansas and Louisiana; accordingly, such assets may be subject to additional regulation by the applicable governmental authorities. In particular, and without limitation, the Greenville-Mount Pleasant Pipeline currently operates as a common carrier subject to regulation by the Railroad Commission of Texas.

Whether a pipeline provides service in interstate commerce or intrastate commerce is highly fact-dependent and determined on a case-by-case basis. We cannot provide assurance that the FERC will not at some point assert that some or all of the transportation service we provide, for which we do not have a tariff on file at FERC, is within its jurisdiction. If the FERC were successful with any such assertion, the FERC's ratemaking methodologies may subject us to potentially burdensome and expensive operational, reporting and other requirements. Currently, we own pipeline assets in Texas, Arkansas and Louisiana. In Texas, a pipeline, with some exceptions, is required to operate as a common carrier by publishing

tariffs and providing transportation without discrimination. Arkansas provides that all intrastate oil pipelines are common carriers. In Louisiana, all pipelines conveying petroleum from a point of origin within the state to a destination within the state are declared common carriers. The Louisiana Public Service Commission is empowered with the authority to establish reasonable rates and regulations for the transport of petroleum by a common carrier, mandating public tariffs and providing of transportation without discrimination. State commissions have generally not been aggressive in regulating common carrier pipelines, have generally not investigated the rates or practices of petroleum pipelines in the absence of shipper complaints, and generally resolve shipper complaints informally.

Department of Transportation

The Pipeline and Hazardous Materials Safety Administration ("PHMSA") of the United States Department of Transportation ("DOT") regulates the design, construction, testing, operation, maintenance and emergency response of crude oil, petroleum products and other hazardous liquids pipelines and certain tank facilities. These requirements are complex, subject to change and, in certain cases, can be costly to comply with. We believe our operations are in substantial compliance with these regulations but cannot assure you that future requirements will not require substantial expenditures on our part to remain in compliance. Moreover, certain of these rules are difficult to insure adequately and we cannot assure you that we will have adequate insurance to address damages from any noncompliance.

The United States Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (or Pipeline Safety Act) was enacted on January 3, 2012, pursuant to which the maximum civil penalties for certain violations were increased from $100,000 to $200,000 per violation per day, and from a total cap of $1 million to $2 million. A number of the provisions of the Pipeline Safety Act have the potential to cause owners and operators of pipeline facilities to incur significant capital expenditures and/or operating costs. We believe any additional requirements resulting from these directives will not impact us differently than our competitors. We intend to work closely with our industry associations to participate with and monitor DOT-PHMSA's efforts.

The DOT has issued guidelines with respect to securing regulated facilities against terrorist attack. We have instituted security measures and procedures in accordance with such guidelines to enhance the protection of certain of our facilities. We cannot provide any assurance that these security measures would fully protect our facilities from an attack.

Environmental Health and Safety

We are subject to various federal, state and local environmental and safety laws enforced by a number of regulatory agencies, including the United States Environmental Protection Agency ("EPA"), the United States Department of Transportation / Pipeline and Hazardous Materials Safety Administration, the United States Department of Labor / Occupational Safety and Health Administration, the Texas Commission on Environmental Quality, the Texas Railroad Commission, the Arkansas Department of Environmental Quality, the Louisiana Oil Spill Coordinating Office, the Louisiana Department of Environmental Quality, the Louisiana Department of Wildlife and Fisheries and the Tennessee Department of Environment and Conservation as well as other state and federal agencies. Numerous permits or other authorizations are required under these laws for the operation of our terminals, pipelines, storage tanks and related operations, and may be subject to revocation, modification and renewal.

These laws and permits raise potential exposure to future claims and lawsuits involving environmental and safety matters, which could include soil and water contamination, air pollution, personal injury and property damage allegedly caused by substances we manufactured, handled, used, released or disposed of, or that relate to pre-existing conditions for which we have assumed responsibility. We believe that our current operations are in substantial compliance with existing environmental and safety requirements. However, there have been and will continue to be ongoing discussions about environmental and safety matters between us and federal and state authorities, including notices of violations, citations and other enforcement actions, some of which have resulted or may result in changes to operating procedures and in capital expenditures. We also may become subject to environmental and safety exposure related to assets we may acquire from time to time as part of our ongoing growth strategy. While it is often difficult to quantify future environmental or safety related expenditures, we anticipate that continuing capital investments and

changes in operating procedures will be required for the foreseeable future to comply with existing and new requirements as well as evolving interpretations and more strict enforcement of existing laws and regulations.

Employees

We have no employees. Rather, all of the employees that conduct our business are employed by our general partner and its non-Partnership affiliates, and we believe that our general partner and its non-Partnership affiliates have a satisfactory relationship with those employees.

Seasonality and Customer Maintenance Programs

The volume and throughput of crude oil and refined products transported through our pipelines and sold through our terminals and to third parties is directly affected by the level of supply and demand for all of such products in the markets served directly or indirectly by our assets. Supply and demand for such products fluctuates during the calendar year. Demand for gasoline, for example, is generally higher during the summer months than during the winter months due to seasonal increases in motor vehicle traffic, while demand for asphalt products, which is a substantial product of Delek's El Dorado Refinery, is lower in the winter months. In addition, our refining customers, such as Delek, occasionally reduce or suspend operations to perform planned maintenance, which is more typically scheduled during the winter, when demand for their products is lower. Accordingly, these factors affect the need for crude oil or finished products by our customers and therefore limit our volumes or throughput during these periods, and our operating results will generally be lower during the first and fourth quarters of the year. We, believe, however, that many of the potential effects of seasonality on our revenues and contribution margin will be substantially mitigated due to our commercial agreements with Delek that include minimum volume and throughput commitments.

Available Information

Our internet website address is www.DelekLogistics.com. Information contained on our website is not part of this Annual Report on Form 10-K. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to such reports filed with (or furnished to) the Securities and Exchange Commission ("SEC") are available on our internet website (in the "Investor Relations" section) free of charge, as soon as reasonably practicable after we file or furnish such material to the SEC. We also post our corporate governance guidelines, code of business conduct and ethics and the charter of the audit committee of the board of directors of our general partner in the same website location. Our governance documents are available in print to any unitholder that makes a written request to Secretary, Delek Logistics Partners, LP, 7102 Commerce Way, Brentwood, TN 37027.

ITEM 1A. RISK FACTORS

Limited partner interests are inherently different from shares of capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in similar businesses. If any of the following risks were to occur, our business, financial condition or results of operations could be materially and adversely affected. In that case, we might not be able to pay the minimum quarterly distribution on our common units or the trading price of our common units could decline.

Risks Relating to Our Business

Delek, directly or indirectly, accounts for a substantial majority of our margins. Therefore, we are indirectly subject to the business risks of Delek. If Delek changes their business strategy, fails to satisfy their obligations under our commercial agreements for any reason or significantly reduces the volumes transported through our pipelines or handled at our terminals or its use of our marketing services, our revenues, and, consequently, our margins would decline and our financial condition, results of operations, cash flows and ability to make distributions to our unitholders would be adversely affected.

Delek, directly or indirectly, accounted for 76.6%, 79.5% and 71.1% of our gross margin for the years ended December 31, 2014, 2013 and 2012, respectively. Delek is, effectively, through its supply and offtake agreement with its assignee, J. Aron, the principal customer for our Lion Pipeline System, our SALA Gathering System and our Memphis and North Little Rock terminals. Delek is the only customer for our Tyler Terminal and Tank Assets, our East Texas Crude Logistics System, our Big Sandy Terminal and our Tyler-Big Sandy Pipeline and effectively, through its supply and offtake agreement with J. Aron, is our only customer for our El Dorado Terminal and Tank Assets. See "Item 1—Business—Commercial Agreements—Commercial Agreements Entered Into in Connection with the Offering," "—Commercial Agreements—Commercial Agreements in Connection with the Tyler Acquisition" and "—Commercial Agreements—Delek's Crude Oil and Refined Products Supply and Offtake Arrangement." Delek is also a primary customer of our trucking business. As we expect to continue to derive the substantial majority of our margins from Delek, either directly or indirectly, for the foreseeable future, we are subject to the risk of nonpayment, nonperformance or underperformance by Delek under our commercial agreements. In addition, we are subject to the risk of nonpayment, nonperformance or underperformance by Delek’s assignees, including without limitation, J. Aron. If Delek were to significantly decrease, or cause the significant decrease of, the throughput transported on our pipelines or the volumes of refined products handled at our terminals, whether because of business or operational difficulties or strategic decisions by Delek’s management, it is unlikely that we would be able to utilize any additional capacity on our pipelines or terminal facilities to service third-party customers without substantial capital outlays and delays, if at all, which could materially and adversely affect our results of operations, financial condition and cash flows. Additionally, any event, whether in our areas of operation or otherwise, that materially and adversely affects Delek’s or its assignees' financial condition, results of operations or cash flows may adversely affect us and our business and, therefore, our ability to sustain or increase cash distributions to our unitholders. Accordingly, we are indirectly subject to the operational and business risks of Delek and its assignees, including, but not limited to, the following:

- the risk of contract cancellation, non-renewal or failure to perform by Delek’s customers, and Delek’s inability to replace such contracts, customers and/or revenues;
- disruptions due to equipment interruption or failure at Delek’s facilities, or at third-party facilities on which Delek’s business is dependent;
- the timing and extent of changes in commodity prices and the resulting demand for Delek’s refined products, and the availability and costs of crude oil and other refinery feedstocks;
- the effects of economic downturns on Delek’s business and the business of its suppliers, customers, business partners and lenders;
- Delek’s ability to remain in compliance with its supply and offtake arrangement with J. Aron;
- Delek’s ability to remain in compliance with the terms of its outstanding and any future indebtedness;
- changes in the cost or availability of third-party pipelines, terminals and other means of delivering and transporting crude oil, feedstocks and refined products;

- state and federal environmental, economic, health and safety, energy and other policies and regulations, and any changes in those policies and regulations;
- environmental incidents and violations and related remediation costs, fines and other liabilities; and
- changes in crude oil and refined product inventory levels and carrying costs.

Additionally, Delek continually considers opportunities presented by third parties with respect to its refinery assets. These opportunities may include offers to purchase certain assets and joint venture propositions. Delek may also change its refineries' operations by constructing new facilities, suspending or reducing certain operations, or modifying or closing facilities. Changes may be considered to meet market demands, to satisfy regulatory requirements or environmental and safety objectives, to

improve operational efficiency or for other reasons. Delek actively manages its assets and operations, and, therefore, changes of some nature, possibly material to its business relationship with us, could occur in the future.

Furthermore, conflicts of interest may arise between Delek and its affiliates, including our general partner, on the one hand, and us and our unitholders, on the other hand. We have no control over Delek or our general partner, and Delek may elect to pursue a business strategy or make other decisions that do not favor us or our business. Please see "—Risks Relating to Our Partnership Structure—Our general partner and its affiliates, including Delek, have conflicts of interest with us and limited duties to us and our unitholders, and they may favor their own interests to the detriment of us and our other common unitholders."

We may not have sufficient cash from operations following the establishment of cash reserves and payment of fees and expenses, including cost reimbursements to our general partner and its affiliates, to enable us to pay the minimum quarterly distribution to holders of our common and subordinated units.

In order to pay the minimum quarterly distribution of $0.375 per unit, or $1.50 per unit on an annualized basis, we will require available cash of approximately $9.5 million per quarter, or $37.8 million per year, based on the number of common, subordinated and general partner units that were outstanding at December 31, 2014 and the phantom units with distribution equivalent rights that have been awarded to the independent directors of our general partner and certain key employees of our affiliates pursuant to our long-term incentive plan. We may not have sufficient available cash each quarter to enable us to pay the minimum quarterly distribution. The amount of cash we can distribute on our units principally depends upon the amount of cash we generate from our operations, which will fluctuate from quarter to quarter based on, among other things:

- the volume of crude oil and refined products we handle;
- our entitlement to payments associated with minimum volume commitments;
- the rates and terminalling and storage fees we charge for the volumes we handle;
- the margins generated on the refined products we market or sell;
- timely payments by our customers;
- the level of our operating, maintenance and general and administrative expenses, including the administrative fee under the Second Omnibus Amendment and reimbursements to Delek for services provided to us; and
- prevailing economic conditions.

In addition, the actual amount of cash we will have available for distribution will depend on other factors, including:

- the level and timing of capital expenditures we make and the timely reimbursement by Delek for any such expenditures for which it is required to reimburse us under the Second Omnibus Amendment;
- the cost of consummating or attempting to consummate acquisitions, if any;
- successful integration of any acquisitions;
- our debt service requirements and other liabilities;
- fluctuations in our working capital needs;
- our ability to borrow funds and access capital markets;
- restrictions on distributions contained in our debt agreements;
- the amount of cash reserves established by our general partner; and
- other business risks affecting our cash levels.

The amount of cash we have available for distribution to our unitholders depends primarily on our cash flow rather than our profitability. As a result, we may make cash distributions during periods when we record net losses, and we may not make cash distributions during periods when we record net income.

Our logistics and marketing operations and Delek's refining operations are subject to many risks and operational hazards, some of which may result in business interruptions and shutdowns of our or Delek's facilities and liability for damages. If a significant accident or event occurs that results in a business interruption or shutdown, our operations and financial results could be adversely affected.

Our logistics and marketing operations are subject to all of the risks and operational hazards inherent in gathering, transporting and storing crude oil and intermediate and refined and other products, including:

- mechanical or structural failures with respect to our assets, at our facilities or with respect to third-party assets or facilities on which our operations are dependent, including Delek's assets or facilities;

- damages to pipelines and facilities, related equipment and surrounding properties caused by earthquakes, floods, fires, severe weather, explosions and other natural disasters and acts of terrorism;
- the inability of third-party facilities on which our operations are dependent, including Delek's facilities, to complete capital projects and to restart timely refining operations following a shutdown;
- curtailments of operations as a result of severe seasonal weather;

- inadvertent damage to pipelines from construction, farm and utility equipment;
- constrained pipeline and storage infrastructure; and
- other hazards.

These risks could result in substantial losses due to personal injury and/or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage, as well as business interruptions or shutdowns of our facilities. Any such event or unplanned shutdown could have a material adverse effect on our business, financial condition and results of operations. In addition, Delek's refining operations, on which our operations are substantially dependent and over which we have no control, are subject to similar operational hazards and risks inherent in refining crude oil. A significant accident at our facilities or at Delek's facilities could expose us to significant liability and could affect Delek's ability and/or obligation to satisfy the minimum volume commitments under our commercial agreements with Delek.

Our assets and operations are subject to federal, state, and local laws and regulations relating to environmental protection, pipeline integrity and safety that could require us to make substantial expenditures.

Our assets and operations involve the transportation and storage of crude oil and products, which is subject to increasingly stringent federal, state, and local laws and regulations related to protection of the environment and pipeline integrity that require us to comply with various safety requirements regarding the design, installation, testing, construction, and operational management of our pipeline systems and storage facilities. These regulations have raised operating costs for the crude oil and products industry and compliance with such laws and regulations may cause us and Delek to incur potentially material capital expenditures associated with the construction, maintenance, and upgrading of equipment and facilities. Environmental laws and regulations, in particular, are subject to frequent change, and many of them have become and will continue to become more stringent.

Transportation and storage of crude oil and products involves inherent risks of spills and releases from our facilities, and can subject us to various federal and state laws governing spills and releases, including reporting and remediation obligations. We have experienced several releases and spills from our facilities since the Offering and are subject to ongoing remediation and/or monitoring projects. The costs associated with such obligations can be substantial, as can costs associated with related enforcement matters, including possible fines and penalties. Transportation of such products over water or proximate to navigable bodies of water involves inherent risks (including risks of spills) and could subject us to the provisions of the Oil Pollution Act of 1990 (the "Oil Pollution Act") and similar state environmental laws should a spill occur from our pipelines. Among other things, the Oil Pollution Act requires us to prepare a facility response plan identifying the personnel and equipment necessary to remove to the maximum extent practicable a "worst case discharge." While our plans are designed to mitigate environmental impacts, such plans may not protect us from all liability associated with the discharge of crude oil or products into navigable waters.

With respect to the releases that have occurred, or for an event that occurs or is discovered in the future, whether in connection with any of our pipelines or storage facilities, or any other facility to which we send or have sent waste or by-products for treatment or disposal, or a facility or assets that we may acquire from time to time as part of our ongoing growth strategy, we could be liable for all costs and penalties associated with the remediation of such facilities under federal, state and local environmental laws or common law. We may also be liable for personal injury or property damage claims from third parties alleging contamination from spills or releases from our facilities or operations. In addition, we will be subject to an aggregate deductible of $250,000, to the extent we are entitled to indemnification for environmental liabilities, before we are entitled to indemnification from Delek for certain environmental liabilities under the Second Omnibus Amendment. Even if we are insured or indemnified against such risks, we may be responsible for costs or penalties to the extent our insurers or indemnitors do not fulfill their obligations to us. We could incur potentially significant additional expenses should we determine that any of our assets are not in compliance. Our failure to comply with these or any other environmental, pipeline integrity or safety-related regulations could result in the assessment of administrative, civil, or criminal penalties, the imposition of investigatory and remedial liabilities, and the issuance of injunctions that may subject us to additional operational constraints. Any such penalties or liability could have a material adverse effect on our business, financial condition or results of operations.

Significant portions of our pipeline systems and storage facilities have been in service for several decades. There could be service interruptions due to failures, unknown events or other conditions or increased maintenance or repair expenses and downtime associated with our pipelines and storage facilities that could have a material adverse effect on our business and results of operations.

Significant portions of our pipeline systems and storage and terminalling facilities and our SALA Gathering System have been in service for several decades, which could lead to service interruptions from failures or other events. The age and condition of our systems could also result in increased maintenance or repair expenditures, and any downtime associated with increased maintenance and repair activities could materially reduce our revenue. Any significant increase in maintenance and repair expenditures or loss of revenue due to the age or condition of our systems could adversely affect our business and results of operations and our ability to make cash distributions to our unitholders.

Our contract counterparties may suspend, reduce or terminate their obligations under our various commercial agreements in certain circumstances, including events of force majeure, which could have a material adverse effect on our financial condition, results of operations, cash flows and ability to make distributions to unitholders.

Our commercial agreements with Delek and third parties provide that the counterparty may suspend, reduce or terminate its obligations to us under the applicable agreement, including the requirement to pay the fees associated with the applicable minimum volume commitments, in the event of (i) a material breach of the agreement by us, (ii) in the case of Delek, Delek deciding to permanently or indefinitely suspend refining operations at one or more of its refineries, or (iii) the occurrence of certain force majeure events that would prevent us or the third party from performing our or its obligations under the applicable agreement. As defined in our commercial agreements, force majeure events may include any acts or occurrences that prevent services from being performed either by us or such third party under the applicable agreement, such as:

- acts of God;
- strikes, lockouts or other industrial disturbances;
- acts of the public enemy, wars, blockades, insurrections, riots or civil disturbances;
- storms, floods or washouts;
- arrests or the order of any court or governmental authority having jurisdiction while the same is in force and effect;
- explosions, breakage, or accident to machinery, storage tanks or lines of pipe;
- any inability to obtain or unavoidable delay in obtaining material or equipment;
- any inability to deliver crude oil or refined products because of a failure of third-party pipelines; and
- any other causes not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.

Our counterparties have the discretion in certain circumstances to decide to suspend, reduce or terminate their obligations under our commercial agreements notwithstanding the fact that their decisions may significantly and adversely affect us.

Accordingly, there exists a broad range of events that could result in our no longer being able to utilize our pipelines or terminals and Delek or its assignee no longer having an obligation to meet its minimum volume commitments or pay the amounts otherwise owing under the applicable agreement. Furthermore, a single event relating to one of Delek's refineries could have such an impact on multiple of our commercial agreements with Delek or its assignee. Any reduction, suspension or termination of any of our commercial agreements could have a material adverse effect on our financial condition, results of operations, cash flows and ability to make distributions to unitholders.

If Delek satisfies only its minimum obligations under, or if we are unable to renew or extend, the various commercial agreements we have with it, our ability to make distributions to our unitholders may be impaired.

Delek is not obligated to use, or to pay us with respect to our services for volumes of crude oil or refined products in excess of the minimum volume commitments under the various commercial agreements with us. During refinery turnarounds, which typically last 30 to 60 days and are performed every three to five years, and during other planned or unplanned maintenance periods, Delek may only satisfy its minimum volume commitments during such periods with respect to our assets that serve the refinery. In addition, the initial terms of Delek's obligations under those agreements range from five to ten years unless earlier terminated as described above, with Delek having the option to renew. Some of these agreements expire in November 2017. If Delek fails to use our services for volumes of crude oil or refined products in excess of the minimum volume commitments or fails to use our facilities and services after expiration of those agreements, or if Delek terminates those agreements prior to their expiration, and we are unable to generate additional revenues from third parties, our ability to make cash distributions to unitholders may be impaired.

A material decrease in the refining margins at either of Delek's refineries could materially reduce the volumes of crude oil or refined products that we handle, which could adversely affect our financial condition, results of operations, cash flows and ability to make distributions to unitholders.

The volumes of crude oil and refined products that we transport and refined products that we market depend substantially on Delek's refining margins. Refining margins are dependent mostly upon the price of crude oil or other refinery feedstocks and the price of refined products. These prices are affected by numerous factors beyond our or Delek's control, including the dynamics of global supply and demand for crude oil, gasoline and other refined

products. The impact of low refined product demand may be further compounded by excess global refining capacity and high inventory levels.

If the demand for refined products, particularly in Delek's primary market areas, decreases significantly, or if there were a material increase in the price of crude oil supplied to Delek's refineries without an increase in the value of the refined products produced by those refineries, either temporary or permanent, which caused Delek to reduce production of refined products at its refineries, there would likely be a reduction in the volumes of crude oil and refined products we handle for Delek. Any such reduction could adversely affect our financial condition, results of operations, cash flows and ability to make distributions to our unitholders.

In addition to our indirect exposure to Delek's refining margins, we are directly impacted by the wholesale margins of the Tyler Refinery relative to U.S. Gulf Coast prices, where our marketing agreement with Delek provides that we share a portion of Delek's margin, if any, above an agreed base level generated on the sale of refined products, other than jet fuel and petroleum coke. Accordingly, any decline in Delek's margins at the Tyler Refinery would negatively impact the revenues we generate under our marketing agreement and could have a material adverse effect on our financial condition, results of operations, cash flows and ability to make distributions to our unitholders.

A material decrease in the supply of attractively priced crude oil could materially reduce the volumes of crude oil and refined products that we transport and store, which could materially and adversely affect our financial condition, results of operations, cash flows and ability to make distributions to our unitholders.

The volumes of crude oil and refined products that we may transport on our pipelines in excess of Delek's minimum volume commitments will depend on the volumes of crude oil processed and refined products produced at Delek's refineries. The volumes of crude oil processed and refined products produced depend, in part, on the availability of attractively priced crude oil.

In order to maintain or increase production levels at Delek's refineries, Delek must continually contract for new crude oil supplies or consider connecting to alternative sources of crude oil. Adverse developments in major oil producing regions around the world could have a significant impact on our financial condition, results of operations and cash flows because of our lack of industry and geographic diversity and substantial reliance on Delek as a customer. Accordingly, in addition to risks related to accessing, transporting and storing crude oil and refined products, we are disproportionately exposed to risks inherent in the broader oil and gas industry, including:

- the volatility and uncertainty of regional pricing differentials for crude oil and refined products;
- the ability of the members of the Organization of the Petroleum Exporting Countries, or OPEC, to agree to and maintain production controls;
- the nature and extent of governmental regulation and taxation; and
- the anticipated future prices of crude oil and refined products in markets served by Delek's refineries.

If, as a result of any of these or other factors, the volumes of attractively priced crude oil available to Delek's refineries are materially reduced for a prolonged period of time, the volumes of crude oil and refined products that we transport and store, and the related fees for those services, could be materially reduced, which could materially and adversely affect our financial condition, results of operations, cash flows and ability to make distributions to our unitholders.

Our substantial dependence on Delek's Tyler and El Dorado Refineries as well as the lack of diversification of our assets and geographic locations could adversely affect our ability to make distributions to our common unitholders.

We believe that a substantial majority of our contribution margin for the foreseeable future will be derived from the operation of our pipelines, gathering systems and terminal and storage facilities that support the Tyler and El Dorado Refineries and are primarily located in Arkansas and Texas and, to a lesser degree, Tennessee. Any event that renders either Delek refinery temporarily or permanently unavailable would likely have a material adverse effect on our financial condition, results of operations, cash flows and ability to make distributions to our unitholders. Due to our lack of diversification in assets and geographic location, an adverse development in our businesses or areas of operations, including adverse developments due to catastrophic events, weather, regulatory action and decreases in demand for crude oil and refined products, could have a significantly greater impact on our results of operations and cash available for distribution to our common unitholders than if we maintained more diverse assets and locations. Such events may constitute force majeure events under our commercial agreements, potentially resulting in the suspension, reduction or termination of multiple commercial agreements in the affected geographic area. In addition, during planned maintenance periods or a refinery turnaround, we expect that Delek or its assignee may only satisfy its minimum volume commitments with respect to our assets that serve such refinery. Please see "—Our contract counterparties may suspend, reduce or terminate their obligations under our various commercial agreements in certain circumstances, including events of force majeure, which would have a material adverse effect on our financial condition, results of operations, cash flows and ability to make distributions to unitholders" and "—If Delek satisfies only its minimum obligations under, or if we are unable to renew or extend, the various commercial agreements we have with Delek, our ability to make distributions to our unitholders may be impaired."

Our ability to expand may be limited if Delek's business does not grow as expected.

Part of our growth strategy depends on the growth of Delek's business. For example, in our terminals and storage business, we believe our growth will be driven in part by identifying and executing organic expansion or new construction projects that will result in increased or new throughput volumes from Delek, its assignees and third parties. Our organic growth opportunities will be limited if Delek is unable to acquire new assets for which our execution of organic projects is needed. Additionally, if Delek focuses on other growth areas that our business does not serve or does not make capital expenditures to fund the organic growth of its operations, we may not be able to fully execute our growth strategy.

We may not be able to significantly increase or retain our third-party revenue due to competition and other factors, which could limit our ability to grow and may increase our dependence on Delek.

Our ability to increase our third-party revenue is subject to numerous factors beyond our control, including competition from third parties and the extent to which we have available capacity when third-party shippers require it. Under our commercial agreements with Delek, we may not provide service to third parties (other than to certain permitted assignees) on our Lion Pipeline System, SALA Gathering System or East Texas Crude Logistics System, or at our Memphis, Tyler, El Dorado, North Little Rock or Big Sandy terminals, without Delek's consent, subject to limited exceptions. Furthermore, to the extent that we have capacity at our refined products terminals available for third-party volumes, competition from other existing or future refined products terminals owned by our competitors may limit our ability to utilize this available capacity.

We can provide no assurance that we will be able to retain or attract material third-party revenues. For example, we may not be able to extend or replace agreements we recently entered into with our customers with respect to the Paline Pipeline, which agreements only have an initial term of 18 months from January 1, 2015. Our efforts to establish our reputation and attract new unaffiliated customers may be adversely affected by our relationship with Delek and our desire to provide services pursuant to fee-based contracts. Our potential third-party customers may prefer to obtain services under contracts through which we could be required to assume direct commodity exposure.

The costs, scope, timelines and benefits of any construction projects we undertake may deviate significantly from our original plans and estimates.

One of our business strategies is to evaluate and make capital investments to expand our existing asset base through the development and construction of new or expanded logistics assets. At the same time, we also will need to devote significant resources to maintaining our asset base. However, in developing or maintaining such assets, we may experience unanticipated increases in the cost, scope and completion time for our construction or maintenance and repair projects. Equipment that we require to complete these projects may be unavailable to us at expected costs or within expected time periods. Additionally, labor expense may exceed our expectations. Due to these or other factors beyond our control, we may be unable to complete these projects within anticipated cost parameters and timelines. In addition, the benefits we realize from completed projects may take longer to realize and/or be less than we anticipated. Our inability to complete and/or realize the benefits of construction and/or maintenance projects in a cost-efficient and timely manner could have a material adverse effect on our business, financial condition, results of operations and our ability to make distributions.

If we are unable to obtain needed capital or financing on satisfactory terms to fund expansions of our asset base, our ability to make quarterly cash distributions may be diminished or our financial leverage could increase.

In order to expand our asset base, we will need to make expansion capital expenditures. If we do not make sufficient or effective expansion capital expenditures, we will be unable to expand our business operations and may be unable to maintain or raise the level of our quarterly cash distributions. We will be required to use cash from our operations or incur borrowings or sell additional limited partner units or interests in order to fund our expansion capital expenditures. Using cash from operations will reduce cash available for distribution to our common unitholders. Our ability to obtain financing or to access the capital markets for future equity or debt offerings may be limited by our financial condition at the time of any such financing or offering as well as the covenants in our debt agreements, general economic conditions and contingencies and uncertainties that are beyond our control. Even if we are successful in obtaining funds for expansion capital expenditures through equity or debt financings, the terms thereof could limit our ability to pay distributions to our common unitholders. Moreover, incurring additional debt may significantly increase our interest expense and financial leverage, and issuing additional limited partner interests may result in significant common unitholder dilution and increase the aggregate amount of cash required to maintain the then-current distribution rate, which could materially decrease our ability to pay distributions at the then-current distribution rate.

Our insurance policies do not cover all losses, costs or liabilities that we may experience, and insurance companies that currently insure companies in the energy industry may cease to do so or substantially increase premiums.

We are insured under the property, liability and business interruption insurance policies of Delek, subject to the deductibles and limits under those policies. To the extent Delek experiences losses under the insurance policies, the

limits of our coverage may be decreased. In addition, we are not insured against all potential losses, costs or liabilities. For example, our insurance carrier is contesting payment in connection with a release from one of our pipelines. We could suffer losses for uninsurable or uninsured risks or in amounts in excess of existing insurance coverage. In addition, because Delek's business interruption policy does not cover losses for the first 21, 30, 45 or 60 days of the interruption, depending on the facility covered, a significant part or all of a business interruption loss could be uninsured. The occurrence of an event that is not fully covered by insurance could have a material adverse effect on our business, financial condition and results of operations.

The energy industry is highly capital intensive, and the entire or partial loss of individual facilities or multiple facilities can result in significant costs to both energy industry companies, such as us, and their insurance carriers. In recent years, several large energy industry claims have resulted in significant increases in the level of premium costs and deductible periods

for participants in the energy industry. As a result of large energy industry claims, insurance companies that have historically participated in underwriting energy-related facilities may discontinue that practice, may reduce the insurance coverage they are willing to offer or demand significantly higher premiums or deductible periods to cover these facilities. If significant changes occur in the number or financial solvency of insurance underwriters for the energy industry, or if other adverse conditions over which we have no control prevail in the insurance market, we may be unable to obtain and maintain adequate insurance at a reasonable cost.

In addition, we have recently experienced releases on several of our pipelines. As a result of these releases and for other reasons, we cannot be assured that our insurers will renew our insurance coverage on acceptable terms, if at all, or that we will be able to arrange for adequate alternative coverage in the event of non-renewal. The unavailability of full insurance coverage to cover events in which we suffer significant losses could have a material adverse effect on our business, financial condition and results of operations.

If third-party pipelines, terminals or other facilities interconnected to our pipeline systems or terminals become partially or fully unavailable, or if we are unable to fulfill our contractual obligations, our financial condition, results of operations, cash flows and ability to make distributions to our unitholders could be adversely affected.

Our pipelines and terminals connect to other pipelines, terminals and facilities owned and operated by unaffiliated third parties, including ExxonMobil Corporation, Phillips 66, Enterprise Products Partners L.P. and others. The continuing operation of such third-party pipelines, terminals and other facilities is not within our control. For example:

- a substantial majority of the El Dorado Refinery's finished product output is shipped on our Lion Pipeline System directly to the Enterprise TE Products Pipeline and its related terminal; and
- all of the southbound volumes to be shipped on our Paline Pipeline System are delivered through a third-party terminal.

These pipelines, terminals and other facilities may become unavailable because of testing, turnarounds, line repair, reduced operating pressure, lack of operating capacity, regulatory requirements, curtailments of receipt or deliveries due to insufficient capacity, corporate business decisions or because of damage from hurricanes or other operational hazards. In addition, we do not have interconnect agreements with all of these pipelines, terminals and other facilities and the interconnect agreements we do have may be terminated in certain circumstances, including circumstances beyond our control, and on short notice. If any of these pipelines, terminals or other facilities becomes unable to receive or transport crude oil or refined products, we may be unable to perform our obligations under our commercial agreements with Delek and third parties, and our financial condition, results of operations, cash flows and ability to make distributions to our unitholders could be adversely affected.

Similarly, if additional shippers begin transporting volumes of refined products or crude oil over interconnecting pipelines, the allocations to us and other existing shippers on these interconnecting pipelines could be reduced, which could also reduce volumes distributed through our terminals or transported through our crude oil pipelines. Allocation reductions of this nature are not infrequent and are beyond our control. Any significant reduction in volumes would adversely affect our revenues and cash flow and our ability to make distributions to our unitholders.

An interruption or termination of supply and delivery of refined products to our wholesale marketing business could result in a decline in our sales and profitability.

In our west Texas wholesale marketing business, we sell refined products produced by refineries owned by unaffiliated third parties. We receive a majority of our supply in west Texas under one contract and the remainder of the barrels are spot purchased from various suppliers. We could experience an interruption or termination of supply or delivery of refined products if our suppliers partially or completely ceased operations, temporarily or permanently, or ceased to supply us with refined products for any reason. The ability of these refineries and our suppliers to supply refined products to us could be disrupted by anticipated events such as scheduled upgrades or maintenance, as well as events beyond their control, such as unscheduled maintenance, fires, floods, storms, explosions, power outages, accidents, acts of terrorism or other catastrophic events, labor difficulties and work stoppages, governmental or private party litigation, or legislation or regulation that adversely impacts refinery operations. A reduction in the volume of refined products supplied to our wholesale business would likely adversely affect our sales and profitability.

We are exposed to the credit risks and certain other risks of our key customers, including Delek and its assignees, and any material nonpayment or nonperformance by our key customers could reduce our ability to make distributions to

our unitholders.

We are subject to risks of loss resulting from nonpayment or nonperformance by our customers. Any material nonpayment or nonperformance by our key customers, including Delek or its assignees, could reduce our ability to make distributions to our unitholders.

If any of our key customers default on their obligations to us, our financial results could be adversely affected. Furthermore, some of our customers may be highly leveraged and subject to their own operating and regulatory risks. Any loss of our key customers, including Delek, could reduce our ability to make distributions to our unitholders.

Restrictions in our revolving credit facility could adversely affect our business, financial condition, results of operations and ability to make quarterly cash distributions to our unitholders.

Our revolving credit facility limits our ability to, among other things:

- incur or guarantee additional debt;
- incur certain liens on assets;
- dispose of assets;
- make certain cash distributions or redeem or repurchase units;
- change the nature of our business;
- engage in certain mergers or acquisitions;
- make certain investments (including joint ventures) and acquisitions; and
- enter into non arms-length transactions with affiliates.

Our credit facility contains covenants requiring us to maintain certain financial ratios. Our ability to meet those financial ratios can be affected by events beyond our control, and we cannot assure you that we will meet those ratios. In addition, our credit facility contains events of default customary for agreements of this nature, including the occurrence of a change of control (which will occur if, among other things, (i) Delek ceases to own and control legally and beneficially at least 51% of the equity interests of our general partner, (ii) Delek Logistics GP, LLC ceases to be our sole general partner or (iii) we fail to own and control legally and beneficially 100% of the equity interests of any other borrower under our credit facility, unless otherwise permitted thereunder).

The provisions of our credit facility may affect our ability to obtain future financing and pursue attractive business opportunities and our flexibility in planning for, and reacting to, changes in business conditions. In addition, a failure to comply with the provisions of our credit facility could result in a default or an event of default that could enable our lenders to declare the outstanding principal of that debt, together with accrued and unpaid interest and other outstanding amounts, to be immediately due and payable. Such event of default would also permit our lenders to foreclose on our assets serving as collateral for our obligations under the credit facility. If the payment of our debt is accelerated, our assets may be insufficient to repay such debt in full, and our unitholders could experience a partial or total loss of their investment. The credit facility also has cross-default provisions that will apply to any other material indebtedness we may have.

Our debt levels may limit our flexibility to obtain financing and to pursue other business opportunities.

As of December 31, 2014, we had approximately $251.8 million in debt outstanding. We have the ability to incur additional debt; however, such ability is subject to limitations under our revolving credit facility. Our level of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on favorable terms;
- our funds available for operations, future business opportunities and distributions to unitholders will be reduced by that portion of our cash flow required to make payments on our debt and any interest thereon;
- we may be more vulnerable to competitive pressures or a downturn in our business or the economy generally; and
- our flexibility in responding to changing business and economic conditions may be limited.

Our ability to service our debt will depend upon, among other things, our future financial and operating performance, 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 current or future indebtedness, we will be forced to take actions such as reducing distributions, which is within our control, or such as reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets or seeking additional equity capital, which actions we may not be able to effect on satisfactory terms or at all.

Delek's level of indebtedness, the terms of its borrowings and any potential future credit ratings could adversely affect our ability to grow our business, our ability to make cash distributions to our unitholders and our credit profile. Our ability to obtain credit in the future and our potential future credit rating may also be affected by Delek's level of indebtedness and creditworthiness.

Delek must devote a substantial portion of its cash flows from operations to service its debt and lease obligations, thereby reducing the availability of its cash flows to fund its growth strategy, including capital expenditures, acquisitions and other business opportunities that would expand its needs for logistics operations. Furthermore, a higher level of indebtedness at Delek increases the risk that it may default on its obligations, including under its commercial agreements with us. The covenants contained in the agreements governing Delek's outstanding and future indebtedness may limit its ability to borrow additional funds for development and make certain investments and may directly or indirectly impact our operations in a similar manner. For example, Delek's indebtedness requires that any transactions it enters into with us must be on terms no less favorable to Delek than those that could have been obtained with an unrelated person. There is also the risk that if Delek were to default under certain of its debt obligations, Delek's creditors would attempt to assert claims against our assets during the litigation of their claims against Delek. The defense of any such claims could be costly and could materially impact our financial condition, even absent any adverse determination. In the event these claims were successful, our ability to meet our obligations to our creditors, make distributions and finance our operations could be materially and adversely affected.

Although we are not contractually bound by and are not liable for Delek's debt under its credit arrangements, we are indirectly affected by certain prohibitions and limitations contained therein. Specifically, under the terms of certain of its credit arrangements, we expect that Delek will be in default if we incur any indebtedness for borrowed money in excess of $300.0 million at any time outstanding, which amount is subject to increase for (i) certain acquisitions of additional or newly constructed assets and for growth capital expenditures, in each case, net of asset sales, and (ii) certain types of debt, such as debt obligations owed under hedge agreements, intercompany debt of the Partnership and our subsidiaries and debt under certain types of contingent obligations. Please see "Item 7— Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Agreements Governing Certain Indebtedness of Delek." Due to its ownership and control of our general partner, Delek has the ability to prevent us from taking actions that would cause Delek to violate any covenants in its credit arrangements, or otherwise to be in default under any of its credit arrangements. In deciding whether to prevent us from taking any such action, Delek will have no fiduciary duty to us or our unitholders. Delek's compliance with the covenants in its credit arrangements may restrict our ability to undertake certain actions that might otherwise be considered beneficial, including borrowing under our credit facility.

Any debt instruments that Delek or any of its affiliates enter into in the future, including any amendments to existing credit facilities, may include additional or more restrictive limitations on Delek that may impact our ability to conduct our business. These additional restrictions could adversely affect our ability to finance our future operations or capital needs or engage in, expand or pursue our business activities.

None of our or Delek's debt is presently rated by any credit rating agencies. If we were to seek a credit rating in the future, our credit rating may be adversely affected by the leverage or any future credit rating of Delek, as credit rating agencies such as Standard & Poor's Ratings Services and Moody's Investors Service, Inc. may consider the leverage and credit profile of Delek and its affiliates because of their ownership interest in and control of us and because Delek accounts for a substantial majority of our contribution margin. Any adverse effect on our potential credit rating would likely increase our cost of borrowing or hinder our ability to raise financing in the capital markets, which could impair our ability to grow our business and make cash distributions to our unitholders.

Increases in interest rates could adversely impact the price of our common units, our ability to issue equity or incur debt for acquisitions or other purposes and our ability to make cash distributions at our intended levels.

Floating interest rates on our existing credit facility, to the extent not hedged, and interest rates on future credit facilities and debt offerings could be higher than current levels, causing our financing costs to increase accordingly. As with other yield-oriented securities, our unit price is impacted by the level of our cash distributions and implied distribution yield. The distribution yield is often used by investors to compare and rank yield-oriented securities for investment decision-making purposes. Therefore, changes in interest rates, either positive or negative, may affect the

yield requirements of investors who invest in our common units, and a rising interest rate environment could have an adverse impact on the price of our common units, our ability to issue equity or incur debt for acquisitions or other purposes and our ability to make cash distributions at our intended levels.

Our right of first offer to acquire certain of Delek's existing logistics assets and certain assets that it may acquire or construct in the future is subject to risks and uncertainty, and ultimately we may not acquire any of those assets.

The Second Omnibus Amendment provides us with a right of first offer on certain of Delek's existing logistics assets and certain assets that it may acquire or construct in the future, subject to certain exceptions and time limitations. The consummation and timing of any future acquisitions pursuant to this right will depend on, among other things, Delek's willingness to offer

such assets for sale and obtain any necessary consents, our ability to negotiate acceptable purchase agreements and commercial agreements with respect to such assets and our ability to obtain financing on acceptable terms. We can offer no assurance that we will be able to successfully consummate any future acquisitions pursuant to our right of first offer, and Delek is under no obligation to accept any offer that we may choose to make. In addition, we may decide not to exercise our right of first offer if and when any assets are offered for sale, and our decision will not be subject to unitholder approval. In addition, our right of first offer may be terminated by Delek at any time in the event that it no longer controls our general partner.

If we are unable to make acquisitions on economically acceptable terms from Delek or third parties, our future growth could be limited, and any acquisitions we may make may reduce, rather than increase, our cash flows and ability to make distributions to unitholders.

A portion of our strategy to grow our business and increase distributions to unitholders is dependent on our ability to make acquisitions that result in an increase in cash flow. If we are unable to make acquisitions from Delek or third parties, because we are unable to identify attractive acquisition candidates or negotiate acceptable purchase contracts, we are unable to obtain financing for these acquisitions on economically acceptable terms, we are outbid by competitors or we or the seller are unable to obtain any necessary consents, our future growth and ability to increase distributions to unitholders may be limited. Furthermore, even if we do consummate acquisitions that we believe will be accretive, they may in fact result in a decrease in cash flow. Any acquisition involves potential risks, including, among other things:

- mistaken assumptions about revenues and costs, including synergies;
- the assumption of known or unknown liabilities;
- limitations on rights to indemnity from the seller;
- mistaken assumptions about the overall costs of equity or debt;
- the diversion of management's attention from other business concerns;
- ineffective or poor integration of such acquisitions;
- unforeseen difficulties operating multi-customer and product assets in new product areas or new markets; and
- customer or key employee losses at the acquired businesses.

If we consummate any future acquisitions, our capitalization and results of operations may change significantly, and unitholders will not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in determining the application of these funds and other resources.

We may be unsuccessful in integrating the operations of the assets we have acquired or of any future acquisitions with our existing operations, and in realizing all or any part of the anticipated benefits of any such acquisitions.

From time to time, we evaluate and acquire assets and businesses that we believe complement our existing assets and businesses. Acquisitions may require substantial capital or the incurrence of substantial indebtedness. Our capitalization and results of operations may change significantly as a result of future acquisitions. Acquisitions and business expansions involve numerous risks, including difficulties in the assimilation of the assets and operations of the acquired businesses, inefficiencies and difficulties that arise because of improper assumptions regarding the new assets, unfamiliarity with new assets and the businesses associated with them and new geographic areas and the diversion of management's attention from other business concerns. Further, unexpected costs and challenges may arise whenever businesses with different operations or management are combined, and we may experience unanticipated delays in realizing the benefits of an acquisition, if at all. Also, following an acquisition, we may discover previously unknown liabilities associated with the acquired business or assets for which we have no recourse under applicable indemnification provisions.

We may incur significant costs and liabilities as a result of pipeline integrity management programs or safety standards and related repairs.

Certain of our pipeline facilities are subject to the pipeline safety regulations of the Pipeline and Hazardous Materials Safety Administration ("PHMSA") at the United States Department of Transportation (the "DOT"). PHMSA regulates the design, construction, testing, operation, maintenance and emergency response of crude oil, petroleum products and other hazardous liquid pipeline facilities.

PHMSA has adopted regulations requiring pipeline operators to develop integrity management programs for hazardous liquids pipelines located where a leak or rupture could affect “high consequence areas” that are populated or environmentally sensitive areas. PHMSA has also issued regulations that subject certain rural low-stress hazardous liquids pipelines to the integrity management requirements. The integrity management regulations require operators, including us, to:

- perform ongoing assessments of pipeline integrity;
- identify and characterize applicable threats to pipeline segments that could impact a high consequence area;

- maintain processes for data collection, integration and analysis;
- repair and remediate pipelines as necessary; and
- implement preventive and mitigating actions.

PHMSA also carries out the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011, which reauthorized funding for federal pipeline safety programs through 2015, increased penalties for safety violations, established additional safety requirements for newly constructed pipelines, imposed new emergency response and incident notification requirements and required studies of certain safety issues that could result in the adoption of new regulatory requirements for existing pipelines.

We may incur significant costs and liabilities associated with compliance with pipeline safety regulations and any corresponding repair, remediation, preventive or mitigation measures required for our non-exempt pipeline facilities, including lost cash flows resulting from shutting down our pipelines during the pendency of such repairs. Moreover, changes to pipeline safety laws and regulations that result in more stringent or costly pipeline integrity management or safety standards could have a material adverse effect on us and similarly situated operators.

Our expansion of existing assets and construction of new assets may not result in revenue increases and will be subject to regulatory, environmental, political, legal and economic risks, which could adversely affect our results of operations and financial condition.

A portion of our strategy to grow and increase distributions to unitholders is dependent on our ability to expand existing assets and to construct additional assets. The construction of a new pipeline or terminal or the expansion of an existing pipeline or terminal involves numerous regulatory, environmental, political and legal uncertainties, most of which are beyond our control. If we undertake these types of projects, they may not be completed on schedule or at all or at the budgeted cost. Moreover, we may not receive sufficient long-term contractual commitments from customers to provide the revenue needed to support such projects. Even if we receive such commitments, we may not realize an increase in revenue for an extended period of time. For instance, if we build, or participate as a joint venture in the building of, a new pipeline, the construction will occur over an extended period of time, and we will not receive any material increases in revenues until after completion of the project, if at all. In addition, we may construct facilities to capture anticipated future growth in production in a region or gain access to crude supplies at lower costs and such growth or access may not materialize. As a result, new facilities may not be able to attract enough throughput to achieve our expected return on investment, which could adversely affect our results of operations and financial condition and our ability to make distributions to our unitholders.

We do not own all of the land on which most of our pipelines and several of our facilities are located, which could result in disruptions to our operations.

We do not own all of the land on which most of our pipelines, tank farms, and terminal facilities are located, and we are therefore subject to the possibility of more onerous terms and/or increased costs to retain necessary land use if we do not have valid rights-of-way or leases, if such rights-of-way or leases lapse or terminate or if our facilities are not properly located within the boundaries of such leases or rights-of-way. We obtain the rights to construct and operate our pipelines on land owned by third parties and governmental agencies and some of those agreements may grant us those rights for only a specific period of time. Our loss of such rights, through our inability to renew any rights-of-way contracts, could have a material adverse effect on our business, financial condition, results of operations and cash flows and our ability to make distributions to our unitholders.

We could incur substantial costs or disruptions in our business if we cannot obtain or maintain necessary permits and authorizations or otherwise comply with health, safety, environmental and other laws and regulations.

Our operations require numerous permits and authorizations under various laws and regulations. These authorizations and permits are subject to revocation, renewal or modification and can require operational changes to limit impacts or potential impacts on the environment and/or health and safety. A violation of authorization or permit conditions or other legal or regulatory requirements could result in substantial fines, criminal sanctions, permit revocations, injunctions, and/or facility shutdowns. In addition, material modifications of our operations could require modifications to our existing permits or upgrades to our existing pollution control equipment. Any or all of these matters could have a negative effect on our business, results of operations and cash flows.

Climate change legislation or regulations restricting emissions of greenhouse gases could result in increased operating and capital costs and reduced demand for our products and services.

In December 2009, the EPA published its findings that emissions of greenhouse gases, or GHGs, present a danger to public health and the environment because emissions of such gases are, according to the EPA, contributing to the warming of the Earth's atmosphere and other climatic conditions. Based on these findings, the EPA adopted two sets of regulations that restrict emissions of GHGs under existing provisions of the federal Clean Air Act, including one that requires a reduction in emissions of GHGs from motor vehicles and another that regulates GHG emissions from certain large stationary sources under

the Clean Air Act Prevention of Significant Deterioration ("PSD") and Title V permitting programs. In addition, the EPA expanded its existing GHG emissions reporting rule to include onshore oil and natural gas processing, transmission, storage, and distribution activities, beginning in 2012 for emissions occurring in 2011. Congress has also from time to time considered legislation to reduce emissions of GHGs. Although it is not possible to predict the requirements of any GHG legislation that may be enacted, any laws or regulations that may be adopted to restrict or reduce GHG emissions may require us to incur increased operating costs. If we are unable to maintain sales of our refined products at a price that reflects such increased costs, there could be a material adverse effect on our business, financial condition and results of operations. Further, any increase in the prices of refined products resulting from such increased costs could have a material adverse effect on our business, financial condition or results of operations. Moreover, GHG regulation could also impact the consumption of refined products, thereby affecting the demand for our services.

In 2010, the EPA and the National Highway Transportation Safety Administration (NHTSA) finalized new standards, raising the required Corporate Average Fuel Economy, or CAFE, standard of the nation's passenger fleet by 40% to approximately 35 miles per gallon by 2016 and imposing the first ever federal GHG emissions standards on cars and light trucks. In September 2011, the EPA and the Department of Transportation finalized first-time standards for fuel economy of medium and heavy duty trucks. On August 28, 2012, the EPA and NHTSA announced final regulations that mandated further decreases in passenger vehicle GHG emissions and increases in fuel economy beginning with 2017 model year vehicles and increasing to the equivalent of 54.5 miles per gallon by 2025. Such increases in fuel economy standards and potential electrification of the vehicle fleet, along with mandated increases in use of renewable fuels discussed above, could result in decreasing demand for petroleum fuels. Decreasing demand for petroleum fuels could materially affect profitability at Delek's refineries and convenience stores, which could adversely impact our business, results of operations and cash flows.

Our operations are subject to federal and state laws and regulations relating to product quality specifications, and we could be subject to damages based on claims brought against us by our customers or lose customers as a result of the failure of products we distribute to meet certain quality specifications.

Various federal and state agencies prescribe specific product quality specifications for refined products, including vapor pressure, sulfur content, ethanol content and biodiesel content. Changes in product quality specifications or blending requirements could reduce our throughput volume, require us to incur additional handling costs or require capital expenditures. For example, mandated increases in use of renewable fuels could require the construction of additional storage and blending equipment. If we are unable to recover these costs through increased revenues, our cash flows and ability to pay cash distributions to our unitholders could be adversely affected. Violations of product quality laws attributable to our operations could subject us to significant fines and penalties as well as negative publicity. In addition, changes in the product quality of the products we receive on our pipeline system could reduce or eliminate our ability to blend products.

A terrorist attack on our assets, or threats of war or actual war, may hinder or prevent us from conducting our business.

Terrorist attacks in the United States, as well as events occurring in response or similar to or in connection with such attacks, including political instability in various Middle Eastern countries, may harm our business. Energy-related assets (which could include pipelines and terminals such as ours) may be at greater risk of future terrorist attacks than other possible targets in the United States. In addition, the State of Israel, where Delek Group, the former parent company of Delek, is based, has suffered armed conflicts and political instability in recent years. We may be more susceptible to terrorist attack as a result of our connection to Israel. In the future, certain of the directors of our general partner may reside in Israel.

A direct attack on our assets, Delek's assets or the assets of others used by us could have a material adverse effect on our business, financial condition and results of operations. In addition, any terrorist attack or continued political instability in the Middle East could have an adverse impact on energy prices, including prices for the crude oil and other feedstocks we transport and refined petroleum products, and an adverse impact on the margins from our operations. Disruption or significant increases in energy prices could also result in government-imposed price controls.

Further, changes in the insurance markets attributable to terrorist attacks could make certain types of insurance more difficult for us to obtain. Moreover, the insurance that may be available to us may be significantly more expensive than our existing insurance coverage. Instability in the financial markets as a result of terrorism or war could also affect our ability to raise capital, including our ability to repay or refinance debt.

Our customers' operating results are seasonal and generally lower in the first and fourth quarters of the year. Our customers depend on favorable weather conditions in the spring and summer months.

The volume and throughput of crude oil and refined products transported through our pipelines and sold through our terminals and to third parties is directly affected by the level of supply and demand for all of such products in the markets served directly or indirectly by our assets. Supply and demand for such products fluctuate during the calendar year. Demand for gasoline, for example, is generally higher during the summer months than during the winter months due to seasonal increases in motor vehicle traffic, while demand for asphalt products, which is a substantial product of Delek's El Dorado Refinery, is lower in the winter months. In addition, our refining customers, such as Delek, occasionally slow or shut down operations to

perform planned maintenance during the winter, when demand for their products is lower. Accordingly, these factors can affect the need for crude oil or finished products by our customers and therefore limit our volumes or throughput during these periods, and could adversely affect our customers' business, financial condition and results of operations, which may adversely affect our business, financial condition and results of operations.

Our exposure to direct commodity price risk and interest rate risk may increase in the future. We may incur losses as a result of our forward contract activities and derivative transactions.

Although we intend to enter into fixed-fee contracts with new transportation and terminalling customers in the future, our efforts to obtain such contractual terms may not be successful. In addition, we may acquire or develop additional midstream assets in the future that do not provide services primarily based on capacity reservation charges or other fixed-fee arrangements and therefore have a greater exposure to fluctuations in commodity price risk than our current operations. We are also exposed to market risks related to the volatility of refined product prices in our west Texas operations, which depend on many factors, including demand for refined products in the west Texas market, the timing of refined product deliveries and downtime at refineries in the surrounding area. Increased future exposure to the volatility of commodity prices could have a material adverse effect on our business, financial condition, results of operations and ability to make quarterly cash distributions to our unitholders.

To partially mitigate the risk of various financial exposures inherent in our business, including commodity price risk and interest rate risk, we selectively use derivative financial instruments, such as fuel-related derivative transactions, interest rate swaps and interest rate cap agreements. In connection with such derivative transactions, we may be required to make payments to maintain margin accounts and to settle the contracts at their value upon termination. The maintenance of required margin accounts and the settlement of derivative contracts at termination could cause us to suffer losses or limited gains. In particular, derivative transactions could expose us to the risk of financial loss upon unexpected or unusual variations in the sales price of wholesale gasoline. We cannot assure you that the strategies underlying these transactions will be successful. If any of the instruments we utilize to manage our exposure to various types of risk is not effective, we may incur losses.

We rely on information technology in our operations, and any material failure, inadequacy, interruption or security failure of that technology could harm our business.

We are heavily dependent on technology infrastructure and rely upon certain critical information systems for the effective operation of our business. These information systems include data network and telecommunications, internet access and our websites, and various computer hardware equipment and software applications, including those that are critical to the safe operation of our pipelines and terminals. These information systems are subject to damage or interruption from a number of potential sources including natural disasters, software viruses or other malware, power failures, cyber-attacks and other events to the extent that these information systems are under our or Delek's control. Delek has implemented measures, such as virus protection software, intrusion detection systems and emergency recovery processes to address the outlined risks. However, security measures for information systems cannot be guaranteed to be failsafe. Any compromise of our data security or our inability to use or access these information systems at critical points in time could unfavorably impact the timely and efficient operation of our business and subject us to additional costs and liabilities, which could adversely affect our results of operations. Finally, federal legislation relating to cyber-security threats could impose additional requirements on our operations.

Transportation on certain of our pipelines is subject to federal or state rate and service regulation, and the imposition and/or cost of compliance with such regulation could adversely affect our operations and cash flows available for distribution to our unitholders.

Certain of our pipelines provide services that may be subject to regulation by the FERC, under the ICA, the Energy Policy Act of 1992 and/or state regulators. The FERC uses prescribed rate methodologies for developing regulated tariff rates for interstate oil and product pipelines. The FERC's primary rate-making authority is currently price-indexing; if the methodology changes, the new methodology may result in tariffs that generate lower revenues and cash flows. The indexing method allows a pipeline to increase its rates based on a percentage change in the producer price index for finished goods and is not based on pipeline-specific costs. If the index falls, we will be required to reduce our rates that are based on the FERC's price indexing methodology if they exceed the new maximum available rate. In addition, changes in the index might not be large enough to fully reflect actual increases in

our costs. The FERC's rate-making methodologies may limit our ability to set rates based on our true costs or may delay the use of rates that reflect increased costs. Any of the foregoing could adversely affect our revenues and cash flows.

Shippers may protest, and the FERC may investigate, the lawfulness of new or changed tariff rates. The FERC can suspend those tariff rates for up to seven months. It can also require refunds of amounts collected based on rates that are ultimately found to be unlawful and prescribe new rates prospectively. The FERC and interested parties can also challenge tariff rates that have become final and effective.

The FERC can order new rates to take effect prospectively and order reparations for past rates that exceed the just and reasonable level for time periods up to two years prior to the date of a complaint. Due to the complexity of rate making, the

lawfulness of any rate is never assured. A successful challenge of our rates could adversely affect our revenues. The FERC also regulates the terms and conditions of service, including access rights, for interstate transportation on common carrier pipelines subject to its jurisdiction.

While the FERC regulates rates and terms and conditions of service for transportation of crude oil or refined products in interstate commerce by pipeline, state agencies may regulate rates and terms and conditions of service for petroleum pipeline transportation in intrastate commerce. Whether a pipeline provides service in interstate commerce or intrastate commerce is highly fact-dependent and determined on a case-by-case basis. We cannot provide assurance that the FERC will not at some point assert that some or all of the transportation service we provide is within its jurisdiction. If the FERC were successful with any such assertion, its rate-making methodologies may limit our ability to set rates based on our actual costs, delay the use of rates that reflect increased costs and subject us to potentially burdensome and expensive operational, reporting and other requirements. We own pipeline assets in Texas, Arkansas and Louisiana. In Texas, a pipeline, with some exceptions, is required to operate as a common carrier and provide transportation without discrimination. Arkansas provides that all intrastate oil pipelines are common carriers, but it exercises light-handed regulation over petroleum pipelines. In Louisiana, all pipelines conveying petroleum from a point of origin within the state to a destination within the state are declared common carriers. The Louisiana Public Service Commission is empowered with the authority to establish reasonable rates and regulations for the transport of petroleum by a common carrier, mandating public tariffs and providing of transportation without discrimination. State commissions have generally not been aggressive in regulating common carrier pipelines, have generally not investigated the rates or practices of petroleum pipelines in the absence of shipper complaints, and generally resolve complaints informally. If the regulatory commissions in the states in which we operate change their policies and aggressively regulate the rates or terms of service of pipelines operating in those states, it could adversely affect our business, financial condition and results of operations.

Risks Relating to Our Partnership Structure

Our general partner and its affiliates, including Delek, have conflicts of interest with us and limited duties to us and our unitholders, and they may favor their own interests to the detriment of us and our other common unitholders.

Delek controls our general partner and appoints all of the officers and directors of our general partner. In addition, three members of the board of directors of our general partner, each of whom also serve as executive officers of Delek, own a small percentage of our general partner. All of the officers and three of the directors of our general partner are also officers and/or directors of Delek. Although our general partner has a contractual obligation to manage us in a manner that is beneficial to us and our unitholders, the directors and officers of our general partner have a fiduciary duty to manage our general partner in a manner that is beneficial to Delek. Conflicts of interest will arise between Delek and our general partner, on the one hand, and us and our unitholders, on the other hand. In resolving these conflicts of interest, our general partner may favor its own interests and the interests of Delek over our interests and the interests of our unitholders. These conflicts include the following situations, among others:

- Our partnership agreement replaces the fiduciary duties that would otherwise be owed by our general partner with contractual standards governing its duties, limits our general partner's liabilities and restricts the remedies available to our unitholders for actions that, without such limitations, might constitute breaches of fiduciary duty.
- Neither our partnership agreement nor any other agreement requires Delek to pursue a business strategy that favors us or utilizes our assets, including whether to increase or decrease refinery production, whether to shut down or reconfigure a refinery or what markets to pursue or grow. The directors and officers of Delek have a fiduciary duty to make these decisions in the best interests of the stockholders of Delek, which may be contrary to our interests. Delek may choose to shift the focus of its investment and growth to areas not served by our assets.
- Delek, as our primary customer, has an economic incentive to cause us not to seek higher service fees, even if such higher fees could be obtained in arm's-length, third-party transactions. Furthermore, under our commercial agreements, Delek's consent is required before we may enter into an agreement with any third party with respect to our assets that serve the El Dorado and Tyler Refineries, and Delek has an incentive to cause us not to pursue such third-party contracts in certain circumstances.
-

Our general partner is allowed to take into account the interests of parties other than us, such as Delek, in resolving conflicts of interest.

- All of the officers and three of the directors of our general partner are also officers and/or directors of Delek and will owe fiduciary duties to Delek. These officers will also devote significant time to the business of Delek and will be compensated by Delek accordingly.
- Delek may be constrained by the terms of its debt instruments from taking actions, or refraining from taking actions, that may be in our best interests.
- Except in limited circumstances, our general partner has the power and authority to conduct our business without unitholder approval.
- Disputes may arise under our commercial agreements with Delek.

- Our general partner determines the amount and timing of asset purchases and sales, borrowings, issuances of additional partnership units and the creation, reduction or increase of cash reserves, each of which can affect the amount of cash available for distribution to our unitholders.
- Our general partner determines the amount and timing of any capital expenditures and whether a capital expenditure is classified as a maintenance capital expenditure, which reduces operating surplus, or an expansion or investment capital expenditure, which does not reduce operating surplus. This determination can affect the amount of cash that is distributed to our unitholders and the ability of the subordinated units to convert to common units. In addition, the inability of Delek to suspend or reduce its obligations under its commercial agreements with us or to claim a force majeure event in certain circumstances increases the likelihood of the conversion of the subordinated units.
- Our general partner determines which costs incurred by it are reimbursable by us.
- Our general partner may cause us to borrow funds in order to permit the payment of cash distributions, even if the purpose or effect of the borrowing is to make a distribution on the subordinated units, to make incentive distributions or to accelerate the expiration of the subordination period.
- Our partnership agreement permits us to classify up to $25.0 million as operating surplus, even if it is generated from asset sales, non-working capital borrowings or other sources that would otherwise constitute capital surplus. This cash may be used to fund distributions on our subordinated or general partner units or to our general partner in respect of the incentive distribution rights.
- Our partnership agreement does not restrict our general partner from causing us to pay it or its affiliates for any services rendered to us or entering into additional contractual arrangements with any of these entities on our behalf.
- Our general partner intends to limit its liability regarding our contractual and other obligations.
- Our general partner may exercise its right to call and purchase all of the common units not owned by it and its affiliates if they own more than 80% of the common units.
- Our general partner controls the enforcement of the obligations that it and its affiliates owe to us, including Delek's obligations under the Second Omnibus Amendment and its commercial agreements with us.
- Our general partner decides whether to retain separate counsel, accountants or others to perform services for us.
- Our general partner may transfer its incentive distribution rights without unitholder approval.
- Our general partner may elect to cause us to issue common units to it in connection with a resetting of the target distribution levels related to our incentive distribution rights without the approval of the conflicts committee of the board of directors of our general partner or our unitholders. This election may result in lower distributions to our common unitholders in certain situations.

Our partnership agreement replaces our general partner's fiduciary duties to holders of our common limited partner units with contractual standards governing its duties.

Our partnership agreement contains provisions that eliminate the fiduciary standards to which our general partner would otherwise be held by state fiduciary duty law and replaces those duties with several different contractual standards. For example, our partnership agreement permits our general partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our general partner, free of any duties to us and our unitholders other than the implied contractual covenant of good faith and fair dealing, which means that a court will enforce the reasonable expectations of the partners where the language in the partnership agreement does not provide for a clear course of action. This provision entitles our general partner to consider only the interests and factors that it desires and relieves it of any duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or our limited partners. Examples of decisions that our general partner may make in its individual capacity include:

- how to allocate corporate opportunities among us and its other affiliates;
- whether to exercise its limited call right;
- whether to seek approval of the resolution of a conflict of interest by the conflicts committee of the board of directors of our general partner;
- how to exercise its voting rights with respect to the units it owns;
- whether to exercise its registration rights;
- whether to elect to reset target distribution levels;

- whether to transfer the incentive distribution rights to a third party; and
- whether or not to consent to any merger or consolidation of the Partnership or amendment to the partnership agreement.

Delek may compete with us.

Delek may compete with us. Under the Second Omnibus Amendment, Delek and its affiliates have agreed not to engage in, whether by acquisition or otherwise, the business of owning or operating crude oil or refined products pipelines, terminals or storage facilities in the United States that are not within, directly connected to, substantially dedicated to, or otherwise an integral part of, any refinery owned, acquired or constructed by Delek. This restriction, however, does not apply to:

- any assets that were owned by Delek upon the completion of the Offering (including replacements or expansions of those assets);
- any asset or business that Delek acquires or constructs that has a fair market value of less than $5.0 million; and
- any asset or business that Delek acquires or constructs that has a fair market value of $5.0 million or more if we have been offered the opportunity to purchase the asset or business for fair market value not later than six months after completion of such acquisition or construction, and we decline to do so.

As a result, Delek has the ability to construct assets which directly compete with our assets. The limitations on the ability of Delek to compete with us are terminable by either party if Delek ceases to control our general partner.

Pursuant to the terms of our partnership agreement, the doctrine of corporate opportunity, or any analogous doctrine, does not apply to our general partner or any of its affiliates, including its executive officers and directors and Delek. Any such person or entity that becomes aware of a potential transaction, agreement, arrangement or other matter that may be an opportunity for us will not have any duty to communicate or offer such opportunity to us. Any such person or entity will not be liable to us or to any limited partner for breach of any fiduciary duty or other duty by reason of the fact that such person or entity pursues or acquires such opportunity for itself, directs such opportunity to another person or entity or does not communicate such opportunity or information to us. This may create actual and potential conflicts of interest between us and affiliates of our general partner and result in less than favorable treatment of us and our common unitholders.

If unitholders are not eligible holders, their common limited partner units may be subject to redemption.

We have adopted certain requirements regarding those investors who may own our common and subordinated units. Eligible holders are limited partners whose (i) federal income tax status is not reasonably likely to have a material adverse effect on the rates that can be charged by us on assets that are subject to regulation by FERC or an analogous regulatory body and (ii) nationality, citizenship or other related status would not create a substantial risk of cancellation or forfeiture of any property in which we have an interest, in each case as determined by our general partner with the advice of counsel. If you are not an Eligible Holder, in certain circumstances as set forth in our partnership agreement, your units may be redeemed by us at the then-current market price. The redemption price will be paid in cash or by delivery of a promissory note, as determined by our general partner.

Our partnership agreement requires that we distribute all of our available cash, which could limit our ability to grow and make acquisitions.

We expect that we will distribute all of our available cash quarterly to our unitholders and, to the extent not otherwise reserved for, will rely primarily upon cash flows from operations, borrowings under the Amended and Restated Credit Agreement and potential future issuances of debt and equity securities, to fund our acquisitions and expansion capital expenditures. As a result, to the extent we are unable to finance growth externally, our cash distribution policy will significantly impair our ability to grow.

In addition, because we intend to distribute all of our available cash, our growth may not be as fast as that of businesses that reinvest their available cash to expand ongoing operations. To the extent we issue additional units in connection with any acquisitions or expansion capital expenditures, the payment of distributions on those additional units may increase the risk that we will be unable to maintain or increase our per-unit distribution level. There are no limitations in our partnership agreement, and we do not anticipate there being limitations in any of our credit facilities, on our ability to issue additional units, including units ranking senior to the common limited partner units. The incurrence of additional borrowings or other debt to finance our growth strategy would result in increased interest expense, which in turn may impact the available cash that we have to distribute to our unitholders.

Our partnership agreement restricts the remedies available to holders of our common limited partner units for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty.

Our partnership agreement contains provisions that restrict the remedies available to unitholders for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty under state fiduciary duty law. For example, our partnership agreement provides that:

- whenever our general partner, the board of directors of our general partner or any committee thereof (including the conflicts committee) makes a determination or takes, or declines to take, any other action in their respective capacities, our general partner, the board of directors of our general partner and any committee thereof (including the conflicts committee), as applicable, is required to make such determination, or take or decline to take such other

action, in good faith, meaning that it subjectively believed that the decision was in the best interests of our Partnership, and, except as specifically provided by our partnership agreement, will not be subject to any other or different standard imposed by our partnership agreement, Delaware law, or any other law, rule or regulation, or at equity;

- our general partner will not have any liability to us or our unitholders for decisions made in its capacity as a general partner so long as such decisions are made in good faith;
- our general partner and its officers and directors will not be liable for monetary damages to us or our limited partners resulting from any act or omission unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our general partner or its officers and directors, as the case may be, acted in bad faith or engaged in fraud or willful misconduct or, in the case of a criminal matter, acted with knowledge that the conduct was criminal; and
- our general partner will not be in breach of its obligations under the partnership agreement (including any duties to us or our unitholders) if a transaction with an affiliate or the resolution of a conflict of interest is:

approved by the Conflicts Committee of the Board of Directors of our general partner, although our general partner is not obligated to seek such approval;

approved by the vote of a majority of the outstanding common limited partner units, excluding any common units owned by our general partner and its affiliates;

determined by the Board of Directors of our general partner to be on terms no less favorable to us than those generally being provided to or available from unrelated third parties; or

determined by the Board of Directors of our general partner to be fair and reasonable to us, taking into account the totality of the relationships among the parties involved, including other transactions that may be particularly favorable or advantageous to us.

In connection with a situation involving a transaction with an affiliate or a conflict of interest, any determination by our general partner or its Conflicts Committee must be made in good faith. If an affiliate transaction or the resolution of a conflict of interest is not approved by our common unitholders or the Conflicts Committee and the Board of Directors of our general partner determines that the resolution or course of action taken with respect to the affiliate transaction or conflict of interest satisfies either of the standards set forth in the third and fourth subbullets above, then it will be presumed that, in making its decision, the Board of Directors of our general partner acted in good faith, and in any proceeding brought by or on behalf of any limited partner or the Partnership challenging such determination, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. The general partner may still take action with respect to any affiliate transactions or the resolution of a conflict of interest without satisfying any of the subbullets above. In such case, it is not entitled to the presumption of good faith discussed above.

The administrative services fee and reimbursements due to our general partner and its affiliates for services provided to us or on our behalf will reduce our cash available for distribution to our common unitholders. The amount and timing of such reimbursements will be determined by our general partner.

Prior to making any distribution on our common limited partner units, we will reimburse our general partner and its affiliates, including Delek, for costs and expenses they incur and payments they make on our behalf. Under the First Omnibus Amendment, we will pay Delek an annual fee and reimburse Delek and its subsidiaries for Delek's provision of various centralized corporate services. Additionally, we will reimburse Delek for direct or allocated costs and expenses incurred on our behalf, including administrative costs, such as compensation expense for those persons who provide services necessary to run our business, and insurance expenses. We also expect to incur incremental annual general and administrative expense as a result of being a publicly traded partnership. Our partnership agreement provides that our general partner will determine in good faith the expenses that are allocable to us. The reimbursement of expenses and payment of fees, if any, to our general partner and its affiliates will reduce the amount of available cash to pay cash distributions to our common unitholders.

Holders of our common limited partner units have limited voting rights and are not entitled to elect our general partner or its directors.

Unlike the holders of common stock in a corporation, unitholders have only limited voting rights on matters affecting our business and, therefore, limited ability to influence management's decisions regarding our business. Unitholders will have no right on an annual or ongoing basis to elect our general partner or its Board of Directors. Rather, the Board of Directors of our general partner will be appointed by Delek. Furthermore, if the unitholders are dissatisfied with the performance of our general partner, they will have little ability to remove our general partner. As a result of these limitations, the price at which the common limited partner units will trade could be diminished because of the absence or reduction of a takeover premium in the trading price. Our partnership agreement also contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting the unitholders' ability to influence the manner or direction of management.

Even if holders of our common limited partner units are dissatisfied, they cannot remove our general partner without its consent.

Unitholders are unable to remove our general partner without its consent because our general partner and its affiliates, including Delek, own sufficient units to be able to prevent its removal. The vote of the holders of at least 66 2/3% of all outstanding common and subordinated limited partner units voting together as a single class is required to remove our general partner. As of December 31, 2014, Delek owned 61.1% of our outstanding common and subordinated limited partner units. Also, if our general partner is removed without cause during the subordination period and units held by our general partner and its affiliates are not voted in favor of that removal, all remaining subordinated units will automatically convert into common limited partner units and any existing arrearages on our common limited partner units will be extinguished. A removal of our general partner under these circumstances would adversely affect our common limited partner units by prematurely eliminating their distribution and liquidation preference over our subordinated units, which would otherwise have continued until we had met certain distribution and performance tests. Cause is narrowly defined to mean that a court of competent jurisdiction has entered a final, non-appealable judgment finding our general partner liable to us or any limited partner for actual fraud or willful misconduct in its capacity as our general partner. Cause does not include most cases of charges of poor management of the business, so the removal of our general partner because of unitholder dissatisfaction with the performance of our general partner in managing the Partnership will most likely result in the termination of the subordination period and conversion of all subordinated units to common limited partner units.

Our partnership agreement restricts the voting rights of unitholders owning 20% or more of our common limited partner units.

Unitholders' voting rights are further restricted by a provision of our partnership agreement providing that any units held by a person that owns 20% or more of any class of units then outstanding, other than our general partner, its affiliates, their transferees and persons who acquired such units with the prior approval of the Board of Directors of our general partner, cannot vote on any matter.

Our general partner's interest in us and the control of our general partner may be transferred to a third party without unitholder consent.

Our partnership agreement does not restrict the ability of Delek to transfer all or a portion of its general partner interest or its ownership interest in our general partner to a third party. Our general partner, or the new owner of our general partner, would then be in a position to replace the board of directors and officers of our general partner with its own designees and thereby exert significant control over the decisions made by the board of directors and officers of our general partner.

The incentive distribution rights of our general partner may be transferred to a third party without unitholder consent.

Our general partner may transfer its incentive distribution rights to a third party at any time without the consent of our unitholders. If our general partner transfers its incentive distribution rights to a third party but retains its general partner interest, our general partner may not have the same incentive to grow our partnership and increase quarterly distributions to unitholders over time as it would if it had retained ownership of its incentive distribution rights. For example, a transfer of incentive distribution rights by our general partner could reduce the likelihood of Delek selling or contributing additional assets to us, as Delek would have less of an economic incentive to grow our business, which

in turn would impact our ability to grow our asset base.

We may issue additional units without unitholder approval, which would dilute unitholder interests.

Our partnership agreement does not limit the number of additional limited partner interests, including limited partner interests that rank senior to the common limited partner units, that we may issue at any time without the approval of our unitholders. The issuance by us of additional common limited partner units or other equity securities of equal or senior rank will have the following effects:

- our existing unitholders' proportionate ownership interest in us will decrease;
- the amount of cash available for distribution on each unit may decrease;
- because a lower percentage of total outstanding units will be subordinated units, the risk that a shortfall in the payment of the minimum quarterly distribution will be borne by our common unitholders will increase;
- because the amount payable to holders of incentive distribution rights is based on a percentage of the total cash available for distribution, the distributions to holders of incentive distribution rights will increase even if the per-unit distribution on common limited partner units remains the same;
- 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 the common limited partner units may decline.

Delek may sell units in the public or private markets, and such sales could have an adverse impact on the trading price of the common limited partner units.

Delek holds 2,799,258 common limited partner units and 11,999,258 subordinated limited partner units. All of the subordinated limited partner units will convert into common units at the end of the subordination period and may convert earlier under certain circumstances. In addition, we have agreed to provide Delek with certain registration rights. The sale of these units in the public or private markets could have an adverse impact on the price of the common units or on any trading market that may develop.

Our general partner intends to limit its liability regarding our obligations.

Our general partner intends to limit its liability under contractual arrangements so that the counterparties to such arrangements have recourse only against our assets and not against our general partner or its assets. Our general partner may therefore cause us to incur indebtedness or other obligations that are nonrecourse to our general partner. Our partnership agreement permits our general partner to limit its liability, even if we could have obtained more favorable terms without the limitation on liability. In addition, we are obligated to reimburse or indemnify our general partner to the extent that it incurs obligations on our behalf. Any such reimbursement or indemnification payments would reduce the amount of cash otherwise available for distribution to our unitholders.

Our general partner has a limited call right that may require our unitholders to sell their units at an undesirable time or price.

If at any time our general partner and its affiliates own more than 80% of our common units, our general partner will have the right, which it may assign to any of its affiliates or to us, but not the obligation, to acquire all, but not less than all, of the common units held by unaffiliated persons at a price that is not less than their then-current market price, as calculated pursuant to the terms of our partnership agreement. As a result, our unitholders may be required to sell their common units at an undesirable time or price and may not receive any positive return on their investment. Our unitholders may also incur a tax liability upon any such sale of their units to Delek. At December 31, 2014, Delek owned approximately 2,799,258 common limited partner units, or 22.9% of our total outstanding common limited partner units. At the end of the subordination period, assuming no additional issuances of common units (other than upon the conversion of the subordinated units), Delek will indirectly own approximately 61.1% of our outstanding common limited partner units.

Our general partner, or any transferee holding a majority of the incentive distribution rights, may elect to cause us to issue common limited partner units to it in connection with a resetting of the minimum quarterly distribution and the target distribution levels related to the incentive distribution rights, without the approval of the conflicts committee of our general partner or our unitholders. This election may result in lower distributions to our common unitholders in certain situations.

The holder or holders of a majority of the incentive distribution rights, which is currently our general partner, have the right, at any time when there are no subordinated units outstanding and such holders have received incentive distributions at the highest level to which they are entitled (48.0%) for each of the prior four consecutive fiscal quarters (and the amount of each such distribution did not exceed adjusted operating surplus for each such quarter), to reset the minimum quarterly distribution and the initial target distribution levels at higher levels based on our cash distribution at the time of the exercise of the reset election. Following a reset election, the minimum quarterly distribution will be reset to an amount equal to the average cash distribution per unit for the two fiscal quarters

immediately preceding the reset election (such amount is referred to as the "reset minimum quarterly distribution"), and the target distribution levels will be reset to correspondingly higher levels based on percentage increases above the reset minimum quarterly distribution. Our general partner has the right to transfer the incentive distribution rights at any time, in whole or in part, and any transferee holding a majority of the incentive distribution rights shall have the same rights as our general partner with respect to resetting target distributions.

In the event of a reset of the minimum quarterly distribution and the target distribution levels, the holders of the incentive distribution rights will be entitled to receive, in the aggregate, the number of common limited partner units equal to that number of common limited partner units which would have entitled the holders to an average aggregate quarterly cash distribution in the prior two quarters equal to the average of the distributions on the incentive distribution rights in the prior two quarters. Our general partner will also be issued the number of general partner units necessary to maintain its general partner interest in us that existed immediately prior to the reset election. We anticipate that our general partner would exercise this reset right in order to facilitate acquisitions or internal growth projects that would not otherwise be sufficiently accretive to cash distributions per common unit. It is possible, however, that our general partner or a transferee could exercise this reset election at a time when it is experiencing, or expects to experience, declines in the cash distributions it receives related to its incentive distribution rights and may therefore desire to be issued common limited partner units rather than retain the right to receive incentive distribution payments based on target distribution levels that are less certain to be achieved in the then-current business environment. This risk could be elevated if our incentive distribution rights have been transferred to a third party. As a result, a reset election may cause our common unitholders to experience dilution in the amount of cash distributions that they would have otherwise received had we not issued common limited partner units to our general partner in connection with resetting the target distribution levels.

Our unitholders' liability may not be limited if a court finds that unitholder action constitutes control of our business.

A general partner of a partnership generally has unlimited liability for the obligations of the partnership, except for those contractual obligations of the partnership that are expressly made without recourse to the general partner. The Partnership is organized under Delaware law, and we conduct business in a number of other states. The limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in some of the other states in which we do business. Our unitholders could be held liable for any and all of our obligations as if they were general partners if a court or government agency were to determine that:

- we were conducting business in a state but had not complied with that particular state’s partnership statute; or
- our unitholders' right to act with other unitholders to remove or replace our general partner, to approve some amendments to our partnership agreement or to take other actions under our partnership agreement constitute “control” of our business.

Unitholders may have liability to repay distributions that were wrongfully distributed to them.

Under certain circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, we may not make a distribution to our unitholders if the distribution would cause our liabilities to exceed the fair value of our assets. Delaware law provides that for a period of three years from the date of an impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. Transferees of common limited partner units are liable both for the obligations of the transferor to make contributions to the Partnership that were known to the transferee at the time of transfer and for those obligations that were unknown if the liabilities could have been determined from the Partnership agreement. Neither liabilities to partners on account of their partnership interest nor liabilities that are non-recourse to the partnership are counted for purposes of determining whether a distribution is permitted.

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

Our common limited partner units are listed on the New York Stock Exchange ("NYSE"). Because we are a publicly traded limited partnership, the NYSE does not require us to have, and we do not intend to have, a majority of independent directors on our general partner’s board of directors or to establish a compensation committee or a nominating and corporate governance committee. Accordingly, unitholders will not have the same protections afforded to certain corporations that are subject to all of the NYSE corporate governance requirements.

Tax Risks to Common Unitholders

Our tax treatment depends on our status as a partnership for federal income tax purposes. If the IRS were to treat us as a corporation for federal income tax purposes, which would subject us to entity-level taxation, then our cash available for distribution to our unitholders would be substantially reduced.

The anticipated after-tax economic benefit of an investment in the common limited partner units depends largely on our being treated as a partnership for federal income tax purposes. We have not requested, and do not plan to request, a ruling from the Internal Revenue Service, or IRS, on this or any other tax matter affecting us.

Despite the fact that we are a limited partnership under Delaware law, it is possible in certain circumstances for a partnership such as ours to be treated as a corporation for federal income tax purposes. A change in our business or a change in current law could cause us to be treated as a corporation for federal income tax purposes or otherwise subject us to taxation as an entity.

If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 35.0%, and would likely pay state and local income tax at varying rates. Distributions to our unitholders would generally be taxed again as corporate dividends (to the extent of our current and accumulated earnings and profits), and no income, gains, losses, deductions or credits would flow through to such unitholders. Because a tax would be imposed upon us as a corporation, our cash available for distribution would be substantially reduced. Therefore, if we were treated as a corporation for federal income tax purposes, there would be material reductions in the anticipated cash flow and after-tax return to our unitholders, likely causing a substantial reduction in the value of our common limited partner units.

Our partnership agreement provides that, if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity-level taxation for federal, state or local income tax purposes, the minimum quarterly distribution amount and the target distribution amounts may be adjusted to reflect the impact of that law on us.

If we were subjected to a material amount of additional entity-level taxation by individual states, it would reduce our cash available for distribution to our unitholders.

Changes in current state law may subject us to additional entity-level taxation by individual states. Because of widespread state budget deficits and other reasons, several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation. Imposition of such additional tax on us by a state will reduce the cash available for distribution to our unitholders. Our partnership agreement provides that, if a law is enacted or an existing law is modified or interpreted in a manner that subjects us to entity-level taxation, the minimum quarterly distribution amount and the target distribution amounts may be adjusted to reflect the impact of that law on us.

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

The present federal income tax treatment of publicly traded partnerships, including us, or an investment in our common limited partner units may be modified by administrative, legislative or judicial interpretation at any time. From time to time members of the U.S. Congress propose and consider substantive changes to the existing federal income tax laws that affect publicly traded partnerships. We are unable to predict whether any proposals will ultimately be enacted, but it is possible that a change in law could affect us and may, if enacted, be applied retroactively. Any such changes could negatively impact the value of an investment in our common limited partner units.

Our unitholders’ share of our income will be taxable to them for U.S. federal income tax purposes even if they do not receive any cash distributions from us.

Because a unitholder will be treated as a partner to whom we will allocate taxable income which could be different in amount than the cash we distribute, a unitholder’s allocable share of our taxable income will be taxable to it, which may require the payment of federal income taxes and, in some cases, state and local income taxes on such unitholder's share of our taxable income even if it receives no cash distributions from us. Our unitholders may not receive cash distributions from us equal to their share of our taxable income or even equal to the actual tax liability that results from that income.

If the IRS contests the federal income tax positions we take, the market for our common limited partner units may be adversely impacted and the cost of any IRS contest would likely reduce our cash available for distribution to unitholders.

We have not requested a ruling from the IRS with respect to our treatment as a partnership for federal income tax purposes or any other matter affecting us. The IRS may adopt positions that differ from the conclusions of our counsel expressed herein or from the positions we take, and the IRS’s positions may ultimately be sustained. It may be

necessary to resort to administrative or court proceedings to sustain some or all of our counsel’s conclusions or the positions we take and such positions may not ultimately be sustained. A court may not agree with some or all of our counsel’s conclusions or the positions we take. Any contest with the IRS, and the outcome of any IRS contest, may have a materially adverse effect on the market for our common limited partner units and the price at which they trade. In addition, our costs of any contest with the IRS would be borne indirectly by our unitholders and our general partner because the costs would likely reduce our cash available for distribution.

Tax gain or loss on the disposition of our common limited partner units could be more or less than expected.

If any of our unitholders sells their common limited partner units, such unitholders must recognize a gain or loss for federal income tax purposes equal to the difference between the amount realized and such unitholder's tax basis in those common limited partner units. Because distributions in excess of such unitholder's allocable share of our net taxable income decrease such uniholder's tax basis in such unitholder's common limited partner units, the amount, if any, of such prior excess distributions with respect to the common limited partner units such unitholder sells will, in effect, become taxable income if such unitholder

sells such common limited partner units at a price greater than its tax basis in those common limited partner units, even if the price such unitholder receives is less than its original cost. Furthermore, a substantial portion of the amount realized on any sale or other disposition of such unitholder's common limited partner units, whether or not representing gain, may be taxed as ordinary income due to potential recapture items, including depreciation recapture. In addition, because the amount realized includes a unitholder’s share of our nonrecourse liabilities, if a unitholder sells their common limited partner units, they may incur a tax liability in excess of the amount of cash they receive from the sale.

Tax-exempt entities and non-U.S. persons face unique tax issues from owning our common limited partner units that may result in adverse tax consequences to them.

Investment in our common limited partner units by tax-exempt entities, such as employee benefit plans and individual retirement accounts (known as IRAs), and non-U.S. persons raises issues unique to them. For example, virtually all of our income allocated to organizations that are exempt from federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income and will be taxable to them. Distributions to non-U.S. persons will be reduced by withholding taxes at the highest applicable effective tax rate, and non-U.S. persons will be required to file U.S. federal income tax returns and pay tax on their share of our taxable income. If you are a tax-exempt entity or a non-U.S. person, you should consult a tax advisor before investing in our common limited partner units.

We treat each holder of common limited partner units as having the same tax benefits without regard to the actual common limited partner units held. The IRS may challenge this treatment, which could adversely affect the value of the common limited partner units.

Because we cannot match transferors and transferees of common limited partner units and because of other reasons, we will adopt depreciation and amortization positions that may not conform to all aspects of existing Treasury Regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to our unitholders. It also could affect the timing of these tax benefits or the amount of gain from a unitholder's sale of common limited partner units and could have a negative impact on the value of our common limited partner units or result in audit adjustments to such unitholder's tax returns.

We prorate our items of income, gain, loss and deduction for U.S. federal income tax purposes between transferors and transferees of our units each month based upon the ownership of our units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The IRS may challenge this treatment, which could change the allocation of items of income, gain, loss and deduction among our unitholders.

We will prorate our items of income, gain, loss and deduction for U.S. federal income tax purposes between transferors and transferees of our units each month based upon the ownership of our units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The use of this proration method may not be permitted under existing Treasury Regulations. Recently, however, the U.S. Treasury Department issued proposed Treasury Regulations that provide a safe harbor pursuant to which publicly traded partnerships may use a similar monthly simplifying convention to allocate tax items among transferor and transferee unitholders. Nonetheless, the proposed regulations do not specifically authorize the use of the proration method we have adopted. If the IRS were to challenge this method or new Treasury regulations were issued, we may be required to change the allocation of items of income, gain, loss and deduction among our unitholders. Our counsel has not rendered an opinion with respect to whether our monthly convention for allocating taxable income and losses is permitted by existing Treasury Regulations.

A unitholder whose common limited partner units are loaned to a “short seller” to cover a short sale of common limited partner units may be considered as having disposed of those common limited partner units. If so, such unitholder would no longer be treated for federal income tax purposes as a partner with respect to those common limited partner units during the period of the loan and may recognize gain or loss from the disposition.

Because a unitholder whose common limited partner units are loaned to a “short seller” to cover a short sale of common limited partner units may be considered as having disposed of the loaned common limited partner units, such unitholder may no longer be treated for federal income tax purposes as a partner with respect to those common limited partner units during the period of the loan to the short seller and may recognize gain or loss from such disposition. Moreover, during the period of the loan to the short seller, any of our income, gain, loss or deduction with respect to

those common limited partner units may not be reportable by the unitholder and any cash distributions received by the unitholder as to those common limited partner units could be fully taxable as ordinary income. Therefore, our 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 loaning their common limited partner units.

We will adopt certain valuation methodologies and monthly conventions for U.S. federal income tax purposes that may result in a shift of income, gain, loss and deduction between our general partner and our unitholders. The IRS may challenge this treatment, which could adversely affect the value of the common limited partner units.

When we issue additional units or engage in certain other transactions, we will determine the fair market value of our assets and allocate any unrealized gain or loss attributable to our assets to the capital accounts of our unitholders and our general partner. Our methodology may be viewed as understating the value of our assets. In that case, there may be a shift of income, gain, loss and deduction between certain unitholders and our general partner, which may be unfavorable to such unitholders. Moreover, under our valuation methods, subsequent purchasers of common limited partner units may have a greater portion of their Internal Revenue Code Section 743(b) adjustment allocated to our tangible assets and a lesser portion allocated to our intangible assets. The IRS may challenge our valuation methods, or our allocation of the Section 743(b) adjustment attributable to our tangible and intangible assets, and allocations of taxable income, gain, loss and deduction between our general partner and certain of our unitholders.

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

The sale or exchange of 50% or more of our capital and profits interests during any 12-month period will result in the termination of our Partnership for federal income tax purposes.

We will be considered to have technically terminated our Partnership for federal income tax purposes if there is a sale or exchange of 50% or more of the total interests in our capital and profits within a 12-month period. For purposes of determining whether the 50% threshold has been met, multiple sales of the same interest will be counted only once. Our technical termination would, among other things, result in the closing of our taxable year for all unitholders, which would result in us filing two tax returns (and our unitholders could receive two Schedules K-1 if relief was not available, as described below) for one fiscal year and could result in a deferral of depreciation deductions allowable in computing our taxable income. In the case of a unitholder reporting on a taxable year other than a fiscal year ending December 31, the closing of our taxable year may also result in more than 12 months of our taxable income or loss being includable in such unitholder's taxable income for the year of termination. Our termination currently would not affect our classification as a partnership for federal income tax purposes, but instead we would be treated as a new partnership for tax purposes. If treated as a new partnership, we must make new tax elections and could be subject to penalties if we are unable to determine that a termination occurred. The IRS has announced a publicly traded partnership technical termination relief procedure whereby, if a publicly traded partnership that technically terminated requests publicly traded partnership technical termination relief and such relief is granted by the IRS, among other things, the Partnership will only have to provide one Schedule K-1 to unitholders for the year notwithstanding two partnership tax years.

As a result of investing in our common limited partner units, our unitholders may be subject to state and local taxes and return filing requirements in jurisdictions where we operate or own or acquire properties.

In addition to federal income taxes, our unitholders may be subject to other taxes, including state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we conduct business or own property now or in the future, even if they do not live in any of those jurisdictions. Our unitholders may 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, our unitholders may be subject to penalties for failure to comply with those requirements. We currently own property and conduct business in Arkansas, Louisiana, Oklahoma, Tennessee and Texas. Many of these states impose a personal income tax on individuals, and each state imposes an income or similar tax on corporations and certain other entities. As we make acquisitions or expand our business, we may own property or conduct business in additional states that impose a personal income tax.

Compliance with and changes in tax laws could adversely affect our performance.

We are subject to extensive tax laws and regulations, including federal, state and foreign income taxes and transactional taxes such as excise, sales/use, payroll, franchise and ad valorem taxes. New tax laws and regulations and changes in existing tax laws and regulations are continuously being enacted that could result in increased tax

expenditures in the future. Many of these tax liabilities are subject to audits by the respective taxing authority. These audits may result in additional taxes as well as interest and penalties.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our Asset Portfolio

Our principal assets, as of December 31, 2014, are described below under the segment that uses such assets. We believe that our assets are adequate for our operations and adequately maintained.

Pipelines and Transportation Segment

Our pipelines and transportation segment consists of approximately 400 miles of operable crude oil transportation pipelines, 124 miles of refined product pipelines and approximately 600 miles of crude oil gathering and trunk lines. Associated with and currently used in connection with the operation of these lines are crude oil and refined products storage tanks with an aggregate of approximately 6.9 million barrels of active shell capacity. We also own approximately 120 trucks and 200 trailers used to haul primarily crude oil and other hydrocarbon products for unrelated and related third parties.

Lion Pipeline System. Our Lion Pipeline System primarily consists of (i) the Magnolia Pipeline system, (ii) the Magnolia Station located west of the El Dorado Refinery, (iii) the El Dorado Pipeline system, (iv) two refined product pipelines, (v) three small crude oil pipelines used by Delek and an unrelated third party, (vi) multiple short crude oil pipelines that are located on the El Dorado Refinery and the Sandhill Station owned by Delek adjacent to the El Dorado Refinery and which transport all crude oil from the incoming pipelines in the Lion Pipeline System and the SALA Gathering System to and from a 150,000 barrel capacity storage tank, known as Tank 192, (vii) Tank 192 and (viii) a refined product pipeline leased from an unrelated third party that runs from the El Dorado Refinery to our Memphis terminal.

The Magnolia Pipeline is a 77-mile crude oil pipeline, with a capacity of 68,500 bpd, that runs from a connection with ExxonMobil’s North Line pipeline near Shreveport, Louisiana to our Magnolia Station, where the crude oil is then stored and transferred to our El Dorado Pipeline. In addition, a new third-party pipeline links an existing third-party pipeline to the Magnolia Pipeline near Haynesville, Louisiana, which allows for the receipt of crude oil transported from Longview, Texas. The Magnolia Pipeline is regulated by the FERC.

The Magnolia Station has approximately 135,000 barrels of active shell capacity.

The El Dorado Pipeline is a 28-mile, 12-inch crude oil pipeline, with a capacity of approximately 22,000 bpd, that transports crude oil from our Magnolia Station to the Sandhill Station owned by Delek, which is adjacent to the El Dorado Refinery. The El Dorado Pipeline is regulated by the FERC. Upon reaching the Sandhill Station, the crude oil from the El Dorado Pipeline is transported, via multiple short crude oil pipelines owned by us, to Tank 192. At present, substantially all crude oil that enters the El Dorado Refinery, including the crude oil gathered on the SALA Gathering System, is routed through these short pipelines to Tank 192. Tank 192 is located at Delek's Sandhill Station. Through our SALA subsidiary, we own Tank 192 and lease the underlying ground from Lion Oil under a long-term ground lease.

We also own two refined product pipelines that transport gasoline and diesel from the El Dorado Refinery to the nearby Enterprise TE Products Pipeline El Dorado Station (the “Refined Products Pipelines”). Pursuant to a capacity lease with Enterprise TE Products Pipeline Company, LLC dated October 24, 2013, we also lease capacity of approximately 11,000 bpd on the Enterprise Products Pipeline from Enterprise's El Dorado Station to OpCo's refined products terminal in Memphis, TN. The Refined Products Pipelines along with the leased capacity are collectively referred to as the "Refined Products Pipeline System." The diesel line is 12 inches in diameter while the gasoline line is 10 inches in diameter. These two lines commence at the El Dorado Refinery. We own the portion of these lines that commence at the Sandhill Station at the location of the pump for each line and runs approximately eight miles to the Enterprise TE Products Pipeline El Dorado Station. From this point, service continues on the capacity leased from Enterprise TE Products Pipeline Company LLC to the OpCo terminal in Memphis, TN. The Refined Products Pipeline System is regulated by the FERC.

We also own three other short crude oil pipelines. One of these lines is a common carrier pipeline and is regulated by the FERC. The other two pipelines transport crude oil for Delek, which is delivered to the El Dorado Refinery via railcars.

Magnolia Pipeline System

El Dorado Pipeline System

SALA Gathering System. The SALA Gathering System includes approximately 600 miles of two- to eight-inch crude oil gathering and transportation lines in southern Arkansas and northern Louisiana located primarily within a 60-mile radius of the El Dorado Refinery. The SALA Gathering System primarily gathers crude oil production from multiple fields in southern Arkansas and northern Louisiana for delivery to the El Dorado Refinery both directly and through the El Dorado Pipeline System.

SALA Gathering System

The SALA Gathering System includes 54 crude oil storage tanks and breakout tanks with a total combined active shell capacity of approximately 0.8 million barrels (including Tank 192 and the 122,000 barrels of capacity discussed below), 14 truck receipt locations, approximately 500 pipeline gathering and receiving stations and 17 relay stations to deliver crude oil to the El Dorado Pipeline System or directly to the El Dorado Refinery. We also have 0.5 million barrels of combined shell capacity that is currently not in service. In addition, we own 122,000 barrels of shell capacity that we allow a third party to utilize pursuant to a 10-year agreement.

Paline Pipeline System. The Paline Pipeline System is primarily a 195-mile, 10-inch crude oil pipeline, with a capacity of approximately 36,000 bpd, running from Longview, Texas to the Phillips 66-operated Beaumont terminal in Nederland, Texas. It includes a three-mile section that runs north from Kilgore, Texas. The three-mile section of pipeline is a common carrier pipeline and is regulated by the FERC.
Paline Pipeline System

East Texas Crude Logistics System. Our East Texas Crude Logistics System includes two owned and operated crude oil pipeline systems serving the Tyler Refinery: (i) the Nettleton pipeline, a 36-mile pipeline, with a capacity of 38,000 bpd, that transports crude oil from Nettleton Station to the Tyler Refinery and (ii) the McMurrey Pipeline System, a 65-mile pipeline system, with a capacity of 28,000 bpd, that transports crude oil from inputs between our La Gloria Station and the Tyler Refinery.

East Texas Logistics Assets

Our East Texas Crude Logistics System also includes the following owned or leased crude oil storage terminals at which we store crude oil owned by Delek for the Tyler Refinery.

Terminal	Number of Tanks	Active Aggregate Shell Storage Capacity (bbls)
La Gloria Station	2	450,000
Nettleton Station [1] [2]	5	222,000
Bradford Station [1]	2	65,000
Arp Station	2	110,000
Big Sandy Station	7	248,000
Total	18	1,038,000

(1) Located on property that we lease from a third party as described in more detail below under "—Facilities."
(2) In addition, we have 55,000 barrels of shell capacity that is currently not in service and would require additional costs to return to service.

Hopewell Pipeline. The Hopewell Pipeline is an approximately 13-mile pipeline, with a capacity of 26,000 bpd, that originates at the Tyler Refinery and terminates at the Hopewell Station in Smith County, Texas where it effectively connects to the Big Sandy Pipeline.

Big Sandy Pipeline and Tanks. The Big Sandy Pipeline is a 19-mile pipeline, with a capacity of 26,000 bpd, that originates at the Hopewell Station and terminates at the Big Sandy Station in Big Sandy, Texas. The Big Sandy terminal has 13 tanks with an aggregate shell capacity of 177,000 barrels.

The Hopewell Pipeline and the Big Sandy Pipeline form essentially one pipeline link between the Tyler Refinery and our light petroleum products terminal located in Big Sandy, Texas (the "Tyler-Big Sandy Pipeline").

Greenville-Mount Pleasant Pipeline. The Greenville-Mount Pleasant Pipeline is a 76-mile pipeline connecting the Greenville Storage Facility and the Mount Pleasant Terminal. The Greenville-Mount Pleasant Pipeline is regulated by the Texas Railroad Commission.

Greenville Storage Facility. Our Greenville Storage Facility has four tanks with an aggregate shell capacity of approximately 330,000 barrels of storage capacity and is connected to the Explorer Pipeline System.

Other Tank Assets

North Little Rock Tanks. Our North Little Rock terminal has five tanks with an aggregate shell capacity of 180,000 barrels.

Tyler Tank Assets. Our tanks located adjacent to the Tyler Refinery consist of 94 storage tanks and certain ancillary assets (such as tank pumps and piping) with an aggregate shell capacity of approximately 2.0 million barrels.

El Dorado Tank Assets. Our tanks located at and adjacent to the El Dorado Refinery consist of 158 storage tanks and certain ancillary assets (such as tank pumps and piping) with an aggregate shell capacity of approximately 2.5 million barrels.

Wholesale Marketing and Terminalling Segment

Wholesale Marketing

We own approximately 104 miles of product pipelines in west Texas that connect our San Angelo and Abilene, Texas terminals to the Magellan Orion Pipeline. These pipelines include the following:

- a 13.2-mile, eight-inch pipeline from a Magellan Pipeline custody transfer point at Magellan's Tye Station to the Abilene terminal;
- a 13.5-mile, four-inch pipeline from the Abilene terminal to the Delek pipeline tie-in;
- a 76.5-mile, six-inch pipeline system from Delek's Tye Station to the San Angelo terminal; and
- a 1.0-mile, 20-inch pipeline from Magellan's Tye Station to Delek's Tye Station.

Abilene Terminal. We own a terminal in Abilene, Texas that is leased to Noble Petro, Inc. ("Noble Petro") pursuant to a terminal and pipeline lease and operating agreement for nominal consideration.

San Angelo Terminal. We also own a terminal in San Angelo, Texas that is leased to Noble Petro under the same agreement as our Abilene terminal.

The following table provides the location of the Abilene and San Angelo terminals associated with our marketing activities and their storage capacities, number of truck loading lanes, average truck loading volume and maximum daily available truck loading capacity for the years ended December 31, 2014 and 2013.

Terminal Location	Number of Tanks	Active Aggregate Shell Capacity (bbls)	Number of Truck Loading Lanes	Maximum Daily Available Truck Loading Capacity (bpd)
Abilene, TX [1]	9	368,000	2	17,700
San Angelo, TX	5	93,000	2	8,400
Total	14	461,000	4	26,100

[1] Excludes approximately 79,930 barrels of shell capacity that is temporarily out of service and approximately 465,600 barrels of out of service shell capacity requiring extensive repair.

Abilene Area Terminals and Product Pipelines

Terminalling

We provide terminalling services for products through light products terminals we own in Nashville, Tennessee, Memphis, Tennessee, North Little Rock, Arkansas, Tyler, Texas, El Dorado, Arkansas and Mount Pleasant, Texas. See "Item 1—Business—Commercial Agreements—Delek's Crude Oil and Refined Products Supply and Offtake Arrangement" for a description of our agreement with J. Aron. We also own a light products terminal in Big Sandy, Texas, which is capable of providing terminalling and storage services to Delek's Tyler Refinery.

The following table provides the locations of our refined product terminals associated with our terminalling activities and their storage capacities, number of truck loading lanes, average truck loading volume and maximum daily available truck loading capacity for the year ended December 31, 2014.

Terminal Location	Number of Tanks	Active Aggregate Shell Capacity (bbls)	Number of Truck Loading Lanes	Maximum Daily Available Truck Loading Capacity (bpd)
Big Sandy, TX			3	25,000
Memphis, TN	12	126,000	3	13,000
Nashville, TN [1]	10	128,000	2	8,900
Tyler, TX [2]			9	54,000
North Little Rock, AR			2	8,400
El Dorado, AR [3]			3	25,000
Mount Pleasant, TX	7	175,000	3	
Total	29	429,000	25	134,300

(1) In addition, we have approximately10,000 barrels of shell capacity that is currently not in service.

(2) See "—Our Asset Portfolio—Pipelines and Transportation Segment—Tyler Tank Assets" above for a discussion of the storage tanks associated with this terminal.

(3) See "—Our Asset Portfolio—Pipelines and Transportation Segment—El Dorado Tank Assets" above for a discussion of the storage tanks associated with this terminal.

Title to Properties and Permits

While we own the physical improvements consisting of our pipelines, substantially all of these pipelines are constructed on rights-of-way granted by the apparent record owners of the property and in some instances these rights-of-way are revocable at the election of the grantor. In many instances, lands over which rights-of-way have been obtained are subject to prior liens that have not been subordinated to the right-of-way grants. We have obtained permits from public authorities to cross over or under, or to lay facilities in or along, watercourses, county roads, municipal streets, and state highways and, in some instances, these permits are revocable at the election of the grantor. We have also obtained permits from railroad companies to cross over or under lands or rights-of-way, many of which are also revocable at the grantor’s election. In some states and under some circumstances, we have the right of eminent domain to acquire rights-of-way and lands necessary for our common carrier pipelines.

We believe that we are the owner of valid easement rights and rights-of-way or fee ownership or leasehold interests to the lands on which the above assets are located. Under the Second Omnibus Amendment, Delek has agreed to indemnify us for certain title defects and for failures to obtain certain consents and permits necessary to conduct our business, in each case, that are identified prior to the relevant date in the Second Omnibus Amendment, subject to a $250,000 aggregate annual deductible. Although title to these properties is subject to encumbrances in some cases, such as customary interests generally retained in connection with acquisition of real property, liens that can be imposed in some jurisdictions for government-initiated action to clean up environmental contamination, liens for current taxes and other burdens, and easements, restrictions, and other encumbrances to which the underlying properties were subject at the time of acquisition by our predecessor or us, we believe that none of these burdens should materially detract from the value of these properties or from our interest in these properties or should materially interfere with their use in the operation of our business.

Facilities

Our Nettleton Station and our Bradford Station are located on properties that are owned by Chevron and by a local family, respectively, in which we have leasehold interests. Our North Little Rock Terminal, our El Dorado Terminal and tank farm and our Tyler Terminal and tank farm are located on property that is owned by Delek in which we have a leasehold interest.

Liens and Encumbrances

The majority of the assets described above are pledged under and encumbered by our credit agreement. See Note 9 of the consolidated financial statements included in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K for further information.

Corporate Headquarters

Delek leases its corporate headquarters at 7102 Commerce Way, Brentwood, Tennessee. The lease is for 54,000 square feet and expires in April 2022. We pay Delek a proportionate share of the costs to operate the building pursuant to the Second Omnibus Amendment. Please read "Item 1—Business—Commercial Agreements—Other Agreements with Delek—Omnibus Agreement."

ITEM 3. LEGAL PROCEEDINGS

Although we may, from time to time, be involved in litigation and claims, whether regulatory or other, arising out of our operations in the normal course of business, we do not believe that we are a party to any litigation that will have a material adverse impact on our financial condition, results of operations or cash flows. We are not currently aware of any significant legal or governmental proceedings against us, or contemplated to be brought against us.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

Unit Price and Cash Distributions

Our common units represent limited partner interests in us that entitle the holders to the rights and privileges specified in our partnership agreement. Our common units began trading on the NYSE under the symbol "DKL" on November 2, 2012. Prior to that time, there was no public market for our common units. There were three holders of record of our common units held by the public as of February 20, 2015, which includes common units held in street name. In addition, as of February 20, 2015, Delek and its affiliates owned 2,799,258 of our common units, 11,999,258 of our subordinated units and 494,197 of our general partner units (the 2% general partner interest), which together constitute a 59.9% ownership interest in us.

The following table sets forth the range of the daily high and low sales prices per common unit for each quarterly period and the cash distributions to common unitholders with respect to each quarterly period during the years ended December 31, 2014 and December 31, 2013.

Quarter Ended	High Sales Price	Low Sales Price	Quarterly Cash Distribution per Limited Partner Unit [(1)]	Distribution Date	Record Date
December 31, 2014	$43.51	$30.16	$0.510	February 13, 2015	February 6, 2015
September 30, 2014	$45.00	$32.52	$0.490	November 14, 2014	November 6, 2014
June 30, 2014	$36.20	$30.69	$0.475	August 14, 2014	August 7, 2014
March 31, 2014	$35.24	$31.26	$0.425	May 14, 2014	May 6, 2014
December 31, 2013	$33.49	$29.51	$0.415	February 13, 2014	February 4, 2014
September 30, 2013	$33.7	$28.70	$0.405	November 14, 2013	November 7, 2013
June 30, 2013	$35.96	$28.11	$0.395	August 13, 2013	August 6, 2013
March 31, 2013	$31.19	$22.76	$0.385	May 15, 2013	May 7, 2013

(1) Represents cash distributions attributable to the quarter and declared and paid within 45 days of quarter end in accordance with our partnership agreement.

Distributions of Available Cash

Our partnership agreement requires that, within 45 days after the end of each quarter, we distribute all of our available cash to unitholders of record on the applicable record date.

Definition of Available Cash

Available cash generally means, for any quarter, all cash and cash equivalents on hand at the end of that quarter:

- less the amount of cash reserves established by our general partner to:

provide for the proper conduct of our business (including cash reserves for our future capital expenditures and anticipated future debt service requirements and refunds of collected rates reasonably likely to be refunded as a result of a settlement or hearing related to FERC rate proceedings or rate proceedings under applicable law subsequent to that quarter);

comply with applicable law, any of our debt instruments or other agreements; or

provide funds for distributions to our unitholders and to our general partner for any one or more of the next four quarters (provided that our general partner may not establish cash reserves for distributions if the effect

of the establishment of such reserves will prevent us from distributing the minimum quarterly distribution on all common units and any cumulative arrearages on such common units for the current quarter);

- plus, if our general partner so determines, all or any portion of the cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made subsequent to the end of such quarter. Under our partnership agreement, working capital borrowings are generally borrowings that are made under a credit facility, commercial paper facility or similar financing arrangement, and in all cases are used solely for working capital purposes or to pay distributions to partners, and with the intent of the borrower to repay such borrowings within 12 months with funds other than from additional working capital borrowings.

Intent to Distribute the Minimum Quarterly Distribution

We intend to pay a quarterly distribution of at least $0.375 per unit per quarter, or $1.50 per unit on an annualized basis, which equals approximately $9.3 million per quarter, or approximately $37.1 million per year, based on the number of common, subordinated and general partner units outstanding as of December 31, 2014. We do not have a legal obligation to pay this distribution.

General Partner Interest and Incentive Distribution Rights

Our general partner is currently entitled to 2.0% of all quarterly distributions that we make prior to our liquidation. This general partner interest is represented by 494,197 general partner units. Our general partner has the right, but not the obligation, to contribute up to a proportionate amount of capital to us to maintain its current general partner interest. The general partner's 2.0% interest in these distributions may be reduced if we issue additional units in the future and our general partner does not contribute a proportionate amount of capital to us to maintain its 2.0% general partner interest.

Our general partner also currently holds incentive distribution rights that entitle it to receive increasing percentages, up to a maximum of 48.0%, of the cash we distribute from operating surplus (as defined in our partnership agreement) in excess of $0.43125 per unit per quarter. The maximum distribution of 48.0% does not include any distributions that our general partner or its affiliates may receive on common, subordinated or general partner units that it owns.

Percentage Allocations of Available Cash

The following table illustrates the percentage allocations of available cash from operating surplus between the unitholders and our general partner based on the specified target distribution levels. The amounts set forth under "Marginal Percentage Interest in Distributions" are the percentage interests of our general partner and the unitholders in any available cash from operating surplus we distribute up to and including the corresponding amount in the column "Total Quarterly Distribution per Unit Target Amount." The percentage interests shown for our unitholders and our general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests set forth below for our general partner include its 2.0% general partner interest and assume that our general partner has contributed any additional capital necessary to maintain its 2.0% general partner interest, our general partner has not transferred its incentive distribution rights and that there are no arrearages on common units.

	Total Quarterly Distribution per Unit Target Amount	Marginal Percentage Interest in Distributions			
		Unitholders		General Partner	
Minimum Quarterly Distribution	$0.37500	98.0	%	2.0	%
First Target Distribution	above $0.37500 up to $0.43125	98.0	%	2.0	%
Second Target Distribution	above $0.43125 up to $0.46875	85.0	%	15.0	%
Third Target Distribution	above $0.46875 up to $0.56250	75.0	%	25.0	%
Thereafter	above $0.56250	50.0	%	50.0	%

Subordination Period

General

Our partnership agreement provides that, during the subordination period (which we define below), our common units will have the right to receive distributions of available cash from operating surplus each quarter in an amount equal to $0.375 per common unit, which amount is defined in our partnership agreement as the minimum quarterly distribution, plus any arrearages in the payment of the minimum quarterly distribution on the common units from prior quarters, before any distributions of available cash from operating surplus may be made on the subordinated units. These units are deemed "subordinated" because for a period of time, referred to as the subordination period, the subordinated units will not be entitled to receive any distributions until the common units have received the minimum quarterly distribution plus any arrearages from prior quarters. Furthermore, no arrearages will be paid on the subordinated units. The practical effect of the subordinated units is to increase the likelihood that during the subordination period there will be available cash to be distributed on the common units.

Subordination Period

Except as described below, the subordination period will extend until the first business day following the distribution of available cash in respect of any quarter beginning with the quarter ending December 31, 2015, that each of the following tests are met:

- distributions of available cash from operating surplus on each of the outstanding common units, subordinated units and general partner units equaled or exceeded $1.50 per unit (the annualized minimum quarterly distribution), for each of the three consecutive, non-overlapping four-quarter periods immediately preceding that date;
- the adjusted operating surplus (as defined in our partnership agreement) generated during each of the three consecutive, non-overlapping four-quarter periods immediately preceding that date equaled or exceeded the sum of $1.50 (the annualized minimum quarterly distribution) on all of the outstanding common units, subordinated units and general partner units during those periods on a fully diluted basis; and
- there are no arrearages in payment of the minimum quarterly distribution on the common units.

In addition to the tests outlined above, the subordination period will end only in the event that our conflicts committee, or the board of directors of our general partner based on the recommendation of our conflicts committee, reasonably expects to satisfy the tests set forth under the first and second bullet points above for the succeeding four-quarter period without treating as earned any shortfall payments that would be paid to us under our existing commercial agreements with Delek (or similar fees to be paid by Delek under future contracts) and which would be expected to be received during such period.

Early Termination of Subordination Period

Notwithstanding the foregoing, and subject to the conditions outlined in the next paragraph, the subordination period will terminate on the first business day following the distribution of available cash in respect of any quarter beginning with the quarter ending December 31, 2013, that each of the following tests are met:

- distributions of available cash from operating surplus on each of the outstanding common units, subordinated units and general partner units equal or exceed $2.25 per unit (150% of the annualized minimum quarterly distribution), for the four-consecutive-quarter period immediately preceding that date;
- the adjusted operating surplus generated during the four-quarter period immediately preceding that date equal or exceed the sum of (i) $2.25 per unit (150% of the annualized minimum quarterly distribution) on all of the outstanding common units, subordinated units and general partner units during that period on a fully diluted basis and (ii) the corresponding distributions on the incentive distribution rights; and
- there are no arrearages in payment of the minimum quarterly distributions on the common units.

In addition to the tests outlined above, the subordination period will end only in the event that our conflicts committee, or the board of directors of our general partner based on the recommendation of our conflicts committee, reasonably expects to satisfy the tests set forth under the first and second bullet points above for the succeeding four-quarter period without treating as earned any shortfall payments that would be paid to us under our existing commercial agreements with Delek (or similar fees to be paid by Delek under future contracts) and which would be expected to be received during such period.

Expiration Upon Removal of the General Partner

In addition, if the unitholders remove our general partner other than for cause:

- the subordinated units held by any person will immediately and automatically convert into common units on a one-for-one basis, provided (i) neither such person nor any of its affiliates voted any of its units in favor of the removal and (ii) such person is not an affiliate of the successor general partner;
- if all of the subordinated units convert pursuant to the foregoing, all cumulative arrearages on the common units will be extinguished and the subordination period will end; and
- our general partner will have the right to convert its general partner interest and its incentive distribution rights into common units or to receive cash in exchange for those interests.

Expiration of the Subordination Period

When the subordination period ends, each outstanding subordinated unit will convert into one common unit and will thereafter participate pro rata with the other common units in distributions of available cash.

Unregistered Sales of Equity Securities

Pursuant to the terms of our limited partnership agreement, our general partner has the right to maintain its proportionate 2% general partner interest in the Partnership. The following table provides information regarding the exercise of such right by our general partner. Each sale listed below was exempt from registration under Section 4(a)(2) of the Securities Act of 1933.

Date of Sale	Number of General Partner Units Sold	Price per General Partner Unit	Consideration Paid to the Partnership
June 13, 2014	640	$34.64	$22,168
December 31, 2014	664	$34.48	$22,895

ITEM 6. SELECTED FINANCIAL DATA

The following tables set forth certain selected consolidated financial data as of and for each of the five years in the period ended December 31, 2014. The selected historical consolidated financial data for the years ended December 31, 2011 and 2010 are derived from audited consolidated financial statements of Delek Logistics Partners, LP Predecessor (the "DKL Predecessor"). The selected historical financial data for the 2012 period presented through November 6, 2012 is derived from consolidated financial results of the DKL Predecessor, and the period beginning November 7, 2012 is derived from consolidated financial results of Delek Logistics Partners, LP (the "Partnership"). The selected historical consolidated financial data for the years ended December 31, 2014 and 2013 is also derived from consolidated financial results of the Partnership.

On July 26, 2013, the Partnership, through its wholly owned subsidiary Delek Marketing & Supply, LP, acquired from Delek (i) the refined products terminal (the “Tyler Terminal”) located at Delek's Tyler, Texas Refinery (the "Tyler Refinery") and (ii) ninety-six storage tanks and certain ancillary assets (the "Tyler Tank Assets" and together, with the Tyler Terminal, the “Tyler Terminal and Tank Assets”) adjacent to the Tyler Refinery (such transaction, the “Tyler Acquisition”).

On February 10, 2014, the Partnership, through its wholly owned subsidiary Delek Logistics Operating, LLC ("OpCo"), acquired from Delek (i) the refined products terminal (the “El Dorado Terminal”) located at Delek's El Dorado, Arkansas refinery (the "El Dorado Refinery") and (ii) 158 storage tanks and certain ancillary assets (the "El Dorado Tank Assets" and together with the El Dorado Terminal, the “El Dorado Terminal and Tank Assets”) at and adjacent to the El Dorado Refinery (such transaction, the “El Dorado Acquisition”).

The El Dorado Acquisition and the Tyler Acquisition were accounted for as transfers between entities under common control. As entities under common control with Delek, we record the assets that Delek has contributed to us on our balance sheet at Delek's historical basis instead of fair value. Transfers between entities under common control are accounted for as if the transfer occurred at the beginning of the period, and prior years are retrospectively adjusted to furnish comparative information. Accordingly, the accompanying financial statements and related notes of the DKL Predecessor and the Partnership have been retrospectively adjusted to include (i) the historical results of the El Dorado Terminal and Tank Assets, as owned and operated by Delek, for all periods presented through February 10, 2014 (the "El Dorado Predecessor") and (ii) the historical results of the Tyler Terminal and Tank Assets, as owned and operated by Delek, for all periods presented through July 26, 2013 (the "Tyler Predecessor"). We refer to the historical results of the DKL Predecessor, El Dorado Predecessor and Tyler Predecessor collectively as our "Predecessors."

Our financial results may not be comparable as our Predecessors recorded revenues, general and administrative expenses and financed operations differently than the Partnership. See "Factors Affecting the Comparability of Our Financial Results" in Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 for additional information.

The following tables should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 and our consolidated financial statements in Item 8.

	Year Ended December 31,				
	2014 [4]	2013 [3]	2012 [2]	2011 [1][2]	2010 [2]
			Predecessors	Predecessors	Predecessors
Statements of Income and Other Comprehensive Income Data:	(In thousands, except units and per unit data)				
Net sales	$841,253	$907,428	$1,022,586	$744,079	$504,408
Operating costs and expenses	761,411	868,434	1,020,062	737,207	491,418
Operating income	79,842	38,994	2,524	6,872	12,990
Interest expense, net	8,656	4,570	2,682	2,011	2,564
Income (loss) before income tax (benefit) expense	71,186	34,424	(158)	4,861	10,426
Income tax expense (benefit)	132	757	(14,024)	5,363	5,102
Net income (loss)	$71,054	$33,667	$13,866	$(502)	$5,324
Less: (Loss) income attributable to Predecessors	(943)	(14,163)	5,456	(502)	5,324
Net income (loss) attributable to partners	$71,997	$47,830	$8,410	$—	$—
Less: General partners' interest in net income (2%)	$(2,366)	$(957)	$(168)		
Limited partners' interest in net income	$69,631	$46,873	$8,242		
Net income per limited partner unit:					
Common - (basic)	$2.88	$1.95	$0.34		
Common - (diluted)	$2.85	$1.93	$0.34		
Subordinated - Delek (basic and diluted)	$2.88	$1.95	$0.34		
Weighted average limited partner units outstanding:					
Common units - (basic)	12,171,548	12,025,249	11,999,258		
Common units - (diluted)	12,302,629	12,148,774	11,999,258		
Subordinated units - Delek (basic and diluted)	11,999,258	11,999,258	11,999,258		

(1) Financial information and operating information (other than information relating to operations in east and west Texas) for the year ended December 31, 2011 is for the 247 days and 12 days Delek operated the El Dorado Refinery and Paline Pipeline System, respectively, in 2011.

(2) The information presented includes the results of operations of our Predecessors. Prior to the completion of the Offering, the El Dorado Acquisition, and the Tyler Acquisition, our Predecessors did not record all revenues for intercompany gathering, pipeline transportation, terminalling and storage services.

(3) The information presented includes the results of operations of the El Dorado Predecessor and the Tyler Predecessor.

(4) The information presented includes the results of operations of the El Dorado Predecessor.

	Year Ended December 31,				
	2014	2013	2012 Predecessors	2011 Predecessors	2010 Predecessors
Balance Sheet Data:	(In thousands)				
Property, plant and equipment, net	$240,533	$224,506	$215,635	$178,756	$46,262
Total assets	311,839	301,344	307,894	244,903	90,159
Total debt, including current maturities	251,750	164,800	90,000	30,300	29,000
Total liabilities	291,784	214,142	146,092	96,579	61,516
Total equity	20,055	87,202	161,802	148,324	28,643

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context otherwise requires, references in this report to "Delek Logistics Partners, LP Predecessor," the "Predecessor," and "we," "our," "us," or like terms, when used in the context of periods prior to November 7, 2012, refer to Delek Logistics Partners, LP Predecessor, the Partnership's predecessor for accounting purposes. References to "Delek Logistics Partners, LP," the "Partnership," and "we," "our," "us," or like terms, when used in the present tense or in the context of periods on or after November 7, 2012, refer to Delek Logistics Partners, LP and its general partner and subsidiaries. Unless the context otherwise requires, references in this report to "Delek" refer collectively to Delek US Holdings, Inc. and any of its subsidiaries, other than Delek Logistics Partners, LP, its subsidiaries and its general partner. Those statements in this section that are not historical in nature should be deemed forward-looking statements that are inherently uncertain. See "Forward-Looking Statements" below for a discussion of the factors that could cause actual results to differ materially from those projected in these statements.

On July 26, 2013, the Partnership, through its wholly owned subsidiary Delek Marketing & Supply, LP, acquired from Delek (i) the refined products terminal (the "Tyler Terminal") located at Delek's Tyler, Texas Refinery (the "Tyler Refinery") and (ii) 96 storage tanks and certain ancillary assets (the "Tyler Tank Assets" and, together with the Tyler Terminal, the "Tyler Terminal and Tank Assets") adjacent to the Tyler Refinery (such transaction, the "Tyler Acquisition").

On February 10, 2014, the Partnership, through its wholly owned subsidiary Delek Logistics Operating, LLC ("OpCo"), acquired from Delek (i) the refined products terminal (the "El Dorado Terminal") located at Delek's El Dorado, Arkansas refinery (the "El Dorado Refinery") and (ii) 158 storage tanks and certain ancillary assets (the "El Dorado Tank Assets" and, together with the El Dorado Terminal, the "El Dorado Terminal and Tank Assets") at and adjacent to the El Dorado Refinery (such transaction, the "El Dorado Acquisition").

The El Dorado Acquisition and the Tyler Acquisition were accounted for as transfers between entities under common control. As entities under common control with Delek, we record the assets that Delek has contributed to us on our balance sheet at Delek's historical basis instead of fair value. Transfers between entities under common control are accounted for as if the transfer occurred at the beginning of the period, and prior years are retrospectively adjusted to furnish comparative information. Accordingly, the accompanying financial statements and related notes of the Partnership have been retrospectively adjusted to include (i) the historical results of the El Dorado Terminal and Tank Assets, as owned and operated by Delek, for all periods presented through February 10, 2014 (the "El Dorado Predecessor") and (ii) the historical results of the Tyler Terminal and Tank Assets, as owned and operated by Delek, for all periods presented through July 26, 2013 (the "Tyler Predecessor"). We refer to the historical results of the DKL Predecessor, El Dorado Predecessor and Tyler Predecessor collectively as our "Predecessors."

You should read the following discussion of our financial condition and results of operations in conjunction with our historical consolidated financial statements and notes thereto.

Forward-Looking Statements

This Annual Report on Form 10-K contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These

58

forward-looking statements reflect our current estimates, expectations and projections about our future results, performance, prospects and opportunities. Forward-looking statements include, among other things, the information concerning our possible future results of operations, business and growth strategies, financing plans, expectations that regulatory developments or other matters will not have a material adverse effect on our business or financial condition, our competitive position and the effects of competition, the projected growth of the industry in which we operate, and the benefits and synergies to be obtained from our completed and any future acquisitions, and statements of management's goals and objectives, and other similar expressions concerning matters that are not historical facts. Words such as "may," "will," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future "plans," "believes," "estimates," "appears," "projects" and similar expressions, as well as statements in future tense, identify forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. Important factors that, individually or in the aggregate, could cause such differences include, but are not limited to:

- our substantial dependence on Delek or its assignees and their respective ability to pay us under our commercial agreements;
- the age and condition of our assets and operating hazards and other risks incidental to transporting, storing and gathering crude oil, intermediate and refined products, including, but not limited to, spills, releases and tank failures;
- the timing and extent of changes in commodity prices and demand for Delek's refined products;
- the suspension, reduction or termination of Delek's or its assignees' or any third-party's obligations under our commercial agreements;
- disruptions due to acts of God, equipment interruption or failure at our facilities, Delek's facilities or third-party facilities on which our business is dependent;
- our reliance on information technology systems in our day-to-day operations;
- changes in general economic conditions;
- competitive conditions in our industry;
- actions taken by our customers and competitors;
- the demand for crude oil, refined products and transportation and storage services;
- our ability to successfully implement our business plan;
- our ability to complete internal growth projects on time and on budget;
- Delek's inability to grow as expected;
- natural disasters, weather-related delays, casualty losses and other matters beyond our control;
- interest rates;
- labor relations;
- large customer defaults;
- changes in the availability and cost of capital of debt and equity financing;
- changes in tax status;
- the effects of existing and future laws and governmental regulations, including, but not limited to, the rules and regulations promulgated by the Federal Energy Regulatory Commission ("FERC");
- changes in insurance markets impacting costs and the level and types of coverage available;
- the effects of future litigation; and
- other factors discussed elsewhere in this report.

In light of these risks, uncertainties and assumptions, our actual results of operations and execution of our business strategy could differ materially from those expressed in, or implied by, the forward-looking statements, and you should not place undue reliance upon them. In addition, past financial and/or operating performance is not necessarily a reliable indicator of future performance and you should not use our historical performance to anticipate results or future period trends. We can give no assurances that any of the events anticipated by the forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations and financial condition. Forward-looking statements speak only as of the date the statements are made. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect thereto or with respect to other forward-looking statements.

Business Overview

The Partnership primarily owns and operates crude oil and intermediate and refined products logistics and marketing assets. We gather, transport and store crude oil and intermediate products and market, distribute, transport and store refined products primarily in select regions of the southeastern United States and Texas for Delek and third parties, primarily in support of Delek’s Tyler and El Dorado Refineries. A substantial majority of our existing assets are both integral to and dependent upon the success of Delek’s refining operations as many of our assets are contracted exclusively to Delek in support of its Tyler and El Dorado Refineries.

The Partnership is not a taxable entity for federal income tax purposes or the income taxes of those states that follow the federal income tax treatment of partnerships. Instead, for purposes of these income taxes, each partner of the Partnership is required to take into account its share of items of income, gain, loss and deduction in computing its federal and state income tax liabilities, regardless of whether cash distributions are made to the partner by the partnership. The taxable income reportable to each partner takes into account differences between the tax basis and the fair market value of our assets and financial reporting bases of assets and liabilities, the acquisition price of their units and the taxable income allocation requirements under the partnership agreement.

Recent Developments

Paline Pipeline Capacity Reservation

Prior to the Partnership's acquisition of Paline Pipeline Company, LLC ("Paline"), Paline had entered into a contract with an unrelated third party for such company to exclusively use 100% of the southbound capacity of the Paline Pipeline. This agreement expired by its terms on December 31, 2014. Effective January 1, 2015, we entered into two new agreements with unrelated third parties for use of capacity of the Paline Pipeline. Pursuant to the terms of the new agreements, these third parties will each pay a fixed monthly fee allowing them the exclusive right to use their respective leased capacities on the pipeline, which account for a combined 35,000 bpd. The initial term of these agreements is for 18 months from January 1, 2015.

2014 Developments

Acquisitions

Trucking Assets Acquisition. On December 17, 2014, we completed the purchase of substantially all of the assets of Frank Thompson Transport, Inc. ("FTT"), a company that primarily hauled crude oil and asphalt products by transport truck. The assets purchased from FTT primarily consisted of approximately 120 trucks and 200 trailers (the "FTT Assets"). The aggregate purchase price of the FTT Assets was approximately $11.5 million.

Terminal and Pipeline Acquisition. On October 1, 2014, we completed the purchase from an affiliate of Magellan Midstream Partners, LP. of (i) a light products terminal in Mount Pleasant, Texas (the "Mount Pleasant Terminal"), (ii) a light products storage facility in Greenville, Texas (the "Greenville Storage Facility"), and (iii) a 76-mile pipeline connecting the locations (the "Greenville-Mount Pleasant Pipeline"). The Mount Pleasant Terminal, the Greenville Storage Facility and the Greenville-Mount Pleasant Pipeline are hereinafter collectively referred to as the

"Greenville-Mount Pleasant Assets." The Mount Pleasant Terminal consists of approximately 200,000 barrels of light product storage capacity, three truck loading lanes and ethanol blending capability. The Greenville Storage Facility has approximately 325,000 barrels of storage capacity and is connected to the Explorer Pipeline System, which is a common carrier pipeline owned by a third

party. The aggregate purchase price of the Greenville-Mount Pleasant Assets was approximately $11.1 million, including approximately $1.1 million in finished product inventory.

El Dorado Terminal and Tankage Acquisition. On February 10, 2014, the Partnership, through our subsidiary OpCo, completed a transaction with Lion Oil, pursuant to which OpCo acquired a refined products terminal, storage tanks and ancillary assets at and adjacent to the El Dorado Refinery from Lion Oil. The purchase price paid for the assets acquired was $95.9 million in cash. The assets acquired consist of the following:

- The refined products terminal located at the El Dorado Refinery (the "El Dorado Terminal"), which consisted of a truck loading rack with three loading bays supplied by pipelines from storage tanks located at the El Dorado Refinery, along with certain ancillary assets. Total throughput capacity for the El Dorado Terminal is approximately 26,700 barrels per day ("bpd").

- One hundred fifty-eight (158) storage tanks and certain ancillary assets (such as pumps and piping) located at and adjacent to the El Dorado Refinery with an aggregate shell capacity of approximately 2.5 million barrels (such storage tanks and certain ancillary assets, the "El Dorado Storage Tanks"). The El Dorado Storage Tanks, together with the El Dorado Terminal, are sometimes hereinafter referred to as the "El Dorado Terminal and Tank Assets."

Delek retained any current assets and current liabilities related to the El Dorado Terminal and Tank Assets as of the date of the El Dorado Acquisition. The only historical balance sheet items that transferred to the Partnership in the El Dorado Acquisition were property, plant and equipment assets, tank inspection liabilities and asset retirement obligations, which were recorded by us at historical cost.

In connection with the El Dorado Acquisition, the Partnership and Delek entered into (i) an asset purchase agreement, (ii) the Second Omnibus Amendment (as defined below), (iii) a throughput and tankage agreement with respect to the El Dorado Terminal and Tank Assets, (iv) a lease and access agreement, and (v) a site services agreement.

Second Omnibus Amendment. The Partnership entered into an omnibus agreement with Delek, our general partner, OpCo, Lion Oil and certain of the Partnership’s and Delek’s other subsidiaries on November 7, 2012 (the "Omnibus Agreement"). On July 26, 2013, in connection with the acquisition from Delek of the refined products terminal and 96 storage tanks and ancillary assets adjacent to the Tyler Refinery, the Partnership and the other parties entered into an amendment and restatement of the Omnibus Agreement (the "First Omnibus Amendment"), which was amended and restated on February 10, 2014, in connection with the El Dorado Acquisition (the "Second Omnibus Amendment").

Other Developments

Second Amended and Restated Credit Facility. We entered into a senior secured revolving credit agreement on November 7, 2012, with Fifth Third Bank, as administrative agent, and a syndicate of lenders. The agreement was amended and restated on July 9, 2013 (the "Amended and Restated Credit Agreement") and was most recently amended and restated on December 30, 2014 (the "Second Amended and Restated Credit Agreement"). Under the terms of the Second Amended and Restated Credit Agreement, the lender commitments were increased from $400.0 million to $700.0 million. The Second Amended and Restated Credit Agreement also contains an accordion feature whereby the Partnership can increase the size of the credit facility to an aggregate of $800.0 million, subject to receiving increased or new commitments from lenders and the satisfaction of certain other conditions precedent. While the majority of the terms of the Second Amended and Restated Credit Agreement are substantially unchanged from the predecessor facility, among other things, changes were made to certain negative covenants, the financial covenants and the interest rate pricing grid. The Second Amended and Restated Credit Agreement contains an option for Canadian dollar denominated borrowings. Borrowings denominated in U.S. dollars bear interest at either a U.S. dollar prime rate, plus an applicable margin, or the London Interbank Offered Rate ("LIBOR"), plus an applicable margin, at the election of the borrowers. Borrowings denominated in Canadian dollars bear interest at either a Canadian dollar prime rate, plus an applicable margin, or the Canadian Dealer Offered Rate ("CDOR"), plus an applicable margin, at the election of the borrowers. The applicable margin in each case varies based upon the Partnership's most recent leverage ratio calculation delivered to the lenders, as called for and defined under the terms

of the credit facility. The Second Amended and Restated Credit Agreement matures on December 30, 2019.

Rate Increases. On July 1, 2014, the tariffs, throughput fees and storage fees under our agreements with Delek that are subject to an increase based on the FERC index, increased by approximately 3.9%. In the case of certain of our other agreements in which the fee increase is based on certain other inflation based indices, the increase was approximately 1.6% on average.

Business Strategies

Our objectives are to maintain stable cash flows and to grow the quarterly distributions paid to our unitholders. We are focused on growing our asset base within our geographic area through acquisitions, project development and enhancing our existing systems. While we will continue to evaluate ways to provide Delek with logistics services, our emphasis will be to increase the logistics services that we offer to third parties. We intend to achieve these objectives through the following business strategies:

- Generate Stable Cash Flow. We will continue to pursue opportunities to provide logistics, marketing and other services to Delek and third parties pursuant to long-term, fee-based contracts. In new service contracts, we will endeavor to negotiate minimum throughput or other commitments similar to those included in our current commercial agreements with Delek.

- Focus on Growing Our Business. We intend to evaluate and pursue opportunities to grow our business through both strategic acquisitions and expansion and construction projects, both internally funded or in combination with potential external partners. We believe that our strong relationship with our sponsor will provide us with several opportunities to grow our business.

Pursue Acquisitions. We plan to pursue strategic acquisitions that both complement our existing assets of Delek and provide attractive returns for our unitholders. For example, in February 2014, we completed the purchase of the El Dorado Terminal and Tank Assets. We also acquired the Greenville-Mount Pleasant Assets in east Texas and the FTT Assets primarily based in El Dorado, Arkansas from third parties in October 2014 and December 2014, respectively, which will further enhance our terminalling, storage and transportation capabilities. As we continue to grow through acquisitions, we believe we will be able to increase our third party business.

Additionally, Delek has granted us a right of first offer on certain logistics assets. We intend to review our right to purchase any such assets as they are offered to us under the terms of the right of first offer, from time to time. Delek is also required, under certain circumstances, to offer us the opportunity to purchase additional logistics assets that Delek may acquire or construct in the future. In addition to those opportunities to acquire assets from Delek, we believe that our current asset base and our knowledge of the regional markets in which we operate will allow us to target and consummate attractive third-party acquisitions.

Pursue Attractive Expansion and Construction Opportunities. We intend to pursue organic growth opportunities that complement our existing businesses or that provide attractive returns within or outside our current geographic footprint. We plan to evaluate potential opportunities to make capital investments that will be used to expand our existing asset base through the expansion and construction of new logistics assets to support growth of any of our customers', including Delek's, businesses and from increased third-party activity. These construction projects can be developed through joint venture relationships, or by us acting independently depending on size and scale.

Optimize Our Existing Assets and Expand Our Customer Base. We intend to enhance the profitability of our existing assets by adding incremental throughput volumes, improving operating efficiencies and increasing system-wide utilization. For example, in August 2014, Delek announced plans to expand the crude nameplate capacity at the Tyler Refinery by 15,000 bpd to 75,000 bpd in the first quarter of 2015. In connection with the expansion of the Tyler Refinery, certain capital projects that will expand our Tyler Terminal and enhance its operational capabilities will also be completed. Additionally, we were able to improve the economics of the Paline Pipeline System over the next 18 months by entering into two new agreements with two third parties, effective January 1, 2015. We will continue to explore options for the Paline Pipeline System to increase capacity and utilization. We also expect to further diversify our customer base by increasing third-party throughput volumes running through certain of our existing systems and expanding our existing asset portfolio to service more third-party customers.

62

Commercial Agreements

The Partnership has various long-term, fee-based commercial agreements with Delek under which we provide crude oil gathering, crude oil and refined products transportation and storage services and marketing and terminalling services to Delek, and Delek commits to provide us with minimum monthly throughput volumes of crude oil and refined products. For a description of each agreement, see "Item 1—Business—Commercial Agreements—Commercial Agreements Entered Into in Connection with the Offering," "Item 1—Business—Commercial Agreements—Commercial Agreements in Connection with the El Dorado Acquisition" and "Item 1—Business—Commercial Agreements—Commercial Agreements in Connection with the Tyler Acquisition."

How We Evaluate Our Operations

We use a variety of financial and operating metrics to analyze our segment performance. These metrics are significant factors in assessing our operating results and profitability and include: (i) volumes (including pipeline throughput and terminal volumes); (ii) contribution margin and gross margin per barrel; (iii) operating and maintenance expenses; and (iv) EBITDA and Distributable Cash Flow (as such terms are defined below).

Volumes. The amount of revenue we generate primarily depends on the volumes of crude oil and intermediate and refined products that we handle in our pipeline, transportation, terminalling and marketing operations. These volumes are primarily affected by the supply of and demand for crude oil and refined products in the markets served directly or indirectly by our assets. Although Delek has committed to minimum volumes under the commercial agreements described above, our results of operations will be impacted by:

- Delek's utilization of our assets in excess of its minimum volume commitments;
- our ability to identify and execute acquisitions and organic expansion projects, and capture incremental volume increases from Delek or third parties;
- our ability to increase throughput volumes at our refined products terminals and provide additional ancillary services at those terminals, such as ethanol blending and additive injection;
- our ability to identify and serve new customers in our marketing operations; and
- our ability to make connections to third-party facilities and pipelines.

Contribution Margin and Gross Margin per Barrel. Because we do not allocate general and administrative expense by segment, we measure the performance of our segments by the amount of contribution margin generated in operations. Contribution margin is calculated as net sales less cost of sales and operating expenses. For our wholesale marketing and terminalling segment, we also measure margin per barrel. The gross margin per barrel reflects the gross margin (net sales less cost of sales) of the wholesale marketing operations divided by the number of barrels of refined products sold during the measurement period. Both contribution margin and gross margin per barrel can be affected by fluctuations in the prices of gasoline and distillate fuel.

Operating and Maintenance Expenses. We seek to maximize the profitability of our operations by effectively managing operating and maintenance expenses. These expenses are comprised primarily of labor expenses, lease costs, utility costs, insurance premiums, repairs and maintenance expenses and property taxes. These expenses generally remain relatively stable across broad ranges of throughput volumes but can fluctuate from period to period depending on the mix of activities performed during that period and the timing of these expenses. We will seek to manage our maintenance expenditures on our pipelines and terminals by scheduling maintenance over time to avoid significant variability in our maintenance expenditures and minimize their impact on our cash flow.

Our operating and maintenance expenses will also be affected by the imbalance gain and loss provisions in our commercial agreements with Delek. Under our commercial agreements with Delek relating to our Lion Pipeline System and our East Texas Crude Logistics System, we bear any crude oil and refined product volume losses on each of our pipelines in excess of 0.25%. Under our commercial agreements with Delek relating to our Memphis and Big Sandy terminals, we will bear any refined product volume losses in each of our terminals in excess of 0.25%. The value of any crude oil or refined product imbalance gains or losses resulting from these contractual provisions is determined by reference to the monthly average reference price for the applicable commodity. Any gains and losses under these provisions will reduce or increase, respectively, our operating and maintenance expenses in the period in which they are realized.

EBITDA and Distributable Cash Flow. We define EBITDA as net income (loss) before net interest expense, income tax expense, depreciation and amortization expense. We define distributable cash flow as EBITDA less net cash paid for

interest, maintenance capital expenditures and income taxes. Distributable cash flow will not reflect changes in working capital balances. Distributable cash flow and EBITDA are not presentations made in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

EBITDA and distributable cash flow are non-U.S. GAAP supplemental financial measures that management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies, may use to assess:

- our operating performance as compared to other publicly traded partnerships in the midstream energy industry, without regard to historical cost basis, or in the case of EBITDA, financing methods;
- the ability of our assets to generate sufficient cash flow to make distributions to our unitholders;
- ability to incur and service debt and fund capital expenditures; and
- the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities.

We believe that the presentation of EBITDA and distributable cash flow provides useful information to investors in assessing our financial condition and results of operations. EBITDA and distributable cash flow should not be considered alternatives to net income, operating income, cash from operations or any other measure of financial performance or liquidity presented in accordance with U.S. GAAP. EBITDA and distributable cash flow have important limitations as analytical tools because they exclude some but not all items that affect net income and net cash provided by operating activities. Additionally, because EBITDA and distributable cash flow may be defined differently by other companies in our industry, our definition of EBITDA may not be comparable to similarly titled measures of other companies, thereby diminishing its utility. For a reconciliation of EBITDA to its most directly comparable financial measures calculated and presented in accordance with U.S. GAAP, please refer to "—Results of Operations."

Factors Affecting the Comparability of Our Financial Results

Our future results of operations may not be comparable to our historical results of operations for the reasons described below:

Revenues. There are differences between the way the Predecessors recorded revenues and the way the Partnership records revenues after the completion of the Offering and the acquisitions of the El Dorado Terminal and Tank Assets and the Tyler Terminal and Tank Assets. Because our assets, including the El Dorado Terminal and Tank Assets and the Tyler Terminal and Tank Assets, were historically a part of the integrated operations of Delek, the Predecessors generally recognized the costs and most revenue associated with the gathering, pipeline, transportation, terminalling and storage services provided to Delek on an intercompany basis or charged low throughput fees for transportation. Accordingly, the revenues in the Predecessors' consolidated financial statements are different than those reflected in the Partnership's consolidated financial statements as the Predecessors' amounts relate primarily to amounts received from third parties while the Partnership's revenues will also reflect amounts associated with our commercial agreements with Delek in addition to amounts received from third parties.

The Partnership's revenues are generated from the commercial agreements that we entered into with Delek and from agreements with third parties under which we receive fees for gathering, transporting and storing crude oil and marketing, transporting, storing and terminalling intermediate and refined products. Certain of these contracts contain minimum volume commitments and fees that are indexed for inflation. In addition, the tariff rates for our assets that are subject to inflation indexing will be adjusted annually. We expect to generate revenue from ancillary services, such as ethanol blending and additive injection, and from transportation and terminalling fees on our pipeline systems and terminals for volumes in excess of minimum volume committed under our agreements with Delek. In contrast to the Predecessors, the Partnership does not make bulk biofuel sales in our west Texas marketing operations.

General and Administrative Expenses. The Predecessors' general and administrative expenses included direct monthly charges for the management and operation of our logistics assets and certain expenses allocated by Delek for general corporate services, such as treasury, accounting and legal services. These expenses were charged or allocated to the Predecessors based on the nature of the expenses and our proportionate share of employee time and headcount. Delek continues to charge the Partnership for the management and operation of our logistics assets, including an annual fee for the provision of various centralized corporate services. Additionally, the Partnership is required to

reimburse Delek for direct or allocated costs and expenses incurred by Delek on behalf of the Partnership. The Partnership also incurs additional incremental annual general and administrative expense as a result of being a publicly traded partnership.

Financing. The Partnership paid a cash distribution to its unit holders at a distribution rate of $0.51 per unit for the quarter ended December 31, 2014 ($2.04 per unit on an annualized basis). Our partnership agreement requires that the Partnership distribute to its unitholders quarterly all of its available cash as defined in the partnership agreement. As a result, the Partnership expects to fund future capital expenditures primarily from operating cash flows, borrowings under the Second Amended and Restated Credit Agreement and any future issuances of equity and debt securities.

Income Tax Expenses. Prior to the Offering, the DKL Predecessor was included in Delek's consolidated federal income tax return, in which the DKL Predecessor was taxed at the entity level as a C corporation. For periods subsequent to the Offering, the Partnership is treated as a partnership for federal income tax purposes, with each partner being separately taxed on its share of taxable income; therefore, there is no federal income tax expense in our financial statements.

Market Trends. Our results of operations are impacted by our ability to utilize our existing assets to fulfill the long-term fee-based agreements we have entered into with Delek and with third parties. Overall demand for gathering and terminalling services in a particular area is generally driven by crude oil production in the area, refining economics and access to alternate delivery and transportation infrastructure. Additionally, we are exposed to volatility in crude oil and refined products prices in our west Texas operations. A sharp decline in the price of crude oil may potentially lower the crude oil production level in the west Texas area resulting in lower demand for finished products from our west Texas operations to industries that support crude oil exploration and production. A sharp decline in the selling price of finished products may reduce our margin in the west Texas operations if our purchase price for finished products does not adjust accordingly. Any of these factors is subject to change over time. As part of our overall business strategy, management considers aspects such as location, acquisition and expansion opportunities and factors impacting the utilization of the refineries (and, therefore, throughput volumes) which may impact our performance in the market.

Seasonality and Customer Maintenance Programs

The volume and throughput of crude oil and refined products transported through our pipelines and sold through our terminals and to third parties is directly affected by the level of supply and demand for all of such products in the markets served directly or indirectly by our assets. Supply and demand for such products fluctuates during the calendar year. Demand for gasoline, for example, is generally higher during the summer months than during the winter months due to seasonal increases in motor vehicle traffic. Demand for asphalt products, which is a substantial product of Delek's El Dorado Refinery, is also lower in the winter months. In addition, our refining customers, such as Delek, occasionally reduce or suspend operations to perform planned maintenance during the winter, when demand for their products is lower. Accordingly, these factors affect the need for crude oil or finished products by our customers and therefore limit our volumes or throughput during these periods, and our operating results will generally be lower during the first and fourth quarters of the year. We believe, however, that many of the potential effects of seasonality on our revenues and contribution margin will be substantially mitigated due to our commercial agreements with Delek that include minimum volume and throughput commitments.

Results of Operations

A discussion and analysis of the factors contributing to our results of operations is presented below. The accompanying consolidated financial statements for the periods prior to November 7, 2012 represent our Predecessors' results of operations, while the consolidated financial statements for the period subsequent to November 7, 2012 include the results of operations for the Partnership. The accompanying consolidated financial statements and related notes of the Partnership have been retrospectively adjusted to include the historical results of the El Dorado Terminal and Tank Assets for all periods presented through February 10, 2014 and the Tyler Terminal and Tank Assets for all periods presented through July 26, 2013. The financial statements, together with the following information, are intended to provide investors with a reasonable basis for assessing our historical operations, but should not serve as the only criteria for predicting our future performance.

The following table and discussion present a summary of our consolidated results of operations for the years ended December 31, 2014, 2013 and 2012, including a reconciliation of EBITDA to net income and net cash provided by (used in) operating activities and distributable cash flow to net income (in thousands, except unit and per unit amounts). Our financial results may not be comparable as our Predecessors recorded revenues, general and

administrative expenses and financed operations differently than the Partnership. See "—Factors Affecting the Comparability of Our Financial Results" for additional information.

Statements of Income and Comprehensive Income Data:	Years ended December 31, 2014 [1]	2013 [2]	2012 [2] Predecessors
Net sales:			
Pipelines and transportation	$91,348	$60,237	$33,539
Wholesale marketing and terminalling	749,905	847,191	989,047
Total	841,253	907,428	1,022,586
Operating costs and expenses:			
Cost of goods sold	697,221	811,364	959,434
Operating expenses	38,786	35,640	39,420
General and administrative expenses	10,616	7,526	9,856
Depreciation and amortization	14,705	13,738	11,343
Loss on asset disposals	83	166	9
Total operating costs and expenses	761,411	868,434	1,020,062
Operating income	79,842	38,994	2,524
Interest expense, net	8,656	4,570	2,682
Income (loss) before taxes	71,186	34,424	(158)
Income tax expense (benefit)	132	757	(14,024)
Net income	$71,054	$33,667	$13,866
Less: (Loss) income income attributable to Predecessors	(943)	(14,163)	5,456
Net income attributable to partners	$71,997	$47,830	$8,410
Comprehensive income attributable to partners	$71,997	$47,830	$8,410
EBITDA [3]	$94,547	$52,732	$13,867
Less: General partner's interest in net income (2%)	$(2,366)	$(957)	$(168)
Limited partner's interest in net income	$69,631	$46,873	$8,242
Net income per limited partner unit:			
Common units - (basic)	$2.88	$1.95	$0.34
Common units - (diluted)	$2.85	$1.93	$0.34
Subordinated units - Delek (basic and diluted)	$2.88	$1.95	$0.34
Weighted average limited partner units outstanding:			
Common units - (basic)	12,171,548	12,025,249	11,999,258
Common units - (diluted)	12,302,629	12,148,774	11,999,258
Subordinated units - Delek (basic and diluted)	11,999,258	11,999,258	11,999,258
Distributable Cash Flow [3]	$79,259	$34,224	$(3,393)

(1) The information presented includes the results of operations of the El Dorado Predecessor. Prior to the El Dorado Acquisition, the El Dorado Predecessor did not record revenues for intercompany terminalling and storage services.

(2) The information presented includes the results of operations of our Predecessors. Prior to the completion of the Offering, the El Dorado Acquisition and the Tyler Acquisition, our Predecessors did not record all revenues for intercompany gathering, pipeline transportation, terminalling and storage services.

(3) For a definition of EBITDA and distributable cash flow, see "—How We Evaluate Our Operations—EBITDA and Distributable Cash Flow." Distributable cash flow for the year ended December 31, 2014 includes net loss related to the Tyler Predecessor.

(In thousands)	Years Ended December 31,		
	2014 (1)	2013 (2)	2012 (2)
			Predecessors
Reconciliation of EBITDA to net income:			
Net income	$71,054	$33,667	$13,866
Add:			
Income tax expense (benefit)	132	757	(14,024)
Depreciation and amortization	14,705	13,738	11,343
Interest expense, net	8,656	4,570	2,682
EBITDA (3)	$94,547	$52,732	$13,867
Reconciliation of EBITDA to net cash from operating activities:			
Net cash provided by operating activities	$85,920	$36,971	$17,112
Amortization of unfavorable contract liability to revenue	2,670	2,623	668
Amortization of debt issuance costs	(1,267)	(1,007)	(381)
Accretion of asset retirement obligations	(232)	(224)	(194)
Deferred taxes (4)	109	(309)	228
Loss on asset disposals	(83)	(166)	(9)
Share-based compensation expense	—	—	(92)
Unit-based compensation expense	(274)	(464)	(1)
Changes in assets and liabilities	(1,084)	9,981	(10,656)
Income tax expense (4)	132	757	4,510
Interest expense, net	8,656	4,570	2,682
EBITDA (3)	$94,547	$52,732	$13,867
Reconciliation of distributable cash flow to EBITDA:			
EBITDA (3)	$94,547	52,732	13,867
Less: Cash interest, net (5)	7,389	3,563	2,301
Less: Maintenance and regulatory capital expenditures (6)	6,642	12,662	9,874
Add: Reimbursement from Delek for capital expenditures (7)	1,578	837	—
Less: Income tax expense (4)	132	757	4,510
Add: Non-cash share based compensation expense	—	—	92
Add: Non-cash unit based compensation expense	274	464	1
Less: Amortization of deferred revenue	307	204	—
Less: Amortization of unfavorable contract liability	2,670	2,623	668
Distributable cash flow (3)	$79,259	$34,224	$(3,393)

(1) The information presented includes the results of operations of the El Dorado Predecessor. Prior to the El Dorado Acquisition, the El Dorado Predecessor did not record revenues for intercompany terminalling and storage services.

(2) The information presented includes the results of operations of our Predecessors. Prior to the completion of the Offering, the El Dorado Acquisition and the Tyler Acquisition, our Predecessors did not record all revenues for intercompany gathering, pipeline transportation, terminalling and storage services.

(3) For a definition of EBITDA and distributable cash flow, see "—How We Evaluate Our Operations—EBITDA and Distributable Cash Flow." Distributable cash flow for the year ended December 31, 2014 includes net loss related to the Tyler Predecessor.

(4) Deferred taxes and income tax expense represent the year to date deferred taxes and tax expense, excluding a one-time tax benefit of $18.5 million in 2012. The majority of the Partnership's deferred tax assets and liabilities relates to the DKL Predecessor's conversion from a corporation to a partnership, and, as a result of such conversion, we are not subject to federal income taxes. The conversion from a taxable corporation to a pass-through resulted in this one-time tax benefit.

(5) Cash interest expense, net excludes the amortization of debt issuance costs.

(6) Maintenance and regulatory capital expenditures represent cash expenditures (including expenditures for the addition or improvement to, or the replacement of, our capital assets, and for the acquisition of existing, or the construction or development of new, capital assets) made to maintain our long-term operating income or operating capacity. Examples of maintenance and regulatory capital expenditures are expenditures for the repair, refurbishment and replacement of pipelines and terminals, to maintain equipment reliability, integrity and safety and to address environmental laws and regulations.

(7) For the years ended December 31, 2014 and December 31, 2013, Delek reimbursed us for certain capital expenditures pursuant to the terms of the Omnibus Agreement.

The following table is a summary of our results of operations for the years ended December 31, 2014, disaggregated to present the results of operations of the El Dorado Predecessor (in thousands):

	Delek Logistics Partners, LP	El Dorado Terminal and Tank Assets [1] El Dorado Predecessor	Year Ended December 31, 2014
Statements of Income and Comprehensive Income Data:			
Net sales:			
Pipelines and transportation	$91,348	$—	$91,348
Wholesale marketing and terminalling	749,905	—	749,905
Total	841,253	—	841,253
Operating costs and expenses:			
Cost of goods sold	697,221	—	697,221
Operating expenses	38,003	783	38,786
General and administrative expenses	10,570	46	10,616
Depreciation and amortization	14,591	114	14,705
Loss on asset disposals	83	—	83
Total operating costs and expenses	760,468	943	761,411
Operating income (loss)	80,785	(943)	79,842
Interest expense	8,656	—	8,656
Income (loss) before taxes	72,129	(943)	71,186
Income tax expense (benefit)	132	—	132
Net income (loss)	$71,997	$(943)	$71,054
EBITDA[2]	$95,376	$(829)	$94,547

[1] The information presented is for the results of operations of the El Dorado Predecessor. Prior to the completion of the El Dorado Acquisition, the El Dorado Predecessor did not record revenues for storage services.

[2] For a definition of EBITDA, see "—How We Evaluate Our Operations—EBITDA and Distributable Cash Flow."

68

The following tables include reconciliations of EBITDA and distributable cash flow to net income and EBITDA to net cash from operating activities for the year ended December 31, 2014, disaggregated to present the results of operations of the Partnership and the El Dorado Terminal and Tank Assets through February 10, 2014 (in thousands):

	Delek Logistics Partners, LP	El Dorado Terminal and Tank Assets El Dorado Predecessor	Year Ended December 31, 2014
Reconciliation of EBITDA to net income (loss):			
Net income (loss)	$71,997	$(943)	$71,054
Add:			
Income tax expense	132	—	132
Depreciation and amortization	14,591	114	14,705
Interest expense, net	8,656	—	8,656
EBITDA[1]	$95,376	$(829)	$94,547
Reconciliation of EBITDA to net cash from operating activities:			
Net cash provided by (used in) operating activities	$86,749	$(829)	$85,920
Amortization of unfavorable contract liability to revenue	2,670	—	2,670
Amortization of debt issuance costs	(1,267)	—	(1,267)
Accretion of asset retirement obligations	(238)	6	(232)
Deferred taxes	109	—	109
Loss on asset disposals	(83)	—	(83)
Unit-based compensation expense	(274)	—	(274)
Changes in assets and liabilities	(1,078)	(6)	(1,084)
Income tax expense	132	—	132
Interest expense, net	8,656	—	8,656
EBITDA[1]	$95,376	$(829)	$94,547
Reconciliation of distributable cash flow to EBITDA:			
EBITDA [1]	$95,376	$(829)	$94,547
Less: Cash interest, net [2]	7,389	—	7,389
Less: Maintenance and regulatory capital expenditures [3]	6,465	177	6,642
Add: Reimbursement from Delek for capital expenditures [4]	1,578	—	1,578
Less: Income tax expense	132	—	132
Add: Non-cash unit based compensation expense	274	—	274
Less: Amortization of deferred revenue	307	—	307
Less: Amortization of unfavorable contract liability	2,670	—	2,670
Distributable cash flow [1]	$80,265	$(1,006)	$79,259

(1) For a definition of EBITDA and distributable cash flow, see "—How We Evaluate Our Operations—EBITDA and Distributable Cash Flow."

(2) Cash interest, net excludes the amortization of debt issuance costs.

(3) Maintenance and regulatory capital expenditures represent cash expenditures (including expenditures for the addition or improvement to, or the replacement of, our capital assets, and for the acquisition of existing, or the construction

or development of new, capital assets) made to maintain our long-term operating income or operating capacity. Examples of maintenance and regulatory capital expenditures are expenditures for the repair, refurbishment and replacement of pipelines and terminals, to maintain equipment reliability, integrity and safety and to address environmental laws and regulations.

(4) For the year ended December 31, 2013, Delek reimbursed us for certain capital expenditures pursuant to the terms of the Omnibus Agreement.

Segment Data:

The following is a summary of business segment capital expenditures for the periods indicated (in thousands):

	Year Ended December 31,		
	2014 (1)	2013 (2)	2012 (2)
Capital spending (excluding business combinations)			
Pipelines and Transportation	$3,768	$9,621	$23,845
Wholesale Marketing and Terminalling	$3,364	$3,041	$6,971

(1) Capital spending includes expenditures incurred in connection with the assets acquired in the El Dorado Acquisition.

(2) Capital spending includes expenditures incurred in connection with the assets acquired in the El Dorado Acquisition and the Tyler Acquisition.

Consolidated Results of Operations — Comparison of the Year Ended December 31, 2014 versus the Year Ended December 31, 2013

Contribution margin for the year ended December 31, 2014 was $105.2 million in 2014, compared to $60.4 million in 2013, an increase of $44.8 million or 74.2%. The increase in contribution margin was attributable to increases in net sales in the pipelines and transportation segment during the year ended December 31, 2014 compared to the year ended December 31, 2013, as a result of the effect of the throughput and tankage agreements we entered into with Delek in connection with the El Dorado Acquisition and the Tyler Acquisition. Further contributing to the increase in contribution margin were higher margins achieved in our operations in west Texas during the year ended December 31, 2014 compared to the year ended December 31, 2013, as a result of a favorable supply/demand balance and to downtime at refineries in the region during the year ended December 31, 2014 compared to the year ended December 31, 2013.

For the years ended December 31, 2014 and 2013, we generated net sales of $841.3 million and $907.4 million, respectively, a decrease of $66.2 million, or 7.3%. The decrease was primarily attributable to decreases in sales volume in our west Texas operations due to matching volumes with the supply/demand balance in the local market and to the fact that our Abilene terminal was not operational for a portion of the first quarter of 2014 due to required maintenance. Also contributing to the decrease in our net sales were decreases in the average sales prices per gallon of gasoline and diesel in our west Texas operations. The average sales price per gallon of gasoline decreased $0.16 during the year ended December 31, 2014, to $2.57 per gallon from $2.73 per gallon during the year ended December 31, 2013, while the average sales price per gallon of diesel decreased $0.13 during the year ended December 31, 2014, to $2.94 per gallon from $3.07 during the year ended December 31, 2013. These decreases were partially offset by increases in net sales attributable to the effect of the throughput and tankage agreements that went into effect in connection with the El Dorado Acquisition in February 2014 and the Tyler Acquisition in July 2013. The throughput and tankage agreements for the El Dorado Terminal and Tank Assets and the Tyler Terminal and Tank Assets contributed approximately $15.8 million and $18.1 million, respectively, to net sales in the year ended December 31, 2014.

Cost of goods sold was $697.2 million for the year ended December 31, 2014, compared to $811.4 million for 2013, a decrease of $114.2 million, or 14.1%. The decrease in cost of goods sold was primarily attributable to decreases in sales volume and in the average cost per gallon of gasoline and diesel purchased in our west Texas marketing operations. The average cost per gallon of gasoline decreased $0.20 per gallon during the year ended December 31, 2014, to $2.50 per gallon from $2.70 per gallon, while the average cost per gallon of diesel decreased $0.18 per gallon during the year ended December 31, 2014, to $2.84 per gallon from $3.02 per gallon during the year ended December 31, 2013.

Operating expenses were $38.8 million for the year ended December 31, 2014, compared to $35.6 million for 2013, an increase of $3.1 million or 8.8%. The increase in operating expenses was primarily due to increases in maintenance costs and higher asset utilization during the year ended December 31, 2014 compared to the year ended December 31, 2013.

General and administrative expenses were $10.6 million for the year ended December 31, 2014, compared to $7.5 million for the year ended December 31, 2013, an increase of $3.1 million, or 41.1%. The increase in general and administrative expenses was primarily due to costs incurred in connection with various acquisitions and increased costs of general corporate services for which we pay Delek pursuant to the terms of the Second Omnibus Amendment during the year ended December 31, 2014 compared to the year ended December 31, 2013. Also contributing to the increase was an increase in professional services fees in connection with various acquisitions during the year ended December 31, 2014, compared to the year ended December 31, 2013.

Depreciation and amortization was $14.7 million and $13.7 million for the years ended December 31, 2014 and 2013, respectively, an increase of $1.0 million, or 7.0%. The increase in depreciation and amortization was primarily due to the addition of the Tyler Terminal and Tank Assets and the El Dorado Terminal and Tank Assets to our asset base.

Interest expense was $8.7 million for the year ended December 31, 2014, compared to $4.6 million for the year ended December 31, 2013, an increase of $4.1 million, or 89.4%. This increase was primarily attributable to increases in interest costs and deferred financing charges as a result of borrowings incurred, and the debt refinancing completed, in

connection with the El Dorado Acquisition and the Tyler Acquisition.

Income tax expense was $0.1 million for the year ended December 31, 2014, compared to $0.8 million for the year ended December 31, 2013. Our effective tax rate was 0.2% for the year ended December 31, 2014, compared to 2.2% for

the year ended December 31, 2013. The Partnership is not subject to federal income taxes as a limited partnership. Accordingly, our taxable income or loss is included in the federal and state income tax returns of our partners.

Consolidated Results of Operations — Comparison of the Year Ended December 31, 2013 versus the Year Ended December 31, 2012

Contribution margin for the year ended December 31, 2013 was $60.4 million in 2013, compared to $23.7 million in 2012, an increase of $36.7 million, or 154.5%. The increase in contribution margin was primarily attributable to increases in net sales in our pipelines and transportation segment during the year ended December 31, 2013 compared to the year ended December 31, 2012 as a result of the effect of the commercial agreements we entered into with Delek in connection with the Offering, and with the acquisition of the Tyler Terminal and Tank Assets, which reflect higher rates for crude oil gathering, crude oil, intermediate and refined products transportation and storage services as compared to the rates charged prior to the execution of the commercial agreements. Revenue on our pipeline assets is generated by charging fees for services including gathering, transporting and storing crude oil, intermediates and refined products. Cost of goods sold is therefore not incurred on these assets, resulting in inherently higher margins. Also contributing to the increase were fees received from a third party following the completion of the reversal of the Paline Pipeline System.

We generated net sales of $907.4 million and $1,022.6 million during the years ended December 31, 2013 and 2012, respectively, a decrease of $115.2 million, or 11.3%. In the fourth quarter of 2011, we began selling bulk biofuels, primarily to Delek. The Partnership discontinued the sale of bulk biofuels following the Offering, contributing to the decrease in net sales during the year ended December 31, 2013 compared to the year ended December 31, 2012. The sale of bulk biofuels contributed $198.1 million to net sales for the year ended December 31, 2012. Also contributing to the decrease in our net sales were decreases in the average sales prices per gallon of gasoline and diesel. There was a $0.12 per gallon decrease in the average sales price per gallon of gasoline for the year ended December 31, 2013, to $2.73 per gallon from $2.85 in the year ended December 31, 2012, while the average sales price per gallon of diesel decreased $0.11 for the year ended December 31, 2013, to $3.07 per gallon from $3.18 in the year ended December 31, 2012. These decreases were partially offset by increases in volumes across most of our operating systems. The decrease in net sales was also partially offset by service fees received for use of the Paline Pipeline System and by the effect of the throughput and tankage agreement that went into effect in connection with the acquisition of the Tyler Terminal and Tank Assets. The fees associated with the Paline Pipeline System contributed $6.4 million to net sales in the year ended December 31, 2013, and the throughput and tankage agreement contributed $7.4 million to net sales in the year ended December 31, 2013.

Cost of goods sold was $811.4 million for the year ended December 31, 2013, compared to $959.4 million for 2012, a decrease of $148.0 million, or 15.4%. The decrease in cost of goods sold was primarily attributable to the discontinuation of the sale of bulk biofuels, which accounted for $201.6 million of our cost of sales during the year ended December 31, 2012. This decrease was partially offset by increases in sales volumes in our west Texas operations.

Operating expenses were $35.6 million for the year ended December 31, 2013, compared to $39.4 million for 2012, a decrease of $3.8 million or 9.6%. The decrease in operating expenses was primarily due to decreases in maintenance costs in the year ended December 31, 2013 compared to the year ended December 31, 2012.

General and administrative expenses were $7.5 million for the year ended December 31, 2013, compared to $9.9 million for 2012, a decrease of $2.3 million, or 23.6%. Our Predecessors' general and administrative expenses included direct monthly charges for the management and operation of our logistics assets and certain expenses allocated by Delek for general corporate services, such as treasury, accounting and legal services. While Delek continued to charge the Partnership for the management and operation of our logistics assets as specified in the Omnibus Agreement, the overall decrease in general and administrative expenses was primarily due to decreased cost allocations of certain general corporate services allocated to us during the year ended December 31, 2013, compared to the year ended December 31, 2012.

Depreciation and amortization was $13.7 million and $11.3 million for the years ended December 31, 2013 and 2012, respectively, an increase of $2.4 million, or 21.1%. This increase was primarily due to the addition of depreciation associated with the completion of a rail connection to Delek's El Dorado Refinery on our Lion Pipeline System, which

was placed into service in January 2013, and the reversal of the Paline Pipeline System completed in May 2013. Further contributing to the increase was the addition of depreciation expense associated with the Tyler Terminal and Tank Assets acquired in July 2013.

Interest expense was $4.6 million for the year ended December 31, 2013, compared to $2.7 million for 2012, an increase of $1.9 million, or 70.4%. This increase is primarily attributable to increases in our deferred financing charges and increases in interest costs as a result of borrowings incurred in connection with our acquisition of the Tyler Terminal and Tank Assets.

Income tax expense (benefit) was $0.8 million and $(14.0) million during the years ended December 31, 2013 and 2012, respectively, an increase of $14.8 million. The increase in our tax expense was primarily due to the fact that the Partnership is not subject to federal income taxes as a limited partnership. Income tax expense as of December 31, 2013 reflects a nominal amount of state income tax. The DKL Predecessor's conversion from a corporation to a partnership resulted in a one-time tax benefit of $18.5 million in 2012.

Operating Segments

We review operating results in two reportable segments: (i) pipelines and transportation and (ii) wholesale marketing and terminalling. Decisions concerning the allocation of resources and assessment of operating performance are made based on this segmentation. Management measures the operating performance of each reportable segment based on the segment contribution margin. Segment contribution margin is defined as net sales less cost of sales and operating expenses, excluding depreciation and amortization. Segment reporting is more fully discussed in Note 13 to our accompanying consolidated financial statements.

Pipelines and Transportation Segment

Our pipelines and transportation segment includes the Lion Pipeline System, the SALA Gathering System, the Paline Pipeline System, the East Texas Crude Logistics System, the Tyler-Big Sandy Pipeline, the El Dorado Tank Assets, the Tyler Tank Assets and the Greenville-Mount Pleasant Pipeline and Greenville Storage Facility. In addition to these operating systems, we also acquired transportation assets in December 2014 that include approximately 120 trucks and 200 trailers used to haul primarily crude oil and other products for unrelated and related third parties.

The following table and discussion present the results of operations of the pipelines and transportation segment, including the historical results of the El Dorado Tank Assets for all periods presented and the Tyler Tank Assets, for the years ended December 31, 2013 and 2012 (in thousands):

	Year Ended December 31,		
	2014 [1]	2013 [2]	2012 [2]
Net sales:			
Affiliate	$80,683	$51,878	$30,145
Third-Party	10,665	8,359	3,394
Total	$91,348	$60,237	$33,539
Operating costs and expenses:			
Cost of goods sold	4,294	764	—
Operating expenses	31,300	27,465	32,359
Segment contribution margin	$55,754	$32,008	$1,180
Throughputs (average bpd)			
Lion Pipeline System [2]:			
Crude pipelines (non-gathered)	47,906	46,515	46,027
Refined products pipelines to Enterprise Systems	53,461	49,694	45,220
SALA Gathering System [2]	22,656	22,152	20,747
East Texas Crude Logistics System	7,361	19,896	55,068

(1) The information presented includes the results of operations of the El Dorado Predecessor. Prior to the El Dorado Acquisition, the El Dorado Predecessor did not record all revenues for intercompany storage services. Volumes for all periods include both affiliate and third-party throughput.

(2) The information presented includes the results of operations of the El Dorado Predecessor and the Tyler Predecessor. Prior to the completion of the Offering, the El Dorado Acquisition and the Tyler Acquisition, our Predecessors did not record all revenues for intercompany storage services. Volumes for all periods include both affiliate and third-party throughput.

The following table presents the results of operations of the pipelines and transportation segment for the year ended December 31, 2014, disaggregated to present the results of operations of the Partnership and the El Dorado Terminal and Tank Assets through February 10, 2014 (in thousands):

	Delek Logistics Partners, LP	El Dorado Tank Assets [1] El Dorado Predecessor	Year Ended December 31, 2014
Net sales	$91,348	$—	$91,348
Operating costs and expenses:			
Cost of goods sold	4,294	—	4,294
Operating expenses	30,619	681	31,300
Segment contribution margin	$56,435	$(681)	$55,754
Throughputs (average bpd)			
Lion Pipeline System:			
Crude pipelines (non-gathered)	47,906	—	47,906
Refined products pipelines to Enterprise Systems	53,461	—	53,461
SALA Gathering System	22,656	—	22,656
East Texas Crude Logistics System	7,361	—	7,361

(1) The information presented is for the results of operations of the El Dorado Predecessor. Prior to the completion of the El Dorado Acquisition, the El Dorado Predecessor did not record revenues for intercompany storage services.

Pipelines and Transportation Segment Operational Comparison of the Year Ended December 31, 2014 versus the Year Ended December 31, 2013

Contribution margin for the pipelines and transportation segment for the year ended December 31, 2014 was $55.8 million, or 53.0% of our consolidated segment contribution margin, compared to $32.0 million, or 53.0% of our consolidated segment contribution margin, for the year ended December 31, 2013, an increase of $23.7 million, or 74.2%. The increase in the pipelines and transportation segment contribution margin was primarily attributable to increases in net sales as a result of the effect of the throughput and tankage agreements we entered into with Delek in connection with the El Dorado Acquisition and the Tyler Acquisition.

Net sales for the pipelines and transportation segment were $91.3 million for the year ended December 31, 2014 compared to $60.2 million for the year ended December 31, 2013, an increase of $31.1 million, or 51.6%. The increase in net sales was primarily attributable to the throughput and tankage agreements that we entered into in connection with the El Dorado Acquisition and the Tyler Acquisition, which contributed $14.0 million and $10.1 million, respectively, to net sales during the year ended December 31, 2014. Also contributing to the increase in net sales were increases in volumes across most of our operating systems in the pipelines and transportation segment.

Operating expenses were $31.3 million for the year ended December 31, 2014, compared to $27.5 million for the year ended December 31, 2013, an increase of $3.8 million, or 14.0%. The increase in operating expense was due primarily to increases in maintenance costs related to projects on our SALA Gathering and Paline Pipeline Systems in the year ended December 31, 2014, compared to the year ended December 31, 2013.

Pipelines and Transportation Segment Operational Comparison of the Year Ended December 31, 2013 versus the Year Ended December 31, 2012

Contribution margin for the pipelines and transportation segment in the year ended December 31, 2013 was $32.0 million, or 53.0% of our consolidated segment contribution margin, compared to $1.2 million, or 5.0% of our consolidated segment contribution margin, in 2012. This increase was primarily attributable to the effect of the commercial agreements we entered into with Delek in connection with the Offering and in connection with the acquisition of the Tyler Tank Assets, which reflect higher rates for crude oil gathering, crude oil, intermediate and refined products transportation and storage services as compared to the rates charged prior to the execution of the commercial agreements. Revenue on our pipeline assets is generated by charging fees for services including gathering, transporting and storing crude oil. Cost of goods sold is therefore not incurred on these assets, resulting in inherently higher margins. Also contributing to the increase were fees received from the Paline Pipeline System.

Net sales for the pipelines and transportation segment were $60.2 million and $33.5 million during the years ended December 31, 2013 and 2012, respectively, an increase of $26.7 million, or 79.6%. The increase was primarily attributable to the effect of the commercial agreements we entered into with Delek in connection with the Offering, which reflect higher rates for crude oil gathering, crude oil, intermediates and refined products transportation and storage services as compared to the rates charged prior to the execution of the commercial agreements. Also contributing to the increase was the impact of the throughput and tankage agreement that went into effect in connection with the acquisition of the Tyler Tank Assets, which contributed $4.3 million to net sales in the year ended December 31, 2013. Further contributing to the increase were fees received from the Paline Pipeline System. The fees associated with the Paline Pipeline System contributed $6.4 million to net sales in the year ended December 31, 2013.

Operating expenses were $27.5 million for the year ended December 31, 2013, compared to $32.4 million in 2012, a decrease of $4.9 million, or 15.1%. The decrease in operating expenses was primarily due to decreases in maintenance costs in the year ended December 31, 2013, compared to the year ended December 31, 2012.

Wholesale Marketing and Terminalling

We use our wholesale marketing and terminalling assets to generate revenue by providing wholesale marketing and terminalling services to Delek's refining operations and to independent third parties.

The table and discussion below present the results of operations of the wholesale marketing and terminalling segment, including the historical results of the El Dorado Terminal for all periods presented and the Tyler Terminal, for the years ended December 31, 2013 and 2012 (in thousands):

	Year Ended December 31,		
	2014 [1]	2013 [2]	2012 [2]
Net sales:			
Affiliate	$33,900	$26,295	$13,469
Third-Party	716,005	820,896	975,578
Total	$749,905	$847,191	$989,047
Operating costs and expenses:			
Cost of goods sold	692,927	810,600	959,434
Operating expenses	7,486	8,175	7,061
Segment contribution margin	$49,492	$28,416	$22,552
Operating Information:			
East Texas - Tyler Refinery sales volumes (average bpd) [3]	61,368	58,773	57,574
West Texas marketing throughputs (average bpd) [4]	16,707	18,156	16,523
West Texas marketing margin per barrel [4]	$4.67	$2.12	$2.56
Bulk Biofuels (average bpd) [5]	—	—	5,577
Terminalling throughputs (average bpd) [6]	96,801	75,438	15,420

(1) The information presented includes the results of operations of the El Dorado Predecessor. Prior to the completion of the El Dorado Acquisition, the El Dorado Predecessor did not record all revenues for intercompany terminalling services. Volumes for all periods include both affiliate and third-party throughput.

(2) The information presented includes the results of operations of the El Dorado Predecessor and the Tyler Predecessor. Prior to the completion of the Offering, the El Dorado Acquisition and the Tyler Acquisition, our Predecessors did not record all revenues for intercompany terminalling services. Volumes for all periods include both affiliate and third-party throughput.

(3) Prior to November 7, 2012, we also marketed jet fuel and petroleum coke. Subsequent to November 7, 2012, we ceased to market jet fuel and petroleum coke. Accordingly, these amounts include jet fuel and petroleum coke for the DKL Predecessor through November 7, 2012. Jet fuel and petroleum coke are excluded from these amounts subsequent to November 7, 2012.

(4) Excludes bulk ethanol and biodiesel.

(5) Prior to November 7, 2012, we also marketed bulk ethanol and biodiesel. Subsequent to November 7, 2012, we ceased to market bulk ethanol and biodiesel. Accordingly, these amounts are presented for the time period during which we marketed bulk biofuels.

(6) Consists of terminalling throughputs at our Memphis and Nashville, Tennessee terminals, our Big Sandy, Texas terminal, our North Little Rock, Arkansas terminal, our El Dorado Terminal, our Tyler Terminal and our Mount Pleasant Terminal. Throughputs for the North Little Rock terminal are for the 69 days Delek operated the terminal following its acquisition in October 2013. Throughput for the El Dorado Terminal is for the 324 days following the El Dorado Acquisition on February 10, 2014. Throughput for the Tyler Terminal is for the 159 days following the Tyler Acquisition on July 26, 2013. Throughputs for the Mount Pleasant Terminal are for the 92 days Delek operated the terminal following its acquisition on October 1, 2014. Barrels per day are calculated for only the days we operated each terminal. Total throughput barrels for the year ended December 31, 2014 were 34.8 million, which averaged 95,388 bpd for the 365-day period.

76

The following table presents the results of operations of the wholesale marketing and terminalling segment for the year ended December 31, 2014, disaggregated to present the results of operations of the Partnership and the El Dorado Terminal through February 10, 2014 (in thousands):

	Delek Logistics Partners, LP	El Dorado Terminal [1]	Year Ended December 31, 2014
		El Dorado Predecessor	
Net sales	$749,905	—	$749,905
Operating Costs and Expenses:			
Cost of goods sold	692,927	—	692,927
Operating expenses	7,384	102	7,486
Segment contribution margin	$49,594	$(102)	$49,492
Operating Information:			
East Texas - Tyler Refinery sales volumes (average bpd)	61,368	—	61,368
West Texas marketing throughputs (average bpd)	16,707	—	16,707
West Texas marketing margin per barrel	$4.67	—	$4.67
Terminalling throughputs (average bpd) [2]	96,801	7,298	96,519

(1) The information presented is for the results of operations of the El Dorado Predecessor. Prior to the completion of the El Dorado Acquisition, the El Dorado Predecessor did not record revenues for terminalling services.

(2) Consists of terminalling throughputs at our Memphis and Nashville, Tennessee terminals, our Big Sandy, Texas terminal, our North Little Rock, Arkansas terminal, our El Dorado Terminal, our Tyler Terminal, and our Mount Pleasant Terminal. Throughputs for the North Little Rock Terminal are for the 69 days Delek operated the terminal following its acquisition in October 2013. Throughput for the El Dorado Terminal is for the 324 days following the El Dorado Acquisition on February 10, 2014. Throughput for the Tyler Terminal is for the 159 days following the Tyler Acquisition on July 26, 2013. Throughputs for the Mount Pleasant Terminal are for the 92 days Delek operated the terminal following its acquisition on October 1, 2014. Barrels per day are calculated for only the days we operated each terminal. Total throughput barrels for the year ended December 31, 2014 were 34.8 million, which averaged 95,388 bpd for the 365-day period.

Wholesale Marketing and Terminalling Segment Operational Comparison of the Year Ended December 31, 2014 versus the Year Ended December 31, 2013

Contribution margin for the wholesale marketing and terminalling segment amounted to $49.5 million, or 47.0% of our consolidated segment contribution margin, for the year ended December 31, 2014, compared to $28.4 million, or 47.0% of our consolidated segment contribution margin, for the year ended December 31, 2013, an increase of $21.1 million, or 74.2%. The increase in contribution margin was primarily attributable to higher margins achieved in our operations in west Texas as a result of a favorable supply/demand balance and to downtime at other refiners in the region during the year ended December 31, 2014, compared to the year ended December 31, 2013.

Net sales for the wholesale marketing and terminalling segment were $749.9 million for the year ended December 31, 2014, compared to $847.2 million for the year ended December 31, 2013, a decrease of $97.3 million, or 11.5%. The decrease was primarily attributable to decreases in sales volumes in our west Texas operations due to reduced supply and to the fact that our Abilene terminal was not operational for a portion of the first quarter of 2014 due to required maintenance. Further contributing to the decrease were decreases in the average sales prices per gallon of gasoline and diesel. The average sales price per gallon of gasoline decreased $0.16 per gallon during the year ended December 31, 2014, to $2.57 per gallon, from $2.73 per gallon during the year ended December 31, 2013, while the average sales price per gallon of diesel decreased

77

$0.13 per gallon during the year ended December 31, 2014, to $2.94 per gallon, from $3.07 per gallon during the year ended December 31, 2013. These decreases were partially offset by the effect of the throughput and tankage agreements that we entered into in connection with the El Dorado Acquisition and the Tyler Acquisition, which contributed $1.8 million and $7.9 million, respectively, to net sales during the year ended December 31, 2014.
Cost of goods sold was $692.9 million in the year ended December 31, 2014, compared to cost of goods sold of $810.6 million for the year ended December 31, 2013, a decrease of $117.7 million, or 14.5%. The decrease in cost of goods sold was primarily attributable to decreases in sales volume and in the average cost per gallon of gasoline and diesel purchased in our west Texas marketing operations. The average cost per gallon of gasoline decreased $0.20 per gallon during the year ended December 31, 2014, to $2.50 per gallon from $2.70 per gallon during the year ended December 31, 2013, while the average cost per gallon of diesel decreased $0.18 per gallon during the year ended December 31, 2014, to $2.84 per gallon from $3.02 per gallon during the year ended December 31, 2013.
Operating expenses in the wholesale marketing and terminalling segment were approximately $7.5 million and $8.2 million for the years ended December 31, 2014 and 2013, respectively, a decrease of $0.7 million, or 8.4%. The decrease in operating expenses was primarily due to decreases in repairs and maintenance costs on the terminalling assets during the year ended December 31, 2014, compared to the year ended December 31, 2013.

Wholesale Marketing and Terminalling Segment Operational Comparison of the Year Ended December 31, 2013 versus the Year Ended December 31, 2012
Contribution margin for the wholesale marketing and terminalling segment in the year ended December 31, 2013 was $28.4 million, or 47.0% of our consolidated segment contribution margin, compared to $22.6 million, or 95.0% of our consolidated segment contribution margin, in 2012. The increase in contribution margin was primarily due to the impact of the throughput and tankage agreement that went into effect in connection with the acquisition of the Tyler Terminal, as cost of goods sold is not incurred on the Tyler Terminal assets, resulting in inherently higher margins.
Net sales for the wholesale marketing and terminalling segment were $847.2 million for the year ended December 31, 2013, compared to $989.0 million for the year ended December 31, 2012, a decrease of $141.8 million, or 14.3%. In the fourth quarter of 2011, we began selling bulk biofuels, primarily to Delek. The Partnership discontinued the sale of bulk biofuels following the Offering, which contributed to the decrease in net sales during the year ended December 31, 2013, compared to the year ended December 31, 2012. The sale of bulk biofuels contributed $198.1 million in sales for the year ended December 31, 2012. Also contributing to the decrease in net sales were decreases in the average sales prices per gallon of gasoline and diesel. There was a $0.12 per gallon decrease in the average sales price per gallon of gasoline for the year ended December 31, 2013, to $2.73 per gallon from $2.85 in the year ended December 31, 2012, while the average sales price per gallon of diesel decreased $0.11 for the year ended December 31, 2013, to $3.07 per gallon from $3.18 in the year ended December 31, 2012. The decreases in net sales due to the discontinuation of the sale of bulk biofuels and in the average sales prices per gallon of gasoline and diesel were partially offset by increases in throughput volumes in our operating systems within the wholesale marketing and terminalling segment. The decrease in net sales was also partially offset by the effect of the throughput and tankage agreement that we entered into in connection with the acquisition of the Tyler Terminal, which contributed $3.1 million to net sales in the year ended December 31, 2013.
Cost of goods sold was $810.6 million in the year ended December 31, 2013, compared to cost of goods sold of $959.4 million for the same period in 2012, a decrease of $148.8 million, or 15.5%. The decrease in cost of goods sold was primarily attributable to the discontinuation of the sale of bulk biofuels, which accounted for $201.6 million of cost of sales during the year ended December 31, 2012. This decrease was partially offset by increases in sales volumes in our west Texas operations.
Operating expenses in the wholesale marketing and terminalling segment were approximately $8.2 million and $7.1 million for the years ended December 31, 2013 and 2012, respectively, an increase of $1.1 million, or 15.8%. The increase in operating expenses was primarily due to increases in repairs and maintenance costs on the terminalling assets in the year ended December 31, 2013, compared to the year ended December 31, 2012.

Liquidity and Capital Resources

We expect our ongoing sources of liquidity to include cash generated from operations, borrowings under our revolving credit facility and potential issuances of additional equity and debt securities. We believe that cash generated from these sources will be sufficient to satisfy the anticipated cash requirements associated with our existing operations, including minimum quarterly cash distributions, for at least the next 12 months.

On February 13, 2015, we paid a cash distribution of $0.51 per limited partner unit for the quarter ended December 31, 2014, which equates to $13.1 million per quarter, or $52.2 million per year, based on the number of common, subordinated and general partner units outstanding, including general partner incentive distribution rights. We do not have a legal obligation to pay this distribution.

The table below summarizes the quarterly distributions paid related to 2014 financial results:

Quarter Ended	Total Quarterly Distribution Per Limited Partner Unit	Total Quarterly Distribution Per Limited Partner Unit, Annualized	Total Cash Distribution, including general partners IDRs (in thousands)	Date of Distribution
March 31, 2014	$0.425	$1.70	$10,474	May 14, 2014
June 30, 2014	$0.475	$1.90	$11,910	August 14, 2014
September 30, 2014	$0.490	$1.96	$12,394	November 14, 2014
December 31, 2014	$0.510	$2.04	$13,056	February 13, 2015

Historically, our Predecessors' sources of liquidity included cash generated from operations and borrowings under our Predecessors' revolving credit facility. Delek retained the working capital related to our Predecessors at the completion of the Offering, as those balances represented assets and liabilities related to the Predecessors' assets prior to the completion of the Offering.

Cash Flows

The following table sets forth a summary of our consolidated cash flows for the years ended December 31, 2014, 2013 and 2012 (in thousands):

	Year Ended December 31,		
	2014	2013	2012
Cash Flow Data:			
Cash flows provided by operating activities	$85,920	$36,971	$17,112
Cash flows used in investing activities	(29,782)	(23,399)	(54,067)
Cash flows (used in) provided by financing activities	(55,201)	(36,100)	60,372
Net increase (decrease) in cash and cash equivalents	$937	$(22,528)	$23,417

Cash Flows from Operating Activities

Net cash provided by operating activities was $85.9 million for the year ended December 31, 2014, compared to $37.0 million for 2013. The increase in cash flows provided by operations in the year ended December 31, 2014 compared to the year ended December 31, 2013 was primarily due to higher revenues as a result of our commercial agreements executed concurrent with the El Dorado Acquisition and the Tyler Acquisition. Also contributing to the increase in cash flows provided by operations during the year ended December 31, 2014 were higher margins achieved in our operations in west Texas as a result of a favorable supply/demand balance and downtime at other refiners in the region during the year ended December 31, 2014, compared to the year ended December 31, 2013. Net income for the year ended December 31, 2014 was $71.1 million, compared to net income of $33.7 million in 2013.

Net cash provided by operating activities was $37.0 million for the year ended December 31, 2013, compared to $17.1 million for 2012. The increase in cash flows provided by operations in the year ended December 31, 2013 from the same period in 2012 was primarily due to higher revenues as a result of our commercial agreements executed concurrent with and subsequent to the Offering and the Tyler Acquisition. Net income for the year ended December 31, 2013 was $33.7 million, compared to net income of $13.9 million in 2012.

79

Cash Flows from Investing Activities

Net cash used in investing activities was $29.8 million for the year ended December 31, 2014, compared to $23.4 million used in 2013. Cash used in investing activities includes capital expenditures in 2014 of approximately $7.1 million, of which $3.8 million was spent on projects in the pipelines and transportation segment and $3.4 million was spent in the wholesale marketing and terminalling segment. Cash paid for the acquisitions of the Greenville-Mount Pleasant Assets and the FTT Assets accounted for approximately $11.1 million and $11.5 million, respectively, of the cash used in investing activities for the year ended December 31, 2014. This compares to capital expenditures made during the year ended December 31, 2013 of $12.7 million. Capital expenditures made during the year ended December 31, 2013 related primarily to the Tyler Terminal and Tank Assets, our Lion Pipeline System and the El Dorado Terminal and Tank Assets, which accounted for approximately $4.3 million, $3.4 million and $3.3 million, respectively, of total capital expenditures. Cash paid for the acquisitions of the Hopewell Pipeline and the North Little Rock Terminal accounted for approximately $5.7 million and $5.0 million, respectively, during the year ended December 31, 2013.

Net cash used in investing activities was $23.4 million for the year ended December 31, 2013, compared to $54.1 million used in 2012. Cash used in investing activities includes capital expenditures for 2013 of approximately $12.7 million, of which $9.6 million was spent on projects in the pipelines and transportation segment and $3.0 million was spent in the wholesale marketing and terminalling segment. The total expenditures made during the year ended December 31, 2013 related primarily to the Tyler Terminal and Tank Assets, our Lion Pipeline System and the El Dorado Terminal and Tank Assets, which accounted for approximately $4.3 million, $3.4 million and $3.3 million, respectively, of total capital expenditures. Cash paid for the acquisitions of the Hopewell Pipeline and the North Little Rock Terminal accounted for $10.7 million of the cash used in investing activities for the year ended December 31, 2013. Capital expenditures of $30.8 million were made during the year ended December 31, 2012, which related primarily to the Tyler Terminal and Tank Assets and the Lion Pipeline System assets. Of the total expenditures made during the year ended December 31, 2012, approximately $15.7 million, $7.2 million and $4.0 million related to the Tyler Terminal and Tank Assets, the Lion Pipeline System and the El Dorado Terminal and Tank Assets, respectively. Cash paid for acquisitions of the Nettleton Pipeline and the Big Sandy assets accounted for approximately $12.3 million and $11.0 million, respectively, during the year ended December 31, 2012.

Cash Flows from Financing Activities

Net cash used in financing activities was $55.2 million in the year ended December 31, 2014, compared to cash used of $36.1 million in 2013. We paid quarterly cash distributions totaling $45.2 million during the year ended December 31, 2014, compared to quarterly cash distributions totaling $34.8 million during the year ended December 31, 2013. Additionally, we paid $95.9 million in exchange for assets included in the El Dorado Acquisition during the year ended December 31, 2014, compared to $94.8 million paid in exchange for assets included in the Tyler Acquisition during the year ended December 31, 2013. Predecessor division equity contribution was $1.0 million during the year ended December 31, 2014, compared to $20.0 million during the year ended December 31, 2013. Partially offsetting the cash used in financing activities were net proceeds of $87.0 million and $74.8 million, respectively, under the Amended and Restated Credit Agreement.

Net cash used in financing activities was $36.1 million in the year ended December 31, 2013, compared to cash provided of $60.4 million in 2012. We paid quarterly cash distributions totaling $34.8 million during the year ended December 31, 2013. Additionally, we paid $94.8 million in exchange for assets included in the Tyler Acquisition. Predecessor division equity contribution was $20.0 million during the year ended December 31, 2013, compared to a distribution of $9.0 million during the year ended December 31, 2012. Offsetting the cash used in financing activities were net proceeds of $74.8 million under the Amended and Restated Credit Agreement compared to net proceeds of $59.7 million during the same period in 2012.

Cash Position and Indebtedness

As of December 31, 2014, our total cash and cash equivalents were approximately $1.9 million and we had total indebtedness of approximately $251.8 million. Borrowing availability under the Second Amended and Restated Credit Agreement was approximately $440.8 million and we had letters of credit issued of $7.5 million as of December 31, 2014. We believe we were in compliance with the applicable covenants in our credit agreement as of December 31,

2014.

We entered into a senior secured revolving credit agreement on November 7, 2012 , with Fifth Third Bank, as administrative agent, and a syndicate of lenders. The agreement was amended and restated on July 9, 2013 and was most recently amended and restated on December 30, 2014. Under the terms of the Second Amended and Restated Credit Agreement, the lender commitments were increased from $400.0 million to $700.0 million. The Second Amended and Restated Credit Agreement also contains an accordion feature whereby the Partnership can increase the size of the credit facility to an aggregate of $800.0 million, subject to receiving increased or new commitments from lenders and the satisfaction of certain other conditions precedent. While the majority of the terms of the Second Amended and Restated Credit Agreement are substantially unchanged from the

predecessor facility, among other things, changes were made to certain negative covenants, the financial covenants and the interest rate pricing grid. The Second Amended and Restated Credit Agreement contains an option for Canadian dollar denominated borrowings. The Second Amended and Restated Credit Agreement matures on December 30, 2019.

See Note 10 to the consolidated financial statements in "Item 8—Financial Statements and Supplementary Data," of this Annual Report on Form 10-K for a complete discussion of our third-party indebtedness.

Agreements Governing Certain Indebtedness of Delek

Although we are not contractually bound by and are not liable for Delek's debt under its credit arrangements, we are indirectly affected by certain prohibitions and limitations contained therein. Specifically, under the terms of certain of Delek's credit arrangements, we expect that Delek will be in default if we incur any indebtedness for borrowed money in excess of $300.0 million at any time outstanding, which amount is subject to increase for (i) certain acquisitions of additional or newly constructed assets and for growth capital expenditures, in each case, net of asset sales, and (ii) certain types of debt, such as debt obligations owed under hedge agreements, intercompany debt of the Partnership and our subsidiaries and debt under certain types of contingent obligations. These arrangements also require that Delek meets certain minimum levels for (i) consolidated shareholders' equity and (ii) a ratio of consolidated shareholders' equity to adjusted total assets. We cannot assure you that such covenants will not impact our ability to use the full capacity under our revolving credit facility in the future. Delek, due to its majority ownership and control of our general partner, has the ability to prevent us from taking actions that would cause Delek to violate any covenant in its credit arrangements or otherwise be in default under any of its credit arrangements. Please read "Item 1A—Risk Factors—Risks Relating to Our Business—Delek's level of indebtedness, the terms of its borrowings and any potential future credit ratings could adversely affect our ability to grow our business, our ability to make cash distributions to our unitholders and our credit profile. Our ability to obtain credit in the future and our potential future credit rating may also be affected by Delek's level of indebtedness and creditworthiness."

Capital Spending

A key component of our long-term strategy is our capital expenditure program. Our capital expenditures for the year ended December 31, 2014, excluding capital spending related to the El Dorado Terminal and Tank Assets prior to the El Dorado Acquisition on February 10, 2014, were $7.0 million, of which approximately $3.6 million was spent in our pipelines and transportation segment and approximately $3.4 million was spent in our wholesale marketing and terminalling segment. Our capital expenditure budget is approximately $20.7 million for 2015.

The following table summarizes our actual capital expenditures for the year ended December 31, 2014 and planned capital expenditures for the full year 2015 by operating segment and major category (in thousands):

	Year Ended December 31,	
	2015 Forecast	2014 Actual [2]
Pipelines and Transportation:		
Regulatory	$999	$494
Maintenance [1]	10,513	1,907
Discretionary projects	3,406	1,154
Pipelines and transportation segment total	$14,918	$3,555
Wholesale Marketing and Terminalling:		
Regulatory	$956	
Maintenance [1]	1,171	2,533
Discretionary projects	3,669	867
Wholesale marketing and terminalling segment total	5,796	3,400
Total capital spending	$20,714	$6,955

[1] Maintenance capital expenditures represent cash expenditures (including expenditures for improvements to, or the replacement of, our capital assets, made to maintain our long-term operating income or operating capacity. Examples of maintenance capital expenditures are expenditures for the repair, refurbishment and replacement of pipelines and terminals, to maintain equipment reliability, integrity and safety and to address environmental laws

and regulations. Delek has agreed to reimburse us with respect to assets it has transferred to us for all non-discretionary maintenance capital expenditures, other than those required to comply with applicable environmental laws and regulations, in excess of specified dollar amounts for a period of five years.

(2) The actual capital spending does not include capital expenditures prior to February 10, 2014 of $0.2 million related to the assets acquired in the El Dorado Acquisition.

For the full year 2015, we plan to spend approximately $1.0 million on regulatory projects in the pipelines and transportation segment. We spent $0.5 million on regulatory projects in the year ended December 31, 2014. In addition, we plan to spend approximately $10.5 million on maintenance projects and approximately $3.4 million for other discretionary projects in 2015 in the pipelines and transportation segment. In the wholesale marketing and terminalling segment, we have $5.8 million budgeted for the year ending December 31, 2015, of which $3.7 million is allocated to discretionary projects. Of the $10.5 million budgeted to maintenance projects in the pipelines and transportation segment, approximately $9.8 million relates to the repair and replacement of certain of our tanks. Of the $3.7 million budgeted to discretionary projects in the wholesale marketing and terminalling segment, $2.8 million relates to the expansion of the Tyler Terminal.

On February 10, 2014, in connection with the El Dorado Acquisition, the Partnership entered into the Second Omnibus Amendment. The Second Omnibus Amendment includes, among other things, (i) modifications in the reimbursement by Delek and certain of its subsidiaries under the Omnibus Agreement for certain operating expenses and capital expenditures incurred by the Partnership or its subsidiaries, (ii) modifications of the indemnification provisions under the Omnibus Agreement in favor of the Partnership with respect to certain environmental matters, and (iii) an increase in the annual administrative fee payable by us to Delek under the Omnibus Agreement for general corporate and administrative services.

Under the Second Omnibus Amendment, Delek has agreed to reimburse us for (i) certain expenses that we incur for inspections, maintenance and repairs to any storage tanks we acquired in the El Dorado Acquisition to cause such storage tanks to comply with applicable regulatory and/or industry standards, (ii) certain expenses that we incur for inspections, maintenance and repairs to any of the storage tanks contributed to us by Delek (subject to a deductible of $0.5 million per year) that are necessary to comply with the United States Department of Transportation pipeline integrity rules and certain American Petroleum Institute storage tank standards for a period of five years, and (iii) for all non-discretionary maintenance capital expenditures with respect to certain of our assets in excess of specified amounts, as disclosed in the full agreement filed as Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on February 14, 2014.

The amount of our capital expenditure budget is subject to change due to unanticipated increases in the cost, scope and completion time for our capital projects. For example, we may experience increases in the cost of and/or timing to obtain necessary equipment required for our continued compliance with government regulations or to complete improvement projects. Additionally, the scope and cost of employee or contractor labor expense related to installation of that equipment could increase from our projections.

Contractual Obligations and Commitments

Information regarding our known contractual obligations of the types described below as of December 31, 2014, is set forth in the following table (in thousands):

	<1 Year	1-3 Years	3-5 Years	>5 Years	Total
Long term debt, notes payable and capital lease obligations	$—	$—	$251,750	$—	$251,750
Interest (1)	5,942	11,901	11,868	—	29,711
Total	$5,942	$11,901	$263,618	$—	$281,461

(1) Includes expected interest payments on debt outstanding under our credit facility in place at December 31, 2014. Floating interest rate debt is calculated using December 31, 2014 rates.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements through the date of this Annual Report on Form 10-K.

82

Critical Accounting Policies

We prepare our consolidated financial statements in conformity with U.S. GAAP, and in the process of applying these principles, we must make judgments, assumptions and estimates based on the best available information at the time. To aid a reader's understanding, management has identified our critical accounting policies. These policies are considered critical because they are both most important to the portrayal of our financial condition and results, and require our most difficult, subjective or complex judgments. Often they require judgments and estimation about matters which are inherently uncertain and involve measuring, at a specific point in time, events which are continuous in nature. Actual results may differ based on the accuracy of the information utilized and subsequent events, of which we may have little or no control.

Property, Plant and Equipment and Intangibles Impairment

Property, plant and equipment and definite life intangibles are evaluated for impairment whenever indicators of impairment exist. Accounting standards require that if an impairment indicator is present, we must assess whether the carrying amount of the asset is unrecoverable by estimating the sum of the future cash flows expected to result from the asset, undiscounted and without interest charges. We derive the required undiscounted cash flow estimates from our historical experience and our internal business plans. We use quoted market prices when available and our internal cash flow estimates discounted at an appropriate interest rate to determine fair value, as appropriate. If the carrying amount is more than the recoverable amount, an impairment charge must be recognized based on the fair value of the asset.

Goodwill and Potential Impairment

Goodwill is reviewed at least annually for impairment or more frequently if indicators of impairment exist. Goodwill is tested by comparing net book value of the operating segments to the estimated fair value of the reporting unit. In assessing the recoverability of goodwill, assumptions are made with respect to future business conditions and estimated expected future cash flows to determine the fair value of a reporting unit. We use a market participant weighted average cost of capital, estimated minimal growth rates for revenue, gross profit, and capital expenditures based on history and our best estimate of future forecasts. We also estimate the fair values of our reporting units using a multiple of expected future cash flows, such as those used by third party analysts. If these estimates and assumptions change in the future due to such factors as a decline in general economic conditions, competitive pressures on sales and margins, and other economic and industry factors beyond management's control, an impairment charge may be required.

New Accounting Pronouncements

See Note 2 to the consolidated financial statements in "Item 8—Financial Statements and Supplementary Data," of this Annual Report on Form 10-K for a discussion of new accounting pronouncements applicable to us.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk. Market risk is the risk of loss arising from adverse changes in market rates and prices. As we do not take title to any of the crude oil that we handle, and we take title to only limited volumes of light products in our marketing business, we have limited direct exposure to risks associated with fluctuating commodity prices. However, from time to time, we enter into Gulf Coast product swap arrangements with respect to the products we purchase to hedge our exposure to fluctuations in commodity prices for the period between our purchase of products and subsequent sales to our customers. At December 31, 2014, we had open derivative contracts representing 142,000 barrels of refined petroleum products. At December 31, 2013, we had no open derivative contracts. We recognized gains (losses) associated with derivatives not designated as hedging instruments of $3.1 million, $(0.6) million and $0.1 million for the years ended December 31, 2014, 2013 and 2012, respectively. These amounts were recorded to cost of goods sold in the accompanying consolidated statements of income. Please read Note 15 to our accompanying consolidated financial statements for additional detail related to our derivative instruments. In addition, the Partnership's commercial agreements with Delek are indexed to inflation.

Interest Rate Risk. Debt that we incur under our revolving credit facility bears interest at floating rates and will expose us to interest rate risk. From time to time, we may use certain derivative instruments to hedge our exposure to floating interest rates. Additionally, our prior revolving credit facility required us to maintain interest rate hedging arrangements with respect to at least 50% of the amount funded on November 7, 2012 under the credit facility, which was required to be in place for at least a three-year period beginning no later than March 7, 2013. Accordingly, effective February 25, 2013, we entered into interest rate hedges in the form of a LIBOR interest rate cap for a term of three years for a total notional amount of $45.0 million, thereby meeting the requirements in effect at that time. These requirements were eliminated in connection with the amendment and restatement of our revolving credit facility in July 2013, but the interest rate hedge remains in place in accordance with its terms. The estimated fair value of our interest rate derivative asset was a nominal amount and $0.1 million as of December 31, 2014 and 2013, respectively. In accordance with ASC 815, we recorded non-cash income (expense) representing the change in estimated fair value of the interest rate hedge agreements of $(0.1) million for each of the years ended December 31, 2014 and 2013.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by Item 8 is incorporated by reference to the section beginning on page F-1.

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 our principal executive and principal financial officer, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e)) under the Exchange Act as of the end of the period covered by this report, and has concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms including, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated

to our management, including our principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the fourth quarter of fiscal 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process that is designed under the supervision of our Chief Executive Officer and Chief Financial Officer, and implemented by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Our internal control over financial reporting includes those policies and procedures that:

i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures recorded by us are being made only in accordance with authorizations of our management and Board of Directors; and

iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our 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 and procedures may deteriorate.

Management has conducted its evaluation of the effectiveness of internal control over financial reporting as of December 31, 2014, based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included an evaluation of the design of our internal control over financial reporting and testing the operational effectiveness of our internal control over financial reporting. Management reviewed the results of the assessment with the Audit Committee of the Board of Directors. Based on its assessment and review with the Audit Committee, management concluded that, at December 31, 2014, we maintained effective internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

Our independent registered public accounting firm, Ernst & Young LLP, has audited the effectiveness of our internal control over financial reporting as of December 31, 2014, as stated in their report, which is included in the section beginning on page F-1.

The information required by Item 8 is incorporated by reference to the section beginning on page F-1.

ITEM 9B. OTHER INFORMATION

None.

84

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our general partner, Delek Logistics GP, LLC, is an indirect subsidiary of Delek. As of December 31, 2014, three individuals who serve as both directors and executive officers of the general partner, Messrs. Yemin, Ginzburg and Green, also own membership interests of 3.75%, 0.20% and 0.20%, respectively, in the general partner. Mr. Yemin also holds unvested awards of membership interests that, once fully vested, will increase his membership interest to 5.00%. Our general partner manages our operations and activities on our behalf through its officers and directors. References in this Part III to the "Board," "directors," or "officers" refer to the Board, directors and officers of our general partner.

The Board of Directors of Our General Partner

The directors of our general partner oversee our operations. The members of our Board are not elected by our unitholders and will not be subject to re-election by our unitholders in the future. The general partner is a limited liability company and its directors are elected by its members, all of which are subsidiaries, affiliates, directors, officers and/or employees of Delek. The directors hold office for a term of one year or until their successors have been elected or qualified or until their earlier death or removal. Our general partner is liable, as general partner, for all of our debts (to the extent not paid from our assets), except for indebtedness or other obligations that are made expressly without recourse to the general partner. Our general partner therefore may cause us to incur indebtedness or other obligations that are without recourse to the general partner.

Our common units are traded on the NYSE. Because we are a limited partnership, we rely on an exemption from the provisions of Section 303A.01 of the NYSE Listed Company Manual which would otherwise require the Board to be composed of a majority of independent directors. In addition, we are not required to establish either a compensation or a nominating and corporate governance committee. We are, however, required to have an audit committee of at least three members, and all of our audit committee members are required to meet the independence and experience tests established by the NYSE and the Exchange Act.

At the date of this report, the Board consists of the following eight members: Ezra Uzi Yemin, Charles J. Brown, III, Mark B. Cox, Eric D. Gadd, Assaf Ginzburg, Frederec Green, Reuven Spiegel and Gary M. Sullivan, Jr. The Board has determined that each of Messrs. Brown, Gadd, Spiegel and Sullivan qualifies as an independent director under applicable SEC rules and regulations and the rules of the NYSE. Under the NYSE's listing standards, a director will not be deemed independent unless the Board affirmatively determines that the director has no material relationship with us. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, the Board has determined that each of Messrs. Brown, Gadd, Spiegel and Sullivan has no material relationship with Delek or us, either directly or as a partner, stockholder or officer of an organization that has a relationship with Delek or us, and each of them is therefore independent under the NYSE's listing standards and applicable SEC rules and regulations.

Director Experience and Qualifications

The members of the general partner are responsible for filling vacancies on the Board at any time during the year, and for selecting individuals to serve on the Board. From time to time, the members may utilize the services of search firms or consultants to assist in identifying and screening potential candidates. In accordance with the general partner's

Governance Guidelines, in evaluating potential Board candidates, the members consider such qualifications and other factors as they deem appropriate, including the individual's independence, education, experience, reputation, judgment, skill, integrity and industry knowledge. Directors should have experience in positions with a high degree of responsibility; be leaders in the organizations with which they are affiliated; and have the time, energy, interest and willingness to serve as a member of the Board. In determining fitness for service on the Board, there is no policy for considering racial or ethnic classifications, gender, religion or sexual orientation, but the members may consider the individual's contribution to the Board's overall diversity, the degree to which the individual's qualities and attributes will complement those of other directors, and the extent to which the candidate would be a desirable addition to the Board and committees thereof.

Executive Officers of Our General Partner

Our general partner's executive officers manage the day-to-day affairs of our business and conduct our operations. The executive officers of our general partner are appointed by the Board and serve in that capacity at the discretion of the Board. All of our general partner's executive officers are employees and officers of Delek. While the amount of time that our general partner's executive officers devote to our business varies in any given year, we currently estimate that approximately 10% to 20% of their productive business time is spent on the management and conduct of our operations. The executive officers of our general partner intend, however, to devote as much of their time as is necessary for the proper conduct of our business. We also utilize a significant number of Delek's employees to operate our business and provide us with general and administrative services. Under the Second Omnibus Amendment, we pay Delek an annual fee, indexed for inflation, for Delek's provision of centralized corporate services, including executive management services of Delek employees who devote less than 50% of their time to our business, financial and administrative services, information technology services, legal services, health, safety and environmental services, human resource services, and insurance administration. In addition, we reimburse Delek for allocated expenses of personnel who devote 50% or more of their time performing services for our benefit. Please see "Item 1—Commercial Agreements—Other Agreements with Delek—Second Amended and Restated Omnibus Agreement" for a more complete discussion of the services provided by Delek to us.

Directors and Executive Officers of Our General Partner

The following table shows information for the directors and executive officers of our general partner:

Name	Age	Position With Delek Logistics GP, LLC
Ezra Uzi Yemin	46	Chairman of the Board of Directors, President and Chief Executive Officer
Charles J. Brown, III	67	Director, Chairman of Conflicts Committee and Member of Audit Committee
Eric D. Gadd	59	Director and Member of Audit and Conflicts Committees
Reuven Spiegel	58	Director and Member of Audit and Conflicts Committees
Gary M. Sullivan, Jr.	68	Director, Chairman of Audit Committee and Member of Conflicts Committee
Mark B. Cox	56	Director
Assaf Ginzburg	39	Director, Executive Vice President and Chief Financial Officer
Frederec Green	49	Director and Executive Vice President
Mark D. Smith	47	Executive Vice President
Daniel L. Gordon	37	Executive Vice President
Harry P. (Pete) Daily	66	Executive Vice President
Donald N. Holmes	64	Executive Vice President
Andrew L. Schwarcz	47	Executive Vice President, General Counsel and Secretary
Kent B. Thomas	46	Executive Vice President

Ezra Uzi Yemin has been the Chief Executive Officer and Chairman of the Board of our general partner since April 2012. Mr. Yemin has served as chief executive officer of Delek since June 2004 and as president and a director of Delek since April 2001. He was appointed to be the chairman of the board of directors of Delek in December 2012. Mr. Yemin also served as Delek's treasurer from April 2001 to November 2003 and as Delek's secretary from May 2001 to August 2005. The Board believes that, because he has worked for Delek since its founding, Mr. Yemin brings to the Board a thorough and complete understanding of our business, operations and operating environment, as well as that of Delek (the owner of approximately 62% of our units and the customer on whom the Partnership is most dependent). Mr. Yemin also brings to the Board substantial leadership, planning and industry experience.

Charles J. Brown, III has been a member of the Board of our general partner since November 2012 and has served as a member of the Audit Committee and Conflicts Committee since November 2012. Mr. Brown is a licensed attorney with more than 30 years of experience in the energy industry. Since July 2013, Mr. Brown has served as the executive

vice president of Apex Clean Energy, Inc., an independent renewable energy company, where he manages legal and business development activities. Mr. Brown is currently the owner of, and since 2011 the chief advisor for, CRW Energy, a consulting firm focused in the international power and utility industries. From 2008 through 2011, Mr. Brown served as a partner in the energy department of McGuireWoods LLP, a large international law firm. Mr. Brown was appointed to the Board because of his experience in the energy industry, and because, as an attorney, he provides the Board with valuable expertise in matters involving the financial, legal, regulatory and risk matters affecting the Partnership.

Eric D. Gadd has been a member of the Board of our general partner since October 2013 and has served as a member of the Audit Committee and Conflicts Committee since October 2013. Mr. Gadd is the founder and president of the consulting firm Awelon LLC, which is focused on expanding business development opportunities for both public and private companies in the energy sector. He has over 35 years of diverse experience in the energy industry including exploration and production field services, mid-stream, renewable energy, commodity trading and risk management, and mergers and acquisitions. Prior to forming Awelon LLC in 2006, Mr. Gadd held various executive positions with multiple leading companies in the energy industry over a 25-year period. Mr. Gadd was appointed to the Board because of his extensive energy industry experience.

Reuven Spiegel has been a member of the Board of our general partner since July 2014 and has served as a member of the Audit Committee and Conflicts Committee since September 2014. Mr. Spiegel has served in the financial industry since 1983. Prior to joining the Board, Mr. Spiegel served as President, Chief Executive Officer, and Senior Executive Vice President of Israel Discount Bank Ltd. from 2001 through 2014. In 2005 and 2006, Mr. Spiegel also served as Chairman of the Board of Discount Mortgage Bank. The Board believes that Mr. Spiegel’s financial industry experience provides the Board with valuable expertise in the Partnership's financial and accounting matters.

Gary M. Sullivan, Jr. has been a member of the Board of our general partner since November 2012 and has served as a member of the Audit Committee and Conflicts Committee since November 2012. Mr. Sullivan is a certified public accountant and has been an adjunct faculty member at Virginia Commonwealth University's School of Business since January 2012 where he teaches accounting. From 2009 to 2012, Mr. Sullivan was a private investor. From 1975 through 2009, Mr. Sullivan served in various roles with Deloitte & Touche LLP culminating in the role of senior client partner from 2004 through 2009 and was involved in such capacity with several public companies, including sponsors of master limited partnerships. Mr. Sullivan was appointed to the Board because the Board believed that his experience as a certified public accountant and partner with Deloitte & Touche, LLP provides the Board with valuable expertise in matters involving finance and accounting in general and master limited partnerships in particular.

Mark B. Cox has been a member of the Board of our general partner since April 2012. Since May 2013, Mr. Cox has been the Chief Financial Officer of Eco-Energy, Inc., an alternative energy company focused on the marketing, trading, transportation and blending of biofuels. He was an executive vice president of our general partner from April 2012 until March 2013 and of Delek from September 2009 until March 2013. Mr. Cox served as the chief financial officer of our general partner from April 2012 until January 2013 and as the chief financial officer of Delek from September 2009 until January 2013. From June 2007 until September 2009, Mr. Cox served as the senior vice president-treasurer and director of investor relations of Western Refining, Inc., a publicly traded refining company. Between 1994 and 2007, he was employed by Giant Industries, Inc., and served in various positions including Vice President, Executive Vice President, Treasurer, Chief Financial Officer and Assistant Secretary. Mr. Cox was appointed to the Board because his energy industry and financial experience provides the Board with valuable expertise in financial and accounting matters typically confronted by companies in our industry.

Assaf Ginzburg has been the chief financial officer of our general partner and Delek since January 2013. Mr. Ginzburg has served as a director and executive vice president of our general partner since April 2012, as Delek's executive vice president since May 2009 and as a vice president of Delek since February 2005. Mr. Ginzburg has been a member of the Israel Institute of Certified Public Accountants since 2001. Mr. Ginzburg was instrumental in the successful completion of our initial public offering in November 2012, and he was appointed to the Board because his financial experience and knowledge of our and Delek's businesses provides the Board with valuable expertise into relevant business and financial and accounting matters.

Frederec Green has been an executive vice president and a member of the board of our general partner since April 2012. Mr. Green has served as Delek's executive vice president since May 2009 and as the primary operational

officer for Delek's refining operations since joining Delek in January 2005. From January 2004 until he joined Delek, Mr. Green operated Green Energy Advisors LLC, an independent consulting practice servicing commercial insurance carriers on petroleum refining and electrical matters. Mr. Green has over 25 years of experience in the refining industry ranging from crude oil and feedstock supply, through all aspects of managing a refining business to product trading, transportation and sales. Mr. Green was appointed to the Board because of his extensive energy industry experience and his in-depth knowledge of our and Delek's businesses and operations.

Pete Daily has been an executive vice president of our general partner since April 2012. Mr. Daily has served as an executive vice president of Delek since November 2011 and as the primary operational officer for our Predecessor's operations since joining Delek in September 2006. Mr. Daily's duties include business development, marketing the refined products produced by Delek's refineries and marketing Delek's supply of refined products in west Texas. Mr. Daily has over 30 years of industry experience in the energy logistics and marketing business.

Daniel L. Gordon has been an executive vice president of our general partner since October 2014, an executive vice president of Delek US Holdings, Inc. since August 2014, a vice president of Delek US Holdings, Inc. since November 2012, and a vice president of our subsidiary, MAPCO Express, Inc., since joining us in 2011. Prior to joining us, Mr. Gordon served as president of Aska Energy in Atlanta, Georgia from 2009 to 2011 and as executive director, supply and distribution for RaceTrac Petroleum in Atlanta, Georgia from 2006 until 2009.

Donald N. Holmes has been an executive vice president of our general partner and Delek since August 2012. Mr. Holmes has served as the principal human resources officer of our general partner since its formation in April 2012 and has served in the same capacity with Delek since joining Delek in November 2011. Prior to joining Delek, Mr. Holmes served as senior vice president, human resources for Central Parking Corporation from January 2002 through September 2011.

Andrew L. Schwarcz has been executive vice president, general counsel and secretary of our general partner since October 2012. Mr. Schwarcz joined Delek in a senior legal role in October 2007 and has served as Delek’s vice president since April 2009.

Mark D. Smith has served as an executive vice president of our general partner since October 2014 and as an executive vice president of Delek US Holdings, Inc. since May 2014. Prior to joining us, Mr. Smith spent nine years as a Vice President with Tesoro Refining and Marketing and Tesoro Companies, Inc. (collectively, “Tesoro”). From March 2010 until May 2014, Mr. Smith served as the Vice President - Development Supply and Logistics where he was responsible for Tesoro’s strategic supply, trading, and logistics activities. From 2008 through March 2010, Mr. Smith served as Vice President - Trading and Risk Management where he led Tesoro’s trading and risk management activities. From 2005 through 2008, Mr. Smith served as Vice President of Supply and Trading. Prior to 2005, Mr. Smith worked for Chevron USA leading their North American physical supply and trading activities.

Kent B. Thomas has been an executive vice president of our general partner since October 2012. From April 2012 to October 2012, Mr. Thomas served as executive vice president, general counsel and secretary of our general partner. Mr. Thomas has served as Delek’s executive vice president since November 2011 and as Delek’s general counsel and secretary since joining Delek in August 2005.

Board Leadership Structure

Mr. Yemin serves as Chairman of the Board. Our general partner has no policy with respect to the separation of the offices of Chairman and CEO. Rather, its policy is to let the Board make such a determination in the manner it deems most appropriate for the general partner and us at a given point in time. At this time, the Board believes that our general partner's Chief Executive Officer is best situated to serve as Chairman of the Board because he is the director most familiar with our business and industry. He is also the Chairman of the board of directors of Delek, which provides the Board and us with important interaction with, and access to, our most important customer and majority unitholder. Mr. Yemin also brings to the Board and us the perspectives of our majority unitholder and the principal executive officer and chairman of the board of a publicly traded company. As such, the Board feels that combining the roles of Chairman and CEO provides the Board with the individual who is most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy and facilitating the information flow between management and the Board and its committees, which are essential to effective governance of the Partnership. The Board met six times in the year ended December 31, 2014 with each director attending at least 75% of the aggregate of all meetings of the Board and committees on which he served during the year.

Executive Sessions

Independent directors and management have different perspectives and roles in strategy development. Our independent directors bring experience, oversight and expertise from outside the Partnership and our industry, while the other Board members bring experience and expertise specific to us and Delek. In addition, the independent directors are the sole members of our Audit and Conflicts Committees. The NYSE listing standards require our independent directors to meet at regularly scheduled executive sessions without management. Our independent directors conduct such executive sessions as frequently as necessary, but at minimum generally in connection with each quarterly meeting of the Audit Committee. As Chairman of the Audit Committee, Mr. Sullivan generally presides.

Communications with the Board of Directors of Our General Partner

Unitholders or other interested parties who wish to communicate with any of our directors, any committee chairperson or the Board may do so by writing to the director, committee chairperson or the Board in care of the Secretary of Delek Logistics Partners, LP at 7102 Commerce Way, Brentwood, Tennessee 37027. Any such communication received will be forwarded directly to the director to whom it is addressed. If the communication is addressed to the Board and no particular director is named, the communication will be forwarded, depending on the subject matter, to the appropriate committee chairperson or to all members of the Board.

Committees of the Board of Directors of Our General Partner

Audit Committee

The Board has a standing Audit Committee. The Audit Committee consists of Messrs. Sullivan (chairman), Brown, Gadd and Spiegel. Messrs. Brown and Sullivan joined the committee at its inception in November 2012, and Messrs. Gadd and Spiegel joined the committee in October 2013 and September 2014, respectively. The Audit Committee met four times during the year ended December 31, 2014.

The Board has determined that (i) each of Messrs. Sullivan, Brown, Gadd and Spiegel qualifies as independent under applicable SEC rules and regulations and the rules of the NYSE and (ii) Mr. Sullivan is an “audit committee financial expert” within the meaning of Item 407(d)(5) of Regulation S-K.

The purpose of the Audit Committee is to provide assistance to the Board in the oversight of (a) the quality and integrity of our financial statements; (b) the disclosure and financial reporting process, including our financial statements; (c) our internal controls and procedures for financial reporting; (d) the performance of our internal audit function and the independent registered public accounting firm employed by us for the purpose of preparing and issuing an audit report or related work; (e) the qualifications and independence of our independent registered public accounting firm; and (f) our compliance with policies under our Code of Business Conduct & Ethics and legal and regulatory requirements. These responsibilities are set forth in the Audit Committee’s charter, which is available on our corporate website at www.DelekLogistics.com.

Conflicts Committee

The Conflicts Committee consists of Messrs. Brown (chairman), Gadd, Spiegel and Sullivan. The Board has determined that each of Messrs. Brown, Gadd, Spiegel and Sullivan qualifies as independent under applicable SEC rules and regulations and the rules of the NYSE. Messrs. Brown and Sullivan joined the committee at its inception in November 2012, and Messrs. Gadd and Spiegel joined the committee in October 2013 and September 2014, respectively. The Conflicts Committee met six times during the year ended December 31, 2014.

Our partnership agreement does not require that the Board seek approval from the Conflicts Committee to determine the resolution of any conflict of interest between us and Delek or any other person. However, pursuant to the partnership agreement and our Related Party Transactions Policy adopted by the Board, management of our general partner may submit certain related party transactions for review and approval or ratification by the Board or an authorized committee thereof. It is generally expected that the Conflicts Committee will be best suited to review related party transactions. The members of the Conflicts Committee may not be officers or employees of our general partner or directors, officers or employees of its affiliates, may not hold an ownership interest in the general partner or its affiliates other than common units or awards under any long-term incentive plan, equity compensation plan or similar plan implemented by the general partner or the Partnership, and must meet the independence and experience standards established by the NYSE and the SEC to serve on an audit committee of a board of directors. Any

unitholder challenging any matter approved by the Conflicts Committee will have the burden of proving that the members of the Conflicts Committee did not act in good faith in accordance with the terms of our partnership agreement. For further discussion of the Conflicts Committee and the Related Party Transactions Policy, see "Item 13—Certain Relationships and Related Transactions and Director Independence—Certain Relationships and Related Transactions—Approval Policy for Related Party Transactions."

Director Nominations and Corporate Governance

As a limited partnership, we rely on an exemption from the provisions of the NYSE Listed Company Manual, which would otherwise require us to have a nominating and corporate governance committee. Our general partner is a limited liability company and its directors are not elected by our unitholders but by its members in their sole discretion. Accordingly, the Board believes it is unnecessary to have a nominating and corporate governance committee or a committee performing the functions of such a committee. Candidates to serve on the Board are reviewed and selected in accordance with our general partner's Governance Guidelines, which are available on our corporate website at www.DelekLogistics.com.

Compensation Decisions

Our general partner does not have a compensation committee. Our general partner has decided that a compensation committee is not necessary at this time, primarily because neither our general partner nor the Partnership regularly provides compensation to the general partner's executive officers. However, our Board believes it is important to promote the interests of the Partnership by providing to employees of the Partnership's affiliates and others who perform services for us or on our behalf incentive compensation awards for their service. Accordingly, the general partner adopted the Delek Logistics GP, LLC 2012 Long-Term Incentive Plan (the "LTIP"). Due to the fact that several of the members of the Board perform services on our behalf in their roles as executive officers of Delek, the LTIP is fully administered by the Conflicts Committee. The disinterested members of the full Board may also grant awards and the Conflicts Committee may delegate, and has delegated in the past, to an executive officer of the general partner the authority to issue awards to non-Section 16 officers of the general partner. A compensation consultant was not used in the formulation of our compensation framework, objectives and philosophy. For a further discussion on the compensation practices of the general partner, see "Item 11—Executive Compensation."

Governance Guidelines, Code of Business Conduct & Ethics and Committee Charters

The Governance Guidelines of the Board of Directors of our general partner, the charter of the Audit Committee of our general partner and our Code of Business Conduct & Ethics covering all employees, including our principal executive officer, principal financial officer, principal accounting officer and controllers, are available on our website, www.DelekLogistics.com under the "About Us - Corporate Governance" caption. A copy of any of these documents will be mailed upon request made to Investor Relations, Delek Logistics Partners, LP, or ir@deleklogistics.com. We intend to disclose any amendments to or waivers of the Code of Business Conduct & Ethics on behalf of our Chief Executive Officer, Chief Financial Officer and persons performing similar functions on our website, at www.DelekLogistics.com, under the “Investor Relations” caption, promptly following the date of any such amendment or waiver.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act and regulations of the SEC thereunder require the executive officers and directors of our general partner and persons who own more than ten percent of our common units, as well as certain affiliates of such persons, to file initial reports of ownership of our common units and changes in their ownership with the SEC. Executive officers, directors and persons owning more than ten percent of our common units are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file.

Based solely on our review of the copies of such reports received by us and written representations that no other reports were required for or by those persons, we believe that, during the year ended December 31, 2014, all filing

requirements applicable to the executive officers and directors of our general partner and owners of more than ten percent of our common units were met.

ITEM 11. EXECUTIVE COMPENSATION

All of our general partner's executive officers are employees of Delek. Neither we nor our general partner directly employs any of the executive officers responsible for managing our business.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis ("CD&A") discusses the principles underlying our general partner's compensation programs and the key executive compensation decisions that were made for 2014. It also explains the most important factors relevant to such decisions. This CD&A provides context and background for the compensation earned

and awarded to the individuals named in the Summary Compensation Table below. These individuals may be referred to herein as our named executive officers or “NEOs.”

Overview - Compensation Decisions and Allocation of Compensation Expenses

Our general partner does not have a compensation committee. Our general partner has determined that a compensation committee is not necessary at this time, primarily because our general partner's executive officers do not regularly receive material compensation from our general partner or the Partnership. However, our Board believes it is important to promote the interests of the Partnership and the general partner by providing incentive compensation to employees of the Partnership's affiliates and others who perform services for us or on our behalf. Accordingly, pursuant to our partnership agreement, the general partner is allowed to and has adopted the LTIP. Due to the fact that several of the members of the Board perform services on our behalf in their roles as executive officers of Delek, the LTIP is administered by the Conflicts Committee. The disinterested members of the Board may also grant awards and the Conflicts Committee may delegate, and has delegated in the past, to an executive officer of the general partner the authority to issue awards to non-Section 16 officers of the general partner.

Under the terms of the Second Omnibus Amendment, we pay an annual administrative fee of $3.3 million per year to Delek for the provision of general and administrative services. The general and administrative services covered by the annual administrative fee include, without limitation, executive management services of Delek employees who devote less than 50% of their time to our business, financial and administrative services, information technology services, legal services, health, safety and environmental services, human resources services and insurance administration. No service covered by the administrative fee is assigned any particular value individually. Additionally, the Second Omnibus Amendment requires us to reimburse Delek directly for a proportionate amount of the salary and employee benefits costs of Delek employees who devote more than 50% of their time to our business and affairs.

None of our NEOs devoted more than 50% of his total business time to our business and affairs in 2014. Although our NEOs provide services to both Delek and us, no portion of the administrative fee is specifically allocated to services provided by our NEOs to us. Instead, the administrative fee covers all centralized services provided to us by Delek, and we have not reimbursed Delek for the cost of such services. Except for awards under the LTIP, Delek has the ultimate decision-making authority with respect to the compensation of our NEOs.

Compensation Objectives and Philosophy

Because neither we nor our general partner directly employ any of our NEOs and because our NEOs are compensated by Delek to manage our business and affairs, we did not provide traditional fixed or discretionary compensation (e.g. salary or bonus) to our NEOs in 2014. However, we believe that our NEOs should have an ongoing stake in our success, that their interests should be aligned with those of our unitholders and that the best interests of our unitholders will be most effectively advanced by enabling our NEOs who are responsible for our management, growth and success to receive compensation in the form of long-term incentive awards. Accordingly, our executive compensation program consists of a single element: long-term incentives in the form of awards under the LTIP, which was adopted in connection with the Offering and is administered by the Conflicts Committee. The Conflicts Committee’s decisions with respect to the amount of awards made under the LTIP to our NEOs are governed by the following objectives:

- to motivate and retain our general partner's key executives;
- to align the long-term economic interests of our general partner's executives with those of our unitholders; and
- to reward excellence and performance by our general partner's executives that increases the value of our units.

Awards may be made under the LTIP to officers, directors and employees of Delek, our general partner or its affiliates, as well as any consultants or other individuals who perform services for us. Phantom units have been the sole form of award under the LTIP to date and these awards are accompanied by distribution equivalent rights that provide for a lump sum amount paid in cash on the vesting date that is equal to the accrued distributions from the grant date of the phantom units through the vesting date. No phantom units were granted to our executive officers in 2014.

Pursuant to the terms of the LTIP, upon the occurrence of an Exchange Transaction (as defined in the LTIP, and generally including a merger, consolidation, acquisition, reorganization or similar extraordinary transaction), the Board may, in its

discretion, accelerate the vesting of the phantom units, adjust the terms of any outstanding phantom units, or, in the event of an Exchange Transaction in which our unitholders receive equity of another entity, provide for the conversion of the phantom units into comparable awards for such entity's equity. By providing the potential for immediate value to our NEOs in connection with an Exchange Transaction, this provision aligns our NEOs' interests with those of our unitholders and incentivizes our NEOs to work to maximize the value of our units in the event such a transaction were to occur. For additional detail regarding the amount of compensation our NEOs may be entitled to in the event of their termination or a change-in-control, see "—Potential Payments Upon Termination or Change-In-Control."

Compensation Consultants

Our general partner does not have a compensation committee, and its Board did not retain a compensation consultant in 2014.

Perquisites

Our general partner does not provide any fringe benefits or perquisites to our NEOs.

Unit Ownership Requirements

Our general partner does not have express unit ownership requirements.

Prohibition Against Speculative Transactions

Our general partner's Code of Business Conduct & Ethics, which applies to all executive officers and directors of our general partner, prohibits speculative transactions in our units such as short sales, puts, calls or other similar options to buy or sell our units in an effort to hedge certain economic risks or otherwise.

Guidelines for Trades by Insiders

We maintain policies that govern trading in our units by officers and directors required to report under Section 16 of the Exchange Act, as well as certain other employees who may have regular access to material non-public information about us. These policies include pre-approval requirements for all trades and periodic trading "black-out" periods designed with reference to our quarterly financial reporting schedule. We also require pre-approval of all trading plans adopted pursuant to Rule 10b5-1 promulgated under the Exchange Act. To mitigate the potential for abuse, no trades are allowed under a trading plan within 30 days after adoption. In addition, we discourage termination or amendment of trading plans by prohibiting trades under new or amended plans within 90 days following a plan termination or amendment.

Compensation Committee Report

The members of the Conflicts Committee have reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Conflicts Committee recommended to the Board of our general partner that the Compensation Discussion and Analysis be included in this Annual Report on Form 10-K.

The members of the Conflicts Committee have submitted this Report to the Board of Directors as of February 23, 2015:

Charles J. Brown, III

Eric D. Gadd
Reuven Spiegel
Gary M. Sullivan, Jr.

92

2014 Summary Compensation Table

The Summary Compensation Table below summarizes the compensation for the fiscal year ended December 31, 2014 (and the prior fiscal year) for our general partner's principal executive officer (Mr. Yemin) and principal financial officer (Mr. Ginzburg). Messrs. Yemin and Ginzburg are referred to collectively herein as our "named executive officers" or "NEOs."

(a)	(b)	(c)	(d)	(e)	(f)	(i)	(j)
Name and Principal Position (1)	Fiscal Year	Salary ($)	Bonus ($)	Unit Awards ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Ezra Uzi Yemin Chief Executive Officer	2014	—	—	—	—	—	—
	2013	—	—	—	—	—	—
	2012	—	—	5,546,600	—	—	5,546,600
Assaf Ginzburg Executive Vice President and Chief Financial Officer	2014	—	—	—	—	—	—
	2013	—	—	—	—	—	—
	2012	—	—	1,132,500	—	—	1,132,500

(1) Because none of our executive officers received total compensation from us or our general partner in excess of $100,000 in 2014, information is presented only for Messrs. Yemin and Ginzburg.

Grants of Plan Based Awards in 2014

Because our NEOs continued to benefit from significant plan-based equity awards granted in prior years, our NEOs were not granted plan-based equity awards during 2014.

Outstanding Equity Awards at December 31, 2014

The following table provides information regarding the number of outstanding equity awards held by our NEOs at December 31, 2014.

	Option Awards				Unit Awards	
Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Units That Have Not Vested (1)	Market Value of Units That Have Not Vested (2)
Ezra Uzi Yemin	—	—	n/a	n/a	73,464	$2,605,768
Assaf Ginzburg	—	—	n/a	n/a	30,000	$1,064,100

(1) Awards in this column are phantom units which vest ratably every six months from June 10, 2015 through December 10, 2017.
(2) Amounts in this column are based upon a fair market value of $35.47 per unit on December 31, 2014.

Option Exercises and Stock Vested in 2014

The following table provides information about the vesting of phantom units for our NEOs during fiscal year 2014.

Name	Option Awards		Stock Awards (1)	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
Ezra Uzi Yemin	—	n/a	24,488	$824,756
Assaf Ginzburg	—	n/a	10,000	$336,800

(1) Consists of the following:

Date	NEO	Phantom Units Vested	Fair Market Value Per Unit	Value Realized on Vesting
6/10/2014	Yemin	12,244	$35.46	$434,172
	Ginzburg	5,000		$177,300
12/10/2014	Yemin	12,244	$31.90	$390,584
	Ginzburg	5,000		$159,500

Potential Payments Upon Termination or Change-In-Control

The following table discloses the estimated payments and benefits that would be provided to each of our NEOs, assuming that each of the triggering events relating to termination of employment or change in control described in their respective employment agreements and the LTIP took place on December 31, 2014 and their last day of employment with our general partner or its affiliates was December 31, 2014. Due to a number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any actual amounts paid or distributed may differ. Factors that could affect these amounts include the timing during the year of any such event and our stock price.

Name	Termination of Employment	Change-In-Control (1)
Ezra Uzi Yemin	—	$2,605,768
Assaf Ginzburg	—	$1,064,100

(1) The numbers in the “Change-In-Control” column assume that an “exchange transaction” (as described below) occurred on December 31, 2014 when the fair market value of our common units was $35.47 per unit, and, as a result, the Board of Directors of our general partner decided that all 73,464 and 30,000 outstanding phantom units held by Messrs. Yemin and Ginzburg, respectively, should become fully vested and participate in the transaction value of the units covered by the award (e.g., by exercise or cash out).

2012 Long-Term Incentive Plan

Under the terms of the LTIP and the applicable awards, phantom units that have not vested at the time the participant’s employment with our general partner or its affiliates terminates will generally be immediately forfeited unless the Board determines otherwise. In the event of an Exchange Transaction, defined generally under the LTIP to include a merger, consolidation, acquisition or disposition of stock, separation, reorganization, liquidation or other similar event or transaction designated by the Board in which our unitholders receive cash, stock or other property in exchange for or in connection with their units, our NEOs may be entitled, at the discretion of the Board, to the accelerated vesting of phantom units awarded under the LTIP. The LTIP and applicable awards provide that the Board may, in its discretion, (i) accelerate the vesting of the phantom units, (ii) make other adjustments to the terms of the phantom

units, or (iii) in the event the Exchange Transaction involves the receipt of equity of another entity in exchange for units, convert the phantom units into comparable awards relating to such entity's equity. The “Change-In-Control” column in the “Potential Payments Upon Termination or Change-In-Control” table above illustrates the value of phantom units under the LTIP assuming that an Exchange Transaction occurred on December 31, 2014 and the Board elected to accelerate all of the phantom units held by our NEOs.

Compensation of Directors in 2014

Officers and employees of Delek or its subsidiaries do not receive additional compensation for service on the Board or its committees. The compensation framework for the Board's other directors (Messrs. Brown, Cox, Gadd, Spiegel and Sullivan) (the "Compensated Directors") was determined by the Board. Each Compensated Director is reimbursed for out-of-pocket expenses in connection with attending meetings of the Board and committee meetings. Each director is fully indemnified by us for actions associated with being a director to the fullest extent permitted under Delaware law pursuant to our partnership agreement. The director compensation framework used in 2014 is summarized in the table below:

Board of Directors Annual Retainer	$35,000
Audit Committee Chair Annual Retainer	$10,000
Conflicts Committee Chair Annual Retainer	$5,000
Board and Committee Meeting Fees:	
In-person board meeting	$1,500 per meeting
In-person committee meeting	$1,000 per meeting
Telephonic board meeting	$750 per meeting
Telephonic committee meeting	$500 per meeting
Equity Awards	2,500 phantom units per year

The following table sets forth a summary of the compensation we paid to the members of the Board for service during 2014.

Director Compensation

Name (1)	Fees Earned or Paid in Cash ($)(2)	Stock Awards ($)(3)		Option Awards ($)	All Other Compensation ($)	Total ($)
Charles J. Brown, III	50,750	88,650	(4)	—	—	139,400
Mark B. Cox	40,250	88,650	(4)	—	—	128,900
Eric D. Gadd	47,250	88,650	(4)	—	—	135,900
Reuven Spiegel	19,087	79,750	(5)	—	—	98,837
Gary M. Sullivan, Jr.	57,250	88,650	(4)	—	—	145,900

(1) Because they are officers and employees of Delek or its subsidiaries, Messrs. Yemin, Ginzburg and Green did not receive any compensation for their service as directors in 2014.

(2) This column reports the amount of cash compensation earned in 2014 for Board and committee service. Mr. Spiegel commenced service on the Board in July 2014.

(3) Amounts in this column represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for financial statement reporting purposes. Assumptions used in the calculation of this amount for the 2014 fiscal year are included in Note 12 to our audited financial statements for the 2014 fiscal year included in this Annual Report on Form 10-K.

(4) The grant date fair value of $35.46 per unit is equal to the NYSE closing price of our common units on the June 10, 2014 grant date. Each of Messrs. Brown and Sullivan held 5,500 outstanding phantom units at December 31, 2014. Messrs. Cox and Gadd held 2,250 and 4,250 outstanding phantom units, respectively, at December 31, 2014.

(5) The grant date fair value of $31.90 per unit is equal to the NYSE closing price of our common units on the December 10, 2014 grant date. Mr. Spiegel held 2,500 outstanding phantom units at December 31, 2014.

Compensation Committee Interlocks and Insider Participation

Messrs. Brown, Gadd, Spiegel and Sullivan served on the Conflicts Committee during 2014 and Mr. Yemin assisted the committee with respect to compensation matters. There are no interlocking relationships requiring disclosure

pursuant to Item 407(e)(4)(iii) of Regulation S-K.

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

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of February 17, 2015 (the "Measurement Date"), (i) the beneficial ownership of our units representing limited partnership interests and Common Stock of Delek US Holdings, Inc. by all directors and director nominees of our general partner, our NEOs and all of our executive officers as a group and (ii) the beneficial ownership of our units representing limited partnership interests by each person known by us to own more than five percent of such units or more than five percent of any class of our units. The amounts and percentage of units beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a “beneficial owner” of a security if that person has or shares “voting power,” which includes the power to vote or to direct the voting of such security, or “investment power,” which includes the power to dispose of or to direct the disposition of such security. Except as indicated by footnote, the persons named in the table below have sole voting and investment power with respect to all units shown as beneficially owned by them, subject to community property laws where applicable. Unless otherwise indicated below, each person or entity has an address in care of our principal executive offices at 7102 Commerce Way, Brentwood, Tennessee 37027.

Name of Beneficial Owner (1)	Delek Logistics Partners, LP						Delek US Holdings, Inc.	
	Amount, Nature and Percentage of Beneficial Ownership of Common Units (2)		Amount, Nature and Percentage of Beneficial Ownership of Subordinated Units (2)		Amount, Nature and Percentage of Beneficial Ownership of General Partner Units (2)		Amount and Nature of Beneficial Ownership of Common Stock (2)	
	(#)	(%)	(#)	(%)	(#)	(%)	(#) (3)	(%)
Delek US Holdings, Inc. (4)	2,799,258	22.9	11,999,258	100.0	494,197	100.0	n/a	n/a
Piper Jaffray Companies (5)	1,647,369	13.5	—	—	—	—	n/a	n/a
Goldman Sachs Asset Management (6)	1,289,838	10.6	—	—	—	—	n/a	n/a
Clearbridge Investments, LLC (7)	835,405	6.8	—	—	—	—	n/a	n/a
Ezra Uzi Yemin (8)	170,839	1.4	—	—	—	—	423,806	*
Charles Brown	1,675	*	—	—	—	—	0	n/a
Mark B. Cox	25,250	*	—	—	—	—	0	n/a
Eric Gadd	750	*	—	—	—	—	0	n/a
Reuven Spiegel	0	*	—	—	—	—	0	n/a
Gary Sullivan	3,200	*	—	—	—	—	0	n/a
Assaf Ginzburg (9)	47,520	*	—	—	—	—	27,586	*
Frederec Green (10)	44,020	*	—	—	—	—	120,898	*
All directors, all director nominees, all NEOs and all executive officers as a group (14 persons)	329,812	2.7	—	—	—	—	671,632	1.2

* Less than 1% of our issued and outstanding common units or issued and outstanding shares of Delek US Holdings, Inc. Common Stock, as applicable.

(1) Unless otherwise indicated, the address for all beneficial owners is 7102 Commerce Way, Brentwood, Tennessee 37027.

(2) For purposes of this table, a person is deemed to have "beneficial ownership" of any securities when such person has the right to acquire them within 60 days after the Measurement Date. The percentage of our units beneficially owned is based on a total of 12,216,447 common units, 11,999,258 subordinated units representing limited partner interests and 494,197 general partner units issued and outstanding on the Measurement Date. The percentage ownership of Delek US Holdings, Inc. Common Stock is based on a total of 57,274,580 shares issued and outstanding shares on the Measurement Date (excluding securities held by or for the account of the registrant or its subsidiaries). For purposes of computing the percentage of outstanding securities held by each person named above, any securities which such person has the right to acquire within 60 days after the Measurement Date are deemed to be outstanding but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

(3) For non-qualified stock options ("NQSOs") and restricted stock units ("RSUs") under the Delek US Holdings, Inc. 2006 Long-Term Incentive Plan, we report shares equal to the number of NQSOs or RSUs that are vested or that will vest within 60 days of the Measurement Date. For stock appreciation rights ("SARs") under the Delek US Holdings, Inc. 2006 Long-Term Incentive Plan, we report the shares that would be delivered upon exercise of SARs that are vested or that will vest within 60 days of the Measurement Date (which is calculated by multiplying the number of SARs by the difference between the $32.82 fair market value of Delek US Holdings, Inc. Common Stock on the Measurement Date and the exercise price divided by $32.82).

(4) Subsidiaries of Delek US Holdings, Inc. hold the common units, subordinated units and general partner units. Lion Oil Company and Delek Marketing & Supply, LLC directly hold 612,207 and 2,187,051 common units,

respectively. Lion Oil Company and Delek Logistics GP, LLC directly hold all subordinated units and general partner units, respectively. Delek US Holdings, Inc. is the ultimate parent of each of these entities and may, therefore, be deemed to beneficially own the units held by each such entity. Delek US Holdings, Inc. files information with, or furnishes information to, the United States Securities and Exchange Commission (the "SEC") pursuant to the information requirements of the Securities Exchange Act of 1934, as amended.

(5) According to a Schedule 13G/A filed with the SEC on February 17, 2015 by Piper Jaffray Companies, with an address of 800 Nicollet Mall, Suite 800, Minneapolis, Minnesota 55402. The Schedule 13G/A reports that Piper Jaffray Companies has sole voting and dispositive power with respect to the reported units.

(6) According to a Schedule 13G/A filed with the SEC on February 13, 2015 by Goldman Sachs Asset Management, L.P. with an address of 200 West Street, New York, New York 10282. The Schedule 13G/A reports that Goldman Sachs Asset Management, L.P. and GS Investment Strategies, LLC share voting and dispositive power with respect to the reported units.

(7) According to a Schedule 13G/A filed with the SEC on February 17, 2015 by Clearbridge Investments, LLC, with an address of 620 8th Avenue, New York, New York 10018. The Schedule 13G/A reports that Clearbridge Investments, LLC has sole voting and dispositive power with respect to the reported units.

(8) 30,000 of our units and 106,802 shares of Delek US Holdings, Inc. Common Stock are held of record by Yemin Investments, L.P., a limited partnership of which Mr. Yemin is the sole general partner. Delek US Holdings, Inc. Common Stock includes 4,153 RSUs that will vest within 60 days of the Measurement Date.

(9) Delek US Holdings, Inc. Common Stock includes 13,333 RSUs that will vest within 60 days of the Measurement Date.

(10) Delek US Holdings, Inc. Common Stock includes 11,750 RSUs that will vest within 60 days of the Measurement Date.

(11) Delek US Holdings, Inc. Common Stock includes 5,250 RSUs that will vest within 60 days of the Measurement Date.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides certain information as of December 31, 2014 regarding our general partner's equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	494,883	N/A	117,324
Equity compensation plans not approved by security holders	—	N/A	—
TOTAL	494,883	N/A	117,324

(a) The amounts in column (a) of this table reflect only phantom units that have been granted under the LTIP. No Awards (as defined under the LTIP) have been made other than the phantom units, each of which represent rights to receive (upon vesting and payout) one common unit in the Partnership or an amount of cash equal to the fair market value of such unit. These phantom units vest pro-rata, semi-annually over five years from the date of grant.

(b) Column (b) of this table is not applicable because phantom units do not have an exercise price.

(c) The LTIP was adopted by the Delek Logistics GP, LLC in connection with the closing of our Offering and provides for the making of certain awards, including common units, restricted units, phantom units, unit appreciation rights and distribution equivalent rights. For information about the LTIP, which did not require approval by our limited partners, refer to Item 11 of this Annual Report on Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by Item 407(a) of Regulation S-K is included in Item 10 "Directors, Executive Officers and Corporate Governance" above.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Approval Policy for Related Party Transactions

As of February 20, 2015, Delek owned 2,799,258 common units, 11,999,258 subordinated units, and 494,197 general partner units, as well as incentive distribution rights, which collectively represents a 61.9% ownership interest in the Partnership. Certain transactions with Delek and its affiliated entities are considered to be related party transactions under Item 404 of Regulation S-K because Delek and its affiliates, including our general partner, own more than five percent of our equity interests. In addition, Messrs. Yemin, Ginzburg, Green, Smith, Daily, Gordon, Holmes and Thomas serve as executive officers of both Delek and our general partner.

Accordingly, whenever a conflict arises between our general partner or its affiliates, on the one hand, and us and our limited partners, on the other hand, our general partner will resolve that conflict. The Board has adopted a written related party transactions policy. Under the amended policy, a related party generally includes the directors and executive officers of our general partner and their immediate family members as well as individuals (and their immediate family members) and entities that are beneficial owners of more than five percent of our voting securities. The policy generally considers transactions in which one of our related parties has a direct or indirect material interest to be "related party transactions", other than:

•transactions generally available to all employees or unitholders on the same terms;
•transactions involving less than $120,000, when aggregated with all similar transactions;

•transactions involving rates or charges determined by competitive bids or, if the transaction involves the rendering of services as a common or contract carrier, at rates or charges fixed in conformity with law or governmental authority; and
•transactions pursuant to maintenance or service orders in accordance with existing agreements that were filed as exhibits to the Partnership's filings with the SEC made prior to January 27, 2015 that do not materially change the economics contemplated by such agreements or the pricing of which is generally consistent with market pricing.

The related party transactions policy states that generally the Conflicts Committee is best suited to review all related party transactions. However, the related party transactions policy preserves the general partner's authority under our partnership agreement to approve related party transactions via other means for the resolution of conflicts of interest. Furthermore, our partnership agreement does not require that the Board seek approval from the Conflicts Committee to determine the resolution of any conflict of interest resulting from a related party transaction between us and Delek or any other related party. Accordingly, the Board may take actions with respect to related party transactions as it deems appropriate in accordance with the partnership agreement. We expect that any related party transaction will be presented to the Board or Conflicts Committee before commencement of such transaction, provided that if advance approval is not otherwise feasible, the Board or the Conflicts Committee (or other authorized committee of the Board) will act to ratify, amend or rescind such transaction.

Any unitholder challenging any matter approved by the Conflicts Committee will have the burden of proving that the members of the Conflicts Committee did not act in good faith in accordance with the terms of our partnership agreement. We expect that in determining whether to approve a related party transaction, the Conflicts Committee will consider whether the terms are fair to us, taking into account the totality of our relationships with the related party, whether the transaction is material to us, whether the terms are no less favorable to us than those generally being provided to or available from unrelated third parties and the structure of the transaction, as well as any other factors that the Conflicts Committee may deem appropriate. For a further discussion of our Conflicts Committee, see "Item 10—Directors, Executive Officers and Corporate Governance—Committees of the Board of Directors of Our General Partner—Conflicts Committee."

With respect to any course of action taken, the Board shall be presumed to have acted in good faith on any matters which the Board determines (i) are on terms no less favorable to us than those generally being provided to or available from unrelated third parties, or (ii) are fair and reasonable to us, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to us). Any unitholder challenging any matter approved by the Board will have the burden of proving that the members of the Board did not act in good faith in accordance with the terms of our partnership agreement.

Distributions and Payments to Delek and Our General Partner

Our partnership agreement generally requires us to make quarterly cash distributions of 98% of our "available cash" to limited partners, including Delek, and 2% to our general partner (assuming it makes any capital contributions necessary to maintain its 2% interest in us). In addition, if distributions exceed the minimum quarterly distribution and other higher target distribution levels, the general partner may be entitled to increasing percentages of the distributions, up to 48.0% of the distributions above the highest target distribution level. During 2014, we made quarterly distributions totaling $45.0 million to our unitholders, of which $28.1 million was paid to Delek and our general partner.

Acquisitions
On July 26, 2013, the Partnership acquired from Delek (i) a refined products terminal located at Delek's Tyler, Texas Refinery and (ii) 96 storage tanks and certain ancillary assets adjacent to the refinery (such transaction, the “Tyler Acquisition”).

On February 10, 2014, the Partnership acquired from Delek (i) the refined products terminal located at Delek's El Dorado, Arkansas refinery and (ii) 158 storage tanks and certain ancillary assets at and adjacent to the refinery (such transaction, the “El Dorado Acquisition”).

These acquisitions are described in greater detail under the heading “Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations."

Commercial Agreements, Omnibus Agreement and Operations and Management Services Agreement

We have entered into various long-term, fee-based commercial agreements with Delek under which we provide gathering, pipeline transportation, storage, wholesale marketing and products terminalling services to Delek, and Delek commits to minimum monthly throughput volumes of crude oil and refined products. These agreements are described in detail under the heading "Item 1—Business—Commercial Agreements—Commercial Agreements Entered Into in Connection with the Offering," "—Commercial Agreements—Commercial Agreements in Connection with the El Dorado Acquisition," "—

Commercial Agreements—Commercial Agreements in Connection with the Tyler Acquisition" and "—Commercial Agreements—Other Agreements with Delek." The amounts paid under those agreements and other non-contractual arrangements with Delek during 2014 are as follows:

- Delek, directly or indirectly, paid us approximately $2.1 million pursuant to the Memphis terminalling agreement in 2014 and $1.5 million for terminalling services at our Nashville, Tennessee terminal;
- Delek paid us approximately $8.7 million pursuant to the East Texas Crude Logistics System pipeline and tankage agreement in 2014;
- Delek paid us approximately $14.4 million pursuant to the East Texas marketing agreement in 2014;
- Delek paid us approximately $2.6 million pursuant to the amended and restated services agreement for the Big Sandy terminal and pipeline in 2014;
- Delek paid us approximately $18.1 million pursuant to the Tyler Terminal and Tank Assets Throughput and Tankage Agreement in 2014.
- Delek, directly or indirectly, paid us approximately $1.5 million pursuant to the North Little Rock terminalling services agreement.
- Delek, directly or indirectly, paid us approximately $15.8 million pursuant to the El Dorado Terminal and Tank Assets Throughput and Tankage Agreement.
- Delek paid us approximately $0.1 million related to revenue earned on our Greenville-Mount Pleasant Assets.
- Delek paid us approximately $0.4 million related to revenue earned on trucking services.

For a discussion of a third party's involvement in certain of these agreements, see "Item 1—Business—Commercial Agreements—Delek's Crude Oil and Refined Products Supply and Offtake Arrangement."

The Partnership entered into an omnibus agreement with Delek, our general partner, OpCo, Lion Oil and certain of the Partnership's and Delek's other subsidiaries on November 7, 2012 (the "Omnibus Agreement"). On July 26, 2013, in connection with the Tyler Acquisition, the Partnership and the other parties entered into an amendment and restatement of the Omnibus Agreement (the "First Omnibus Amendment"), which was amended and restated on February 10, 2014, in connection with the El Dorado Acquisition (the "Second Omnibus Amendment").

Pursuant to the terms of the First and Second Omnibus Amendments, we paid Delek approximately $3.3 million during the year ended December 31, 2014 for general corporate and administrative services. We paid Delek $0.2 million pursuant to each of the site services agreements we entered into in connection with the Tyler Acquisition and the El Dorado Acquisition. See "Item 1—Business—Commercial Agreements—Commercial Agreements in Connection with the Tyler Acquisition" and "Item 1—Business—Commercial Agreements—Commercial Agreements in Connection with the El Dorado Acquisition." Additionally, we were paid $5.2 million pursuant to the First and Second Omnibus Amendments in relation to expenses incurred in connection with the Magnolia, Macedonia and Haynesville crude oil releases that occurred in March 2013, October 2013, and April 2014, respectively. We were also reimbursed $1.6 million for certain capital improvements pursuant to the terms of the First and Second Omnibus Amendments.

On July 26, 2013, in connection with the Tyler Acquisition, the Partnership, our general partner and Delek Logistics Services Company terminated the operation and management services agreement. However, we continued to reimburse Delek or our general partner, as the case may be, for the services provided to us under our partnership agreement, pursuant to which we paid Delek or our general partner approximately $12.3 million during the year ended December 31, 2014.

In addition to the agreements described above, we purchased finished product from Delek, totaling $37.6 million during the year ended December 31, 2014. We also purchased bulk biofuels totaling $18.5 million from Delek during the year ended December 31, 2014. In addition, we sold Renewable Identification Numbers in the amount of approximately $4.4 million to Delek during the year ended December 31, 2014.

The First and Second Omnibus Amendments and operations and management services agreements are described in greater detail under the heading "Item 1—Business—Commercial Agreements—Other Agreements with Delek."

We entered into a senior secured revolving credit agreement on November 7, 2012 , with Fifth Third Bank, as administrative agent, and a syndicate of lenders. The agreement was amended and restated on July 9, 2013 (the "Amended and Restated Credit Agreement") and was most recently amended and restated on December 30, 2014 (the

"Second Amended and Restated Credit Agreement"). The obligations under the Second Amended and Restated Credit Agreement are secured by first priority liens on substantially all of the Partnership's and its U.S. subsidiaries' tangible and intangible assets. Additionally, Delek Marketing provides a limited guaranty of the Partnership's obligations under the Second Amended and Restated Credit Agreement. Delek Marketing's guaranty is (i) limited to an amount equal to the principal amount, plus unpaid and accrued interest, of a promissory note made by Delek US in favor of Delek Marketing (the "Holdings Note") and (ii) secured by Delek Marketing's pledge of the Holdings Note to our lenders under the Second Amended and Restated Credit Agreement. As of December 31, 2014, the principal amount of the Holdings Note was $102.0 million, plus unpaid interest accrued since the issuance date. The Second Amended and Restated Credit Agreement, the guaranty and the transactions related to it are described

in greater detail under the heading “Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Cash Position and Indebtedness.”

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit fees of $694,537 and $881,861 paid for the services of Ernst & Young LLP during fiscal years 2014 and 2013, respectively, include services related to the audits of our consolidated financial statements and audit services provided in connection with our regulatory filings. Fees and expenses are for services in connection with the audit of our fiscal years ended December 31, 2014 and December 31, 2013 financial statements regardless of when the fees and expenses were paid. Tax fees of $45,960 paid for the services of Ernst & Young LLP during fiscal year 2014 include services which consisted primarily of consultations on various tax matters related to us and our subsidiaries.

The Audit Committee has considered and determined that the provision of non-audit services by our independent registered public accounting firm is compatible with maintaining auditor independence.

Pre-Approval Policies and Procedures. In general, all engagements performed by our independent registered public accounting firm, whether for auditing or non-auditing services, must be pre-approved by the Audit Committee. During the year ended December 31, 2014, all of the services performed for us by Ernst & Young LLP were pre-approved by the Audit Committee.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Certain Documents Filed as Part of this Annual Report on Form 10-K:

1. Financial Statements. The accompanying Index to Financial Statements and Schedule on page F-1 of this Annual Report on Form 10-K is provided in response to this item.
2. List of Financial Statement Schedules. All schedules are omitted because the required information is either not present, not present in material amounts or included within the Consolidated Financial Statements.
3. Exhibits - See below.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Certificate of Limited Partnership of Delek Logistics Partners, LP (incorporated by reference to Exhibit 3.1 to the Partnership's Form S-1 (File No. 333-182631) filed on July 12, 2012).
3.2	First Amended and Restated Agreement of Limited Partnership of Delek Logistics Partners, LP, dated November 7, 2012 (incorporated by reference to Exhibit 3.1 to the Partnership's Form 8-K filed on November 7, 2012).
3.3	Certificate of Formation of Delek Logistics GP, LLC (incorporated by reference to Exhibit 3.3 to the Partnership's Registration Statement on Form S-1 (File No. 333-182631) filed on July 12, 2012).
3.4	Third Amended and Restated Limited Liability Company Agreement of Delek Logistics GP, LLC, dated as of December 10, 2013 (incorporated by reference to Exhibit 3.1 to the Partnership’s Form 8-K filed on December 13, 2013).
10.1	Second Amended and Restated Omnibus Agreement, dated as of February 10, 2014, by and among Delek US Holdings, Inc., Lion Oil Company, Delek Logistics Operating, LLC, Delek Marketing & Supply, LP, Delek Refining, Ltd., Delek Logistics Partners, LP, Paline Pipeline Company, LLC, SALA Gathering Systems, LLC, Magnolia Pipeline Company, LLC, El Dorado Pipeline Company, LLC, Delek Crude Logistics, LLC, Delek Marketing-Big Sandy, LLC and Delek Logistics GP, LLC (incorporated by reference to Exhibit 10.2 to the Partnership’s Form 8-K filed on February 14, 2014).
10.2	Second Amended and Restated Credit Agreement, dated as of December 30, 2014, by and among Delek Logistics Partners, LP, Delek Logistics Operating, LLC, Delek Marketing GP, LLC, Delek Marketing & Supply, LP, Delek Crude Logistics, LLC, Delek Marketing-Big Sandy, LLC, Magnolia Pipeline Company, LLC, El Dorado Pipeline Company, LLC, SALA Gathering Systems, LLC, Paline Pipeline Company, LLC, DKL Transportation, LLC and Fifth Third Bank, as administrative agent, and a syndicate of lenders (incorporated by reference to Exhibit 10.1 to the Partnership’s Form 8-K filed on January 6, 2015).
10.3	Contribution, Conveyance and Assumption Agreement, dated November 7, 2012, by and among Delek Logistics Partners, LP, Delek Logistics GP, LLC, Delek Logistics Operating, LLC, Delek Crude Logistics, LLC, Delek US Holdings, Inc., Delek Marketing & Supply, LLC, Delek Marketing and Supply, LP, Lion Oil Company and Delek Logistics Services Company (incorporated by

		reference to Exhibit 10.4 to the Partnership's Form 8-K filed on November 7, 2012).
10.4	*	Delek Logistics GP, LLC 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.5 to the Partnership's Form 8-K filed on November 7, 2012).
10.5	++	Marketing Agreement, dated November 7, 2012, by and between Delek Refining, Ltd. and Delek Marketing & Supply, LP (incorporated by reference to Exhibit 10.6 to the Partnership's Form 8-K filed on November 7, 2012).
10.6		Pipelines and Tankage Agreement (East Texas Crude Logistics System), dated November 7, 2012, by and between Delek Refining, Ltd. and Delek Crude Logistics, LLC (incorporated by reference to Exhibit 10.7 to the Partnership's Form 8-K filed on November 7, 2012).

10.7		Amended and Restated Services Agreement (Big Sandy Terminal and Pipeline), dated July 25, 2013, by and between Delek Refining, Ltd. and Delek Marketing-Big Sandy, LLC (incorporated by reference to Exhibit 10.1 to the Partnership's Form 8-K/A filed on July 31, 2013).
10.8		Pipelines and Storage Facilities Agreement, dated November 7, 2012, by and among Lion Oil Company, Delek Logistics Partners, LP, SALA Gathering Systems, LLC, El Dorado Pipeline Company, LLC, Magnolia Pipeline Company, LLC and J. Aron & Company (incorporated by reference to Exhibit 10.9 to the Partnership's Form 8-K filed on November 7, 2012).
10.9		Terminalling Services Agreement (Memphis Terminal), dated November 7, 2012, by and among Lion Oil Company, Delek Logistics Operating, LLC and J. Aron & Company (incorporated by reference to Exhibit 10.10 to the Partnership's Form 8-K filed on November 7, 2012).
10.10	*	Form of Director Phantom Unit Award (incorporated by reference to Exhibit 10.6 to the Partnership's Amendment No. 3 to Registration Statement on Form S-1 (File No. 333-182631), filed on October 16, 2012).
10.11	*	Form of Employee Phantom Unit Award (incorporated by reference to Exhibit 10.7 to the Partnership's Amendment No. 3 to Registration Statement on Form S-1 (File No. 333-182631), filed on October 16, 2012).
10.12	*	Form of Indemnification Agreement for Directors and Officers of Delek Logistics GP, LLC (incorporated by reference to Exhibit 10.13 to the Partnership's Amendment No. 4 to Registration Statement on Form S-1 (File No. 333-182631), filed on October 24, 2012).
10.13		Asset Purchase Agreement (Tyler Terminal and Tankage), dated July 26, 2013, by and between Delek Marketing & Supply, LP and Delek Refining, Ltd. (incorporated by reference to Exhibit 10.1 to the Partnership's Form 8-K filed on August 1, 2013).
10.14		Throughput and Tankage Agreement (Tyler Terminal and Tankage), dated July 26, 2013, by and between Delek Marketing & Supply, LP and Delek Refining, Ltd. (incorporated by reference to Exhibit 10.3 to the Partnership's Form 8-K filed on August 1, 2013).
10.15		Lease and Access Agreement (Tyler Terminal and Tankage), dated July 26, 2013, by and between Delek Marketing & Supply, LP and Delek Refining, Ltd. (incorporated by reference to Exhibit 10.4 to the Partnership's Form 8-K filed on August 1, 2013).
10.16		Site Services Agreement (Tyler Terminal and Tankage), dated July 26, 2013, by and between Delek Marketing & Supply, LP and Delek Refining, Ltd. (incorporated by reference to Exhibit 10.5 to the Partnership's Form 8-K filed on August 1, 2013).
10.17		Asset Purchase Agreement (El Dorado Terminal and Tankage), dated as of February 10, 2014, by and between Lion Oil Company and Delek Logistics Operating, LLC (incorporated by reference to Exhibit 10.1 to the Partnership's Form 8-K filed on February 14, 2014).
10.18		Throughput and Tankage Agreement (El Dorado Terminal and Tankage), dated as of February 10, 2014, by and among Lion Oil Company and Delek Logistics Operating, LLC, and for limited purposes, J. Aron & Company (incorporated by reference to Exhibit 10.3 to the Partnership's Form 8-K filed on February 14, 2014).
10.19		Lease and Access Agreement (El Dorado Terminal and Tankage), dated as of February 10, 2014, by and between Lion Oil Company and Delek Logistics Operating, LLC (incorporated by reference to Exhibit 10.4 to the Partnership's Form 8-K filed on February 14, 2014).
10.20		Site Services Agreement (El Dorado Terminal and Tankage), dated as of February 10, 2014, by and between Lion Oil Company and Delek Logistics Operating, LLC (incorporated by reference to Exhibit 10.5 to the Partnership's Form 8-K filed on February 14, 2014).
21.1	#	Subsidiaries of Registrant.

23.1	#	Consent of Independent Registered Public Accounting Firm (Ernst & Young LLP).
24.1	#	Power of Attorney.
31.1	#	Certification of Delek Logistics GP, LLC's Chief Executive Officer pursuant to Rule 13a-14(a) or 15(d)-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	#	Certification of Delek Logistics GP, LLC's Chief Financial Officer pursuant to Rule 13a-14(a) or 15(d)-14(a) under the Securities Exchange Act of 1934, as amended.
32.1	#	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2	#	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	^	The following materials from Delek Logistics Partners, LP Annual Report on Form 10-K for the annual period ended December 31, 2014 formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2014 and 2013; (ii) Consolidated Statements of Income and Comprehensive Income for the years ended December 31, 2014, 2013 and 2012; (iii) Consolidated Statements of Changes in Partners' Equity for the years ended December 31, 2014, 2013 and 2012; (iv) Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012; and (v) Notes to Consolidated Financial Statements.

*	Management contract or compensatory plan or arrangement.
#	Filed herewith.
++	Confidential treatment has been requested and granted with respect to certain portions of this exhibit pursuant to Rule 24b-2 of the Securities Exchange Act of 1934. Omitted portions have been filed separately with the Securities and Exchange Commission.
^	Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files in Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

104

Delek Logistics Partners, LP

Consolidated Financial Statements
As of December 31, 2014 and 2013 and
For Each of the Three Years Ended December 31, 2014, 2013 and 2012

INDEX TO FINANCIAL STATEMENTS

Reports of Independent Registered Public Accounting Firm	F-2
Audited Financial Statements:	
Consolidated Balance Sheets	F-4
Consolidated Statements of Income and Comprehensive Income	F-5
Consolidated Statements of Partners' Equity	F-6
Consolidated Statements of Cash Flows	F-8
Notes to Consolidated Financial Statements	F-9

All other financial schedules are not required under related instructions, or are inapplicable and therefore have been omitted.

Report of Independent Registered Public Accounting Firm

The Board of Directors of Delek Logistics GP, LLC and
Unitholders of Delek Logistics Partners, LP

We have audited Delek Logistics Partners, LP's internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Delek Logistics Partners, LP'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 Annual 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 conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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.

In our opinion, Delek Logistics Partners, LP maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2014 consolidated financial statements of Delek Logistics Partners, LP and our report dated February 26, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Nashville, Tennessee
February 26, 2015

Report of Independent Registered Public Accounting Firm

The Board of Directors of Delek Logistics GP, LLC and
Unitholders of Delek Logistics Partners, LP

We have audited the accompanying consolidated balance sheets of Delek Logistics Partners, LP as of December 31, 2014 and 2013, and the related consolidated statements of income and comprehensive income, partners' equity, and cash flows for each of the three years in the period ended December 31, 2014. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Delek Logistics Partners, LP at December 31, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2014, 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), Delek Logistics Partners, LP’s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 26, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Nashville, Tennessee
February 26, 2015

Delek Logistics Partners, LP
Consolidated Balance Sheets

	December 31, 2014	2013 [1]
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$1,861	$924
Accounts receivable	27,956	28,976
Inventory	10,316	17,512
Deferred tax assets	28	12
Other current assets	768	341
Total current assets	40,929	47,765
Property, plant and equipment:		
Property, plant and equipment	293,525	264,072
Less: accumulated depreciation	(52,992)	(39,566)
Property, plant and equipment, net	240,533	224,506
Goodwill	11,654	11,654
Intangible assets, net	11,349	12,374
Other non-current assets	7,374	5,045
Total assets	$311,839	$301,344
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$18,208	$26,045
Accounts payable to related parties	628	1,513
Excise and other taxes payable	5,443	5,700
Accrued expenses and other current liabilities	1,588	4,732
Tank inspection liabilities	2,829	1,719
Pipeline release liabilities	1,899	—
Total current liabilities	30,595	39,709
Non-current liabilities:		
Revolving credit facility	251,750	164,800
Asset retirement obligations	3,319	3,087
Deferred tax liabilities	231	324
Other non-current liabilities	5,889	6,222
Total non-current liabilities	261,189	174,433
Equity:		
Predecessor division equity	—	25,161
Common unitholders - public; 9,417,189 units issued and outstanding at December 31, 2014 (9,353,240 at December 31, 2013)	194,737	183,839
Common unitholders - Delek; 2,799,258 units issued and outstanding at December 31, 2014 (2,799,258 at December 31, 2013)	(241,112)	(176,680)
Subordinated unitholders - Delek; 11,999,258 units issued and outstanding at December 31, 2014 (11,999,258 at December 31, 2013)	73,515	59,386
General partner - Delek; 494,197 units issued and outstanding at December 31, 2014 (492,893 at December 31, 2013)	(7,085)	(4,504)
Total equity	20,055	87,202
Total liabilities and equity	$311,839	$301,344

(1) Includes the historical balances of the El Dorado Terminal and Tank Assets. See Notes 1 and 3 for further discussion.

See accompanying notes to the consolidated financial statements

Delek Logistics Partners, LP
Consolidated Statements of Income and Comprehensive Income

	Year Ended December 31,		
	2014	2013 [1]	2012 [1]
	(In thousands, except unit data and per unit data)		
Net sales:			
Affiliate	114,583	78,173	43,614
Third Party	726,670	829,255	978,972
Net sales	$841,253	$907,428	$1,022,586
Operating costs and expenses:			
Cost of goods sold	697,221	811,364	959,434
Operating expenses	38,786	35,640	39,420
General and administrative expenses	10,616	7,526	9,856
Depreciation and amortization	14,705	13,738	11,343
Loss on asset disposals	83	166	9
Total operating costs and expenses	761,411	868,434	1,020,062
Operating income	79,842	38,994	2,524
Interest expense, net	8,656	4,570	2,682
Income (loss) before income tax expense (benefit)	71,186	34,424	(158)
Income tax expense (benefit)	132	757	(14,024)
Net income	71,054	33,667	13,866
Less: (loss) income attributable to Predecessors	(943)	(14,163)	5,456
Net income attributable to partners	$71,997	$47,830	$8,410
Comprehensive income attributable to partners	$71,997	$47,830	$8,410
Less: General partner's interest in net income, including incentive distribution rights	(2,366)	(957)	(168)
Limited partners' interest in net income	$69,631	$46,873	$8,242
Net income per limited partner unit:			
Common units - (basic)	$2.88	$1.95	$0.34
Common units - (diluted)	$2.85	$1.93	$0.34
Subordinated units - Delek (basic and diluted)	$2.88	$1.95	$0.34
Weighted average limited partner units outstanding:			
Common units - (basic)	12,171,548	12,025,249	11,999,258
Common units - (diluted)	12,302,629	12,148,774	11,999,258
Subordinated units - Delek (basic and diluted)	11,999,258	11,999,258	11,999,258
Cash distributions per limited partner unit	$1.900	$1.600	$0.224

[1] Adjusted to include the historical results of the El Dorado Terminal and Tank Assets. See Notes 1 and 3 for further discussion.

See accompanying notes to the consolidated financial statements

Delek Logistics Partners, LP
Consolidated Statements of Partners' Equity

		Partnership				
	Equity of Predecessors	Common - Public	Common - Delek	Subordinated - Delek	General Partner - Delek	Total
	(In thousands)					
Balance at December 31, 2011	148,324	—	—	—	—	148,324
Contribution of equity to the Sponsor	(9,430)	—	—	—	—	(9,430)
Income attributable to Predecessors	5,456	—	—	—	—	5,456
Allocation of net assets contributed to the unitholders	(87,090)	—	(11,554)	48,753	49,891	—
Equity offering, net of issuance costs	—	175,459	—	—	—	175,459
Distributions to unitholders and general partner related to assets acquired in the initial public offering	—	—	(116,535)	—	(50,000)	(166,535)
Net income attributable to partners	—	3,160	960	4,122	168	8,410
Other	117	109	—	—	(108)	118
Balance at December 31, 2012	57,377	178,728	(127,129)	52,875	(49)	161,802
Sponsor contributions of equity to the Predecessor	20,001	—	—	—	—	20,001
Loss attributable to Predecessor	(14,163)	—	—	—	—	(14,163)
Liabilities not assumed by the Partnership	213	—	—	—	—	213
Allocation of net assets acquired by the unitholders	(38,267)	—	37,502	—	765	—
Cash distributions [1]	—	(13,223)	(96,848)	(16,907)	(2,586)	(129,564)
Sponsorship contribution of fixed assets	—	—	510	—	10	520
Net income attributable to partners	—	18,035	5,455	23,383	957	47,830
Unit-based compensation	—	341	3,822	—	(3,699)	464
Other	—	(42)	8	35	98	99
Balance at December 31, 2013	25,161	183,839	(176,680)	59,386	(4,504)	87,202
Sponsor contributions of equity to the Predecessor	1,006	—	—	—	—	1,006
Loss attributable to Predecessor	(943)	—	—	—	—	(943)
Allocation of net assets acquired by the unitholders	(25,224)	—	24,720	—	504	—
Cash distributions [2]	—	(17,099)	(99,035)	(21,658)	(3,300)	(141,092)
Sponsorship contribution of fixed assets	—	—	1,534	—	32	1,566
Net income attributable to partners	—	27,386	8,166	35,005	1,440	71,997
Unit-based compensation	—	611	183	782	(1,302)	274
Other	—	—	—	—	45	45
Balance at December 31, 2014	$—	$194,737	$(241,112)	$73,515	$(7,085)	$20,055

(1) Cash distributions include $94.8 million in cash payments for an acquisition from Delek during 2013. As an entity under common control with Delek, we record the assets that we acquire from Delek on our consolidated balance sheet at Delek's historical book value instead of fair value. Additionally, any excess of cash paid over the historical book value of the assets acquired from Delek is

recorded within equity. As a result of this accounting treatment, the acquisition resulted in a $56.5 million decrease in our equity balance during 2013. Distributions also include $0.2 million related to distribution equivalents on vested phantom units.

(2) Cash distributions include $95.9 million in cash payments for an acquisition from Delek during 2014. As an entity under common control with Delek, we record the assets that we acquire from Delek on our consolidated balance sheet at Delek's historical book value instead of fair value. Additionally, any excess of cash paid over the historical book value of the assets acquired from Delek is recorded within equity. As a result of this accounting treatment, the acquisition resulted in a $70.7 million decrease in our equity balance during 2014. Distributions also include $0.2 million related to distribution equivalents on vested phantom units.

See accompanying notes to the consolidated financial statements

Delek Logistics Partners, LP - Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2014	2013 [1]	2012 [1]
Cash flows from operating activities:	(In thousands)		
Net income	$71,054	$33,667	$13,866
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	14,705	13,738	11,343
Amortization of unfavorable contract liability to revenue	(2,670)	(2,623)	(668)
Amortization of deferred financing costs	1,267	1,007	381
Accretion of asset retirement obligations	232	224	194
Loss on asset disposals	83	166	9
Deferred income taxes	(109)	309	(18,762)
Share-based compensation expense	—	—	92
Unit-based compensation expense	274	464	1
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable	2,892	(1,251)	(5,148)
Inventories and other current assets	7,894	(3,333)	4,917
Accounts payable and other current liabilities	(6,960)	7,472	(4,401)
Accounts payable - related parties	(885)	(8,635)	15,766
Non-current assets and liabilities, net	(1,857)	(4,234)	(478)
Net cash provided by operating activities	85,920	36,971	17,112
Cash flows from investing activities:			
Business combinations	(22,650)	(10,737)	(23,272)
Purchases of property, plant and equipment	(7,132)	(12,662)	(30,816)
Proceeds from sales of property, plant and equipment	—	—	21
Net cash used in investing activities	(29,782)	(23,399)	(54,067)
Cash flows from financing activities:			
Proceeds from issuance of common units, net of underwriters' discount	—	—	179,676
Proceeds from issuance of additional units to maintain 2% General Partner interest	45	99	—
Distributions to general partner	(1,382)	(690)	(50,000)
Distributions to common unitholders - Public	(17,099)	(13,223)	—
Distributions to common unitholders - Delek	(5,053)	(3,944)	(116,535)
Distributions to subordinated unitholders	(21,658)	(16,907)	—
Distributions to Delek for contribution of El Dorado Terminal and Tank Assets	(95,900)	(94,800)	—
Proceeds from revolving credit facility	499,750	206,300	351,900
Payments of revolving credit facility	(412,800)	(131,500)	(292,200)
Tax benefit from exercise of equity-based compensation	—	—	25
Offering costs	—	—	(4,217)
Deferred financing costs paid	(3,688)	(2,273)	(3,821)
Predecessor division equity contribution (distribution)	1,006	20,001	(8,954)
Reimbursement of capital expenditures by Sponsor	1,578	837	4,498
Net cash used in (provided by) financing activities	(55,201)	(36,100)	60,372
Net increase (decrease) in cash and cash equivalents	937	(22,528)	23,417
Cash and cash equivalents at the beginning of the period	924	23,452	35
Cash and cash equivalents at the end of the period	$1,861	$924	$23,452

	Year Ended December 31,		
	2014	2013	2012
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	$7,661	$3,242	$2,006
Taxes	$18	$30	$1,316
Non-cash financing activities:			
Working capital retained by Sponsor	$—	$213	$63,847
Sponsor contribution of fixed assets	$1,566	$520	$476

(1) Adjusted to include the historical cash flows of the El Dorado Terminal and Tank Assets. See Notes 1 and 3 for further discussion.

See accompanying notes to the consolidated financial statements

Delek Logistics Partners, LP
Notes to Consolidated Financial Statements
1. General
Organization
As used in this report, the terms "Delek Logistics Partners, LP," the "Partnership," "we," "us," or "our" may refer to Delek Logistics Partners, LP, one or more of its consolidated subsidiaries or all of them taken as a whole. References in this report to "Delek" refer collectively to Delek US Holdings, Inc. and any of its subsidiaries, other than Delek Logistics Partners, LP, its subsidiaries and its general partner.
The Partnership is a Delaware limited partnership formed in April 2012 by Delek and its subsidiary Delek Logistics GP, LLC, our general partner.
The information presented in this Annual Report on Form 10-K contains the combined financial results of Delek Logistics Partners, LP Predecessor (the "DKL Predecessor"), our predecessor for accounting purposes, for periods presented through November 6, 2012, and the consolidated financial results of Delek Logistics, Partners, LP for the period beginning November 7, 2012, the date the Partnership commenced operations. The DKL Predecessor includes the financial results of the initial assets acquired from Delek during the initial public offering (the "Offering") through November 7, 2012. The consolidated balance sheet as of December 31, 2014 presents solely the consolidated financial position of the Partnership.
On July 26, 2013, the Partnership, through its wholly owned subsidiary Delek Marketing & Supply, LP, acquired from Delek (i) the refined products terminal (the “Tyler Terminal”) located at Delek's Tyler, Texas Refinery (the "Tyler Refinery") and (ii) 96 storage tanks and certain ancillary assets (the "Tyler Tank Assets" and, together with the Tyler Terminal, the “Tyler Terminal and Tank Assets”) adjacent to the Tyler Refinery (such transaction, the “Tyler Acquisition”).
On February 10, 2014, the Partnership, through its wholly owned subsidiary Delek Logistics Operating, LLC ("OpCo"), acquired from Delek (i) the refined products terminal (the “El Dorado Terminal”) located at Delek's El Dorado, Arkansas refinery (the "El Dorado Refinery") and (ii) 158 storage tanks and certain ancillary assets (the "El Dorado Tank Assets" and, together with the El Dorado Terminal, the “El Dorado Terminal and Tank Assets”) at and adjacent to the El Dorado Refinery (such transaction, the “El Dorado Acquisition”).
The El Dorado Acquisition and the Tyler Acquisition were accounted for as transfers between entities under common control. As entities under common control with Delek, we record the assets that Delek has contributed to us on our balance sheet at Delek's historical basis instead of fair value. Transfers between entities under common control are accounted for as if the transfer occurred at the beginning of the period, and prior years are retrospectively adjusted to furnish comparative information. Accordingly, the accompanying financial statements and related notes of the Partnership have been retrospectively adjusted to include (i) the historical results of the El Dorado Terminal and Tank Assets, as owned and operated by Delek, for all periods presented through February 10, 2014 (the "El Dorado Predecessor") and (ii) the historical results of the Tyler Terminal and Tank Assets, as owned and operated by Delek, for all periods presented through July 26, 2013 (the "Tyler Predecessor"). We refer to the historical results of the DKL Predecessor, El Dorado Predecessor and Tyler Predecessor collectively as our "Predecessors." See Note 3 for further information regarding the El Dorado Acquisition and the Tyler Acquisition.
Description of Business
The Partnership owns and operates logistics and marketing assets for crude oil and intermediate and refined products. A substantial majority of our existing assets are integral to and dependent on the success of Delek’s refining and marketing operations. We gather, transport and store crude oil and market, distribute, transport and store refined products in select regions of the southeastern United States and west Texas for Delek and third parties, primarily in support of the Tyler Refinery and the El Dorado Refinery.
The Partnership generates revenue by charging fees for gathering, transporting and storing crude oil and for marketing, distributing, transporting and storing refined products. A substantial majority of our contribution margin, which we define as net sales less cost of goods sold and operating expenses, is derived from commercial agreements with Delek with initial terms ranging from five to ten years.
2. Accounting Policies

Basis of Presentation

Our consolidated financial statements include the accounts of the Partnership and its subsidiaries as well as our Predecessors. All intercompany accounts and transactions have been eliminated. The financial statements of our Predecessors have been

prepared from the separate records maintained by Delek and may not necessarily be indicative of the conditions that would have existed or the results of operations if our Predecessors had been operated as an unaffiliated entity. Our Predecessors did not record all revenues for intercompany gathering, pipeline transportation, terminalling and storage services. Transfers between entities under common control are accounted for as if the transfer occurred at the beginning of the period, and prior years are retrospectively adjusted to furnish comparative information. As an entity under common control with Delek, we record the assets that Delek has contributed to us on our balance sheet at Delek's historical basis instead of fair value.

We have evaluated subsequent events through the filing of this Annual Report on Form 10-K. Any material subsequent events that occurred during this time have been properly recognized or disclosed in our financial statements. The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") and in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior period amounts have been reclassified in order to conform to the current year presentation. For example, our December 31, 2013 balance sheet has been adjusted to increase goodwill by $1.2 million, offset by a corresponding decrease to property, plant and equipment, due to the finalization of the purchase price allocation of our Hopewell acquisition. These reclassifications had no effect on net income or shareholders' equity as previously reported.

Segment Reporting

We are an energy business focused on crude oil and refined product pipeline, storage, wholesale marketing and terminalling activities. Management reviews operating results in two reportable segments: (i) pipelines and transportation and (ii) wholesale marketing and terminalling. The pipelines and transportation segment provides crude oil gathering, transportation and storage services to Delek's refining operations and independent third parties. The wholesale marketing and terminalling segment provides marketing and terminalling services to Delek's refining operations and independent third parties. Decisions concerning the allocation of resources and assessment of operating performance are made based on this segmentation. Management measures the operating performance of each of its reportable segments based on the segment contribution margin. Segment contribution margin is defined as net sales less cost of sales and operating expenses, excluding depreciation and amortization. Segment reporting is more fully discussed in Note 13.

Cash and Cash Equivalents

We maintain cash and cash equivalents in accounts with large, national financial institutions. All highly liquid investments purchased with an original maturity of three months or less are considered to be cash equivalents.

Accounts Receivable

Accounts receivable primarily consists of trade receivables generated in the ordinary course of business. We perform on-going credit evaluations of our customers and generally do not require collateral on accounts receivable. All accounts receivable amounts are considered to be fully collectible. Accordingly, no allowance has been established as of December 31, 2014 and 2013.

One customer accounted for approximately 21.0% of the consolidated accounts receivable balance as of December 31, 2014. Two customers accounted for approximately 27.2% of the consolidated accounts receivable balance as of December 31, 2013.

Inventory

Inventory consists of refined products, which are stated at the lower of cost or market on a FIFO basis.

One vendor in the wholesale marketing and terminalling segment accounted for approximately 69.0% of our consolidated inventory purchases during the year ended December 31, 2014. Two vendors in the wholesale marketing and terminalling segment accounted for a total of 96.1% and 76.1% of our consolidated inventory purchases during the years ended December 31, 2013 and 2012, respectively.

Property, Plant and Equipment

Assets acquired in conjunction with acquisitions are recorded at estimated fair market value in accordance with the purchase method of accounting as prescribed in Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards Codification ("ASC") 805, Business Combinations ("ASC 805"). Other acquisitions of property and equipment are carried at cost.

Betterments, renewals and extraordinary repairs that extend the life of an asset are capitalized. Maintenance and repairs are charged to expense as incurred.

Depreciation is computed using the straight-line method over management's estimated useful lives of the related assets, except for automotive equipment, which is depreciated using a declining-balance method. The estimated useful lives are as follows:

	Years
Building and pipeline improvements	15-40
Pipelines and terminals	15-40
Asset retirement obligation assets	15-50
Other equipment	3-15

Intangible Assets

Intangible assets consist of long-term supply contracts and indefinite-lived rights of way. We amortize the definite-lived long-term supply contracts on a straight-line basis over the estimated useful life of 11.5 years. The amortization expense is included in depreciation and amortization in the accompanying consolidated financial statements.

Property, Plant and Equipment and Intangibles Impairment

Property, plant and equipment and definite life intangibles are evaluated for impairment whenever indicators of impairment exist. In accordance with ASC 360, Property, Plant and Equipment and ASC 350, Intangibles - Goodwill and Other, we evaluate the realizability of these long-lived assets as events occur that might indicate potential impairment. In doing so, we assess whether the carrying amount of the asset is unrecoverable by estimating the sum of the future cash flows expected to result from the asset, undiscounted and without interest charges. If the carrying amount is more than the recoverable amount, an impairment charge must be recognized based on the fair value of the asset.

Goodwill and Potential Impairment

Goodwill in an acquisition represents the excess of the aggregate purchase price over the fair value of the identifiable net assets. Our goodwill is recorded at original fair value and is not amortized. Goodwill is subject to annual assessment to determine if an impairment of value has occurred and we perform this review annually in the fourth quarter. We could also be required to evaluate our goodwill if, prior to our annual assessment, we experience disruptions in our business, have unexpected significant declines in operating results, or sustain a permanent market capitalization decline. If an asset's carrying amount exceeds its fair value, the impairment assessment leads to the testing of the implied fair value of the asset's goodwill to its carrying amount. If the implied fair value is less than the carrying amount, a goodwill impairment charge is recorded. Our annual assessment of goodwill did not result in an impairment charge during the years ended December 31, 2014, 2013, or 2012.

Derivatives

We record all derivative financial instruments, including forward fuel contracts, at estimated fair value in accordance with the provisions of ASC 815, Derivatives and Hedging ("ASC 815"). Changes in the fair value of the derivative instruments are recognized in operations, unless we elect to apply the hedge accounting treatment permitted under the provisions of ASC 815 allowing such changes to be classified as other comprehensive income. We validate the fair value of all derivative financial instruments on a periodic basis, utilizing valuations from third party financial and brokerage institutions. During the years ended December 31, 2014, 2013, and 2012, we did not elect to apply hedge accounting treatment to our derivative positions and, therefore, all changes in fair value are reflected in the statements of income and comprehensive income.

Our policy under the guidance of ASC 815-10-45, Derivatives and Hedging—Other Presentation Matters ("ASC 815-10-45"), is to net the fair value amounts recognized for multiple derivative instruments executed with the same counterparty and offset these values against any cash collateral associated with these derivative positions. See Note 15 for further discussion.

Fair Value of Financial Instruments

The fair values of financial instruments are estimated based upon current market conditions and quoted market prices for the same or similar instruments. Management estimates that the carrying value approximates fair value for all of our assets and liabilities that fall under the scope of ASC 825, Financial Instruments ("ASC 825").

We apply the provisions of ASC 820, Fair Value Measurements and Disclosure ("ASC 820"), in our presentation and disclosures regarding fair value, which pertain to certain financial assets and liabilities measured at fair value in the balance sheet on a recurring basis. ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about such measurements that are permitted or required under other accounting pronouncements. See Note 14 for further discussion.

We apply the provisions of ASC 825 as it pertains to the fair value option. This standard permits the election to carry financial instruments and certain other items similar to financial instruments at fair value on the balance sheet, with all changes

in fair value reported in earnings. By electing the fair value option in conjunction with a derivative, an entity can achieve an accounting result similar to a fair value hedge without having to comply with complex hedge accounting rules. As of December 31, 2014 or 2013, we did not make the fair value election for any financial instruments not already carried at fair value in accordance with other standards.

Self-Insurance Reserves

We have no employees. Rather, we are managed by the directors and officers of our general partner. However, Delek employees providing services to the Partnership are covered under Delek's insurance programs. Delek is primarily self-insured for workers' compensation and general liability costs, with varying limits of per claim and aggregate stop loss insurance coverage that management considers adequate. Delek has umbrella liability insurance in an amount determined reasonable by Delek's management.

Environmental Expenditures

We have historically accrued environmental and clean-up related costs of a non-capital nature when it is both probable that a liability has been incurred and the amount can be reasonably estimated. Environmental liabilities represent the current estimated costs to investigate and remediate contamination at our properties. This estimate is based on internal and third-party assessments of the extent of the contamination, the selected remediation technology and review of applicable environmental regulations, typically considering estimated activities and costs for the next 15 years, unless a specific longer range estimate is practicable. Accruals for estimated costs from environmental remediation obligations generally are recognized no later than completion of the remedial feasibility study and include, but are not limited to, costs to perform remedial actions and costs of machinery and equipment that are dedicated to the remedial actions and that does not have an alternative use. Such accruals are adjusted as further information develops or circumstances change. We discount environmental liabilities to their present value if payments are fixed and determinable. Expenditures for equipment necessary for environmental issues relating to ongoing operations are capitalized. Estimated recoveries of costs from other parties are recorded on an undiscounted basis as assets when their realization is deemed probable.

Asset Retirement Obligations

We recognize liabilities which represent the fair value of a legal obligation to perform asset retirement activities, including those that are conditional on a future event, when the amount can be reasonably estimated. These obligations are related to the required cleanout of our pipelines and terminal tanks, and removal of certain above-grade portions of our pipelines situated on right-of-way property.

The reconciliation of the beginning and ending carrying amounts of asset retirement obligations as of December 31, 2014 and 2013 is as follows (in thousands):

	December 31,	
	2014	2013
Beginning balance	$3,087	$3,263
Liabilities settled	—	(400)
Accretion expense	232	224
Ending balance	$3,319	$3,087

In order to determine fair value, management must make certain estimates and assumptions including, among other things, projected cash flows, a credit-adjusted risk-free rate and an assessment of market conditions that could significantly impact the estimated fair value of the asset retirement obligation.

Revenue Recognition

Revenues for products sold are recorded at the point of sale upon delivery of product, which is the point at which title to the product is transferred, and when payment has either been received or collection is reasonably assured. Service revenues are recognized as crude oil and refined products are shipped through, delivered by or stored in our pipelines, trucks, terminals and storage facility assets, as applicable. We do not recognize product sales revenues for these services, as title on the product never passes to us. All revenues are based on regulated tariff rates or contractual rates.

Cost of Goods Sold and Operating Expenses

Cost of goods sold includes all costs of refined products, additives and related transportation. We do not recognize product cost of sales related to our shipping, delivering and storage services, as title to the product never passes to us. Operating expenses include the costs associated with the operation of owned terminals and other logistics assets, terminalling expense at third-party locations and pipeline maintenance costs.

Sales, Use and Excise Taxes

Our policy is to exclude sales, use and excise taxes from revenue when we are an agent of the taxing authority, in accordance with ASC 605-45, Revenue Recognition—Principal Agent Considerations.

Deferred Financing Costs

Deferred financing costs are included in other non-current assets in the accompanying consolidated balance sheets and represent expenses related to issuing and amending our revolving credit facility. These amounts are amortized ratably over the remaining term of our revolving credit facility and are included in interest expense in the accompanying consolidated statements of income and comprehensive income.

Operating Leases

We lease certain equipment and have surface leases under various operating lease arrangements, most of which provide the option, after the initial lease term, to renew the leases. None of these lease arrangements include fixed rental rate increases.

Lease expense for all operating leases, including the El Dorado Predecessor and the Tyler Predecessor, totaled $0.7 million, $0.7 million, and $0.6 million for the years ended December 31, 2014, 2013, and 2012, respectively.

Income Taxes

We are not a taxable entity for federal income tax purposes or the income taxes of those states that follow the federal income tax treatment of partnerships. Instead, for purposes of these income taxes, each partner of the Partnership is required to take into account its share of income, gain, loss and deduction in computing its federal and state income tax liabilities, regardless of whether cash distributions are made to such partner by the Partnership. The taxable income reportable to each partner takes into account differences between the tax basis and fair market value of our assets, the acquisition price of such partner's units and the taxable income allocation requirements under our partnership agreement.

We are subject to income taxes in certain states that do not follow the federal tax treatment of Partnerships. These income taxes are accounted for under the provisions of ASC 740, Income Taxes (ASC 740). This statement generally requires DKL to record deferred income taxes for the differences between the book and tax bases of its assets and liabilities, which are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred income tax expense or benefit represents the net change during the year in our deferred income tax assets and liabilities, exclusive of the amounts held in other comprehensive income.

U.S. GAAP requires management to evaluate uncertain tax positions taken by the Partnership. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Partnership, and has concluded that there are no uncertain positions taken or expected to be taken. The Partnership is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Prior to our Offering, the Predecessor was a corporation included in its parent's consolidated tax return. As such, the Predecessor was subject to both federal and state income taxes and recorded deferred income taxes for the differences between the book and tax bases of its assets and liabilities, which are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Partnership had total tax expense of $0.1 million and $0.8 million in 2014 and 2013, respectively. Subsequent to the Offering, the Partnership had total tax expense of $0.1 million in 2012. The majority of the change in deferred tax assets and liabilities relates to the Predecessor's conversion to a partnership and no longer being subject to federal income tax. The conversion from a taxable corporation to a passthrough resulted in a one-time tax benefit of $18.5 million in 2012.

Equity Based Compensation

Our general partner provides equity-based compensation to officers, directors and employees of our general partner or its affiliates, and certain consultants, affiliates of our general partner or other individuals who perform services for us, which includes unit options, restricted units, phantom units, unit appreciation rights, distribution equivalent rights, other unit-based awards and unit awards. Phantom units are measured based on the fair market value of the underlying stock on the date of grant. The fair value of our phantom units is determined based on the closing price of our common units on the grant date. The estimated fair value of our phantom units is amortized over the vesting period

using the straight line method. Awards vest over a five-year service period. The phantom unit awards are settled in units.

Net Income per Limited Partner Unit

We use the two-class method when calculating the net income per unit applicable to limited partners because we have more than one participating class of securities. Our participating securities consist of common units, subordinated units, general partner units and incentive distribution rights. The two-class method is based on the weighted-average number of common units outstanding during the period. Basic net income per unit applicable to limited partners (including subordinated unitholders)

is computed by dividing limited partners' interest in net income, after deducting our general partner's 2% interest and incentive distribution rights by the weighted-average number of outstanding common and subordinated units. Our net income is allocated to our general partner and limited partners in accordance with their respective partnership percentages after giving effect to priority income allocations for incentive distribution rights to our general partner, which is the holder of the incentive distribution rights pursuant to our partnership agreement.

Diluted net income per unit applicable to common limited partners includes the effects of potentially dilutive units on our common units. At present, the only potentially dilutive units outstanding consist of unvested phantom units. Basic and diluted net income per unit applicable to subordinated limited partners are the same because there are no potentially dilutive subordinated units outstanding.

Comprehensive Income

Comprehensive income for the years ended December 31, 2014, 2013, and 2012 was equivalent to net income.

New Accounting Pronouncements

In May 2014, the FASB issued guidance regarding "Revenue from Contracts with Customers," to clarify the principles for recognizing revenue. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires improved interim and annual disclosures that enable the users of financial statements to better understand the nature, amount, timing, and uncertainty of revenues and cash flows arising from contracts with customers. The new guidance is effective for annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period, and can be adopted either retrospectively to each prior reporting period presented using a practical expedient as allowed by the new guidance or retrospectively with a cumulative effect adjustment to retained earnings as of the date of initial application. Early adoption is not permitted. We are currently evaluating the effect that adopting this new standard will have on our consolidated financial statements and related disclosures.

3. Acquisitions

Acquisitions from Delek

El Dorado Terminal and Tankage Acquisition

On February 10, 2014, the Partnership completed the El Dorado Acquisition and acquired the El Dorado Terminal and Tank Assets. The purchase price paid for the assets acquired was $95.9 million in cash financed with borrowings under the Partnership's amended and restated senior secured revolving credit facility.

The assets acquired in the El Dorado Acquisition consist of:

- The El Dorado Terminal. The refined products terminal located at the El Dorado Refinery, which consists of a truck loading rack with three loading bays supplied by pipeline from storage tanks located at the El Dorado Refinery, along with certain ancillary assets. Total throughput capacity for the El Dorado Terminal is approximately 26,700 barrels per day ("bpd").

- The El Dorado Tank Assets. 158 storage tanks and certain ancillary assets (such as pumps and piping) located adjacent to the El Dorado Refinery with an aggregate shell capacity of approximately 2.5 million barrels.

Delek retained any current assets and current liabilities related to the El Dorado Terminal and Tank Assets as of the date of the El Dorado Acquisition. The only historical balance sheet items that transferred to the Partnership in the El Dorado Acquisition were property, plant and equipment assets, tank inspection liabilities and asset retirement obligations, which were recorded by us at historical cost.

In connection with the El Dorado Acquisition, the Partnership and Delek entered into (i) an asset purchase agreement, (ii) the Second Omnibus Amendment (as defined in Note 18—Related Party Transactions), (iii) a throughput and tankage agreement with respect to the El Dorado Terminal and Tank Assets, (iv) a lease and access agreement, and (v) a site services agreement. See Note 18 for additional information regarding these agreements.

Tyler Acquisition

On July 26, 2013, the Partnership completed the Tyler Acquisition and acquired the Tyler Terminal and Tank Assets. The purchase price paid for the assets acquired was $94.8 million in cash. The assets acquired consisted of the following:

- The Tyler Terminal. The refined products terminal located at the Tyler Refinery, which consists of a truck loading rack with nine loading bays supplied by pipelines from storage tanks, also owned by the Partnership, located adjacent to the Tyler Refinery, along with certain ancillary assets. Total throughput capacity for the Tyler Terminal is approximately 72,000 bpd.
- The Tyler Tank Assets. Ninety-six storage tanks and certain ancillary assets (such as tank pumps and piping) located adjacent to the Tyler Refinery with an aggregate shell capacity of approximately 2.0 million barrels (the "Tyler Storage Tanks").

Delek retained any current assets, current liabilities and environmental liabilities related to the Tyler Terminal and Tank Assets as of the date of the Tyler Acquisition. The only historical balance sheet items that transferred to the Partnership in the Acquisition were property, plant and equipment assets and asset retirement obligations, which were recorded by us at historical cost.

In connection with the Tyler Acquisition, the Partnership and Delek entered into (i) an asset purchase agreement, (ii) the First Omnibus Amendment (as defined in Note 18—Related Party Transactions), (iii) a throughput and tankage agreement with respect to the Tyler Terminal and Tank Assets, (iv) a lease and access agreement and (v) a site services agreement. See Note 18 for additional information regarding these agreements.

Financial Results of El Dorado Terminal and Tanks Assets and Tyler Terminal and Tank Assets

The acquisitions of the El Dorado Terminal and Tank Assets and the Tyler Terminal and Tank Assets were considered transfers of businesses between entities under common control. Accordingly, the El Dorado Acquisition and the Tyler Acquisition were recorded at amounts based on Delek's historical carrying value as of each respective acquisition date, which were $25.2 million as of February 10, 2014 and $38.3 million as of July 26, 2013, respectively. Our historical financial statements have been retrospectively adjusted to reflect the results of operations, financial position, cash flows and equity attributable to the El Dorado Terminal and Tank Assets and the Tyler Terminal and Tank Assets as if we owned the assets for all periods presented. The results of the El Dorado Terminal and the Tyler Terminal are included in the wholesale marketing and terminalling segment. The results of the El Dorado Tank Assets and the Tyler Tank Assets are included in the pipelines and transportation segment.

The following amounts associated with the El Dorado Terminal and Tank Assets, subsequent to February 10, 2014, are included in the consolidated statements of income and comprehensive income of the Partnership (in thousands):

	Year Ended December 31, 2014
El Dorado Terminal and Tank Assets	
Total operating revenues	$15,809
Net income attributable to the Partnership	$10,481
Costs associated with the acquisition	$186

The results of the El Dorado Terminal and and Tank Assets operations prior to the completion of the El Dorado Acquisition on February 10, 2014 and the Tyler Terminal and Tank Assets operations prior to the completion of the Tyler Acquisition on July 26, 2013 have been included in the El Dorado Predecessor and Tyler Predecessor results in the tables below. The results of the El Dorado Terminal and Tank Assets and the Tyler Terminal and Tank Assets subsequent to February 10, 2014 and July 26, 2013, respectively have been included in the Partnership's results. Costs associated with the El Dorado Acquisition in the amount of $0.2 million are included in general and administrative expenses for the year ended December 31, 2014.

The tables below present our balance sheet and results of operations, the effect of including the results of the El Dorado Terminal and Tank Assets and the Tyler Terminal and Tank Assets, and the adjusted total amounts included in our consolidated financial statements.

Consolidated Balance Sheet as of December 31, 2013

	Delek Logistics Partners, LP	El Dorado Terminal and Tank Assets (El Dorado Predecessor) (In thousands)	Delek Logistics Partners, LP December 31, 2013
ASSETS			
Current Assets:			
Cash and cash equivalents	$924	$—	$924
Accounts receivable	28,976	—	28,976
Inventory	17,512	—	17,512
Deferred tax assets	12	—	12
Other current assets	341	—	341
Total current assets	47,765	—	47,765
Property, plant and equipment:			
Property, plant and equipment	234,272	29,800	264,072
Less: accumulated depreciation	(36,306)	(3,260)	(39,566)
Property, plant and equipment, net	197,966	26,540	224,506
Goodwill	11,654	—	11,654
Intangible assets, net	12,374	—	12,374
Other non-current assets	5,045	—	5,045
Total assets	$274,804	$26,540	$301,344
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	$26,045	$—	$26,045
Accounts payable to related parties	1,513	—	1,513
Excise and other taxes payable	5,700	—	5,700
Accrued expenses and other current liabilities	4,732	—	4,732
Tank inspection liabilities	1,044	675	1,719
Total current liabilities	39,034	675	39,709
Non-current liabilities:			
Revolving credit facility	164,800	—	164,800
Asset retirement obligations	2,993	94	3,087
Deferred tax liability	324	—	324
Other non-current liabilities	5,612	610	6,222
Total non-current liabilities	173,729	704	174,433
Equity:			
Predecessors division equity	—	25,161	25,161
Common unitholders - public (9,353,240 units issued and outstanding)	183,839	—	183,839
Common unitholders - Delek (2,799,258 units issued and outstanding)	(176,680)	—	(176,680)
Subordinated unitholders - Delek (11,999,258 units issued and outstanding)	59,386	—	59,386
General Partner unitholders - Delek (492,893 units issued and outstanding)	(4,504)	—	(4,504)
Total equity	62,041	25,161	87,202
Total liabilities and equity	$274,804	$26,540	$301,344

Consolidated Statements of Income

(In thousands)	Delek Logistics Partners, LP	El Dorado Terminal and Tank Assets (El Dorado Predecessor)	Year Ended December 31, 2014
Net Sales	$841,253	$—	$841,253
Operating costs and expenses:			
Cost of goods sold	697,221	—	697,221
Operating expenses	38,003	783	38,786
General and administrative expenses	10,570	46	10,616
Depreciation and amortization	14,591	114	14,705
Loss on asset disposals	83	—	83
Total operating costs and expenses	760,468	943	761,411
Operating income (loss)	80,785	(943)	79,842
Interest expense, net	8,656	—	8,656
Net income (loss) before income tax expense	72,129	(943)	71,186
Income tax expense	132	—	132
Net income (loss)	71,997	(943)	71,054
Less: loss attributable to Predecessors	—	(943)	(943)
Net income attributable to partners	$71,997	$—	$71,997

(In thousands)	Delek Logistics Partners, LP	El Dorado Terminal and Tank Assets (El Dorado Predecessor)	Tyler Terminal and Tank Assets (Tyler Predecessor)	Year Ended December 31, 2013
Net Sales	$907,428	$—	$—	$907,428
Operating costs and expenses:				
Cost of goods sold	811,364	—	—	811,364
Operating expenses	25,801	5,338	4,501	35,640
General and administrative expenses	6,254	670	602	7,526
Depreciation and amortization	10,686	1,302	1,750	13,738
Loss on asset disposals	166	—	—	166
Total operating costs and expenses	854,271	7,310	6,853	868,434
Operating income (loss)	53,157	(7,310)	(6,853)	38,994
Interest expense, net	4,570	—	—	4,570
Net income (loss) before income tax expense	48,587	(7,310)	(6,853)	34,424
Income tax expense	757	—	—	757
Net income (loss)	47,830	(7,310)	(6,853)	33,667
Less: loss attributable to Predecessors	—	(7,310)	(6,853)	(14,163)
Net income attributable to partners	$47,830	$—	$—	$47,830

F-17

(In thousands)	Delek Logistics Partners, LP	El Dorado Terminal and Tank Assets (El Dorado Predecessor)	Tyler Terminal and Tank Assets (Tyler Predecessor)	Year Ended December 31, 2012 (Predecessors)
Net Sales	$1,022,586	$—	$—	$1,022,586
Operating costs and expenses:				
Cost of goods sold	959,434	—	—	959,434
Operating expenses	23,362	9,023	7,035	39,420
General and administrative expenses	8,389	706	761	9,856
Depreciation and amortization	8,675	1,223	1,445	11,343
Gain on disposal of assets	9	—	—	9
Total operating costs and expenses	999,869	10,952	9,241	1,020,062
Operating income (loss)	22,717	(10,952)	(9,241)	2,524
Interest expense, net	2,682	—	—	2,682
Income (loss) before income tax expense	20,035	(10,952)	(9,241)	(158)
Income tax benefit	(14,024)	—	—	(14,024)
Net income (loss)	34,059	(10,952)	(9,241)	13,866
Less: income (loss) attributable to Predecessors	25,649	(10,952)	(9,241)	5,456
Net income attributable to partners	$8,410	$—	$—	$8,410

Acquisitions from Third Parties

Trucking Assets Acquisition

On December 17, 2014, we completed the purchase of substantially all of the assets of Frank Thompson Transport, Inc. ("FTT"), a company that primarily hauled crude oil and asphalt products by transport truck, to complement our existing assets and increase our third party business. The assets purchased from FTT include approximately 120 trucks and 200 trailers (the "FTT Assets").

Terminal and Pipeline Acquisition

On October 1, 2014, we completed the purchase from an affiliate of Magellan Midstream Partners, LP of (i) a light products terminal in Mount Pleasant, Texas (the "Mount Pleasant Terminal"), (ii) a light products storage facility in Greenville, Texas (the "Greenville Storage Facility") and (iii) a 76-mile pipeline connecting the locations (the "Greenville-Mount Pleasant Pipeline"). The Mount Pleasant Terminal, the Greenville Storage Facility and the Greenville-Mount Pleasant Pipeline are hereinafter collectively referred to as the "Greenville-Mount Pleasant Assets." We acquired the Greenville-Mount Pleasant Assets to complement our existing assets and provide enhanced logistical capabilities. The Mount Pleasant Terminal consists of approximately 200,000 barrels of light product storage capacity, three truck loading lanes and ethanol blending capability. The Greenville Storage Facility has approximately 325,000 barrels of storage capacity and is connected to the Explorer Pipeline System, which is a common carrier pipeline owned by a third party.

North Little Rock Acquisition

On October 24, 2013, we purchased a refined product terminal in Little Rock, Arkansas from Enterprise Refined Products Company, LLC (the "North Little Rock Terminal"). The North Little Rock Terminal consists of a total of three products tanks with effective capacity of 140,000 barrels and a truck rack with throughput capacity of up to 10,000 bpd. We acquired the North Little Rock Terminal to extend our logistics presence in Arkansas.

Hopewell Acquisition

On July 19, 2013, the Partnership purchased a 13.5-mile pipeline and certain ancillary assets (the "Hopewell Pipeline"), including a related delivery station (the "Hopewell Station") and pumps. The Hopewell Pipeline originates at the Tyler Refinery and terminates at the Hopewell Station, where it effectively connects to the Partnership's 19-mile pipeline (the "Big Sandy Pipeline") that originates at our light petroleum products terminal located in Big Sandy, Texas. The Hopewell Pipeline and the Big Sandy Pipeline form essentially one pipeline link between the Tyler Refinery and the Big Sandy Terminal (the "Tyler-Big Sandy Pipeline").

Big Sandy Acquisition

On February 7, 2012, Delek Marketing-Big Sandy, LLC purchased (i) a light petroleum products terminal located in Big Sandy, Texas, the underlying real property, and other related assets from Sunoco Partners Marketing & Terminals L.P. and (ii) the 19-mile, eight-inch diameter Hopewell-Big Sandy Pipeline originating at Hopewell Junction, Texas and terminating at the Big Sandy Station in Big Sandy, Texas from Sunoco Pipeline L.P (collectively "Big Sandy").

Nettleton Acquisition

On January 31, 2012, Delek Crude Logistics, LLC completed the acquisition of an approximately 35-mile long, eight- and ten-inch pipeline system (the "Nettleton Pipeline") from Plains Marketing, L.P. (“Plains”). The Nettleton Pipeline is used exclusively to transport crude oil from our tank farms in and around Longview, Texas to the Bullard Junction at the Tyler Refinery.

Purchase Price Allocations - Acquisitions from Third Parties

The following table summarizes the allocation of the aggregate purchase price for each of the third party acquisitions described above (in thousands):

	FTT Assets [1]	Greenville-Mount Pleasant Assets [1]	North Little Rock Terminal[2]	Hopewell[2]	Big Sandy	Nettleton Pipeline
Property, plant and equipment	$11,055	$ 10,000	$4,990	$3,538	$8,258	$8,590
Intangible assets	—	—	10	984	1,229	2,240
Goodwill [3]	—	—	—	1,200	1,540	1,415
Inventory	—	1,125	—	—	—	—
Accounts Receivable	1,871	—	—	—	—	—
Accounts Payable	(1,401)	—	—	—	—	—
Total	$11,525	$ 11,125	$5,000	$5,722	$11,027	$12,245

(1) Allocations are preliminary. The property, plant and equipment valuation is subject to change during the purchase price allocation period.

(2) During the second quarter of 2014, we finalized our purchase price allocation and adjusted certain of the acquisition-date fair values previously disclosed.

(3) All goodwill is expected to be deductible for tax purposes.

Financial Results - Acquisitions from Third Parties

The following amounts associated with the third party acquisitions described above, subsequent to each respective acquisition date, are included in the consolidated statements of income and comprehensive income of the Partnership (in thousands) for the year ended December 31, 2014:

	Year Ended December 31, 2014
FTT Assets:	
Total operating revenues contributed	$531
Net income contributed	$122
Greenville-Mount Pleasant Assets:	
Total operating revenues contributed	$172
Net loss contributed	$(109)

Pro Forma Financial Information - Acquisitions from Third Parties

Below are the unaudited pro forma consolidated results of operations of the Partnership for the years ended December 31, 2014 and 2013, as if our 2014 acquisitions had occurred on January 1, 2013 (in thousands):

	Year Ended December 31,	
	2014	2013
FTT Assets:		
Net Sales	$854,842	$921,017
Net income	$71,820	$34,433
Greenville-Mount Pleasant Assets:		
Net Sales	$841,943	$908,118
Net income	$70,617	$33,230

Below are the unaudited pro forma consolidated results of operations of the Partnership for the years ended December 31, 2013 and 2012, as if our 2013 acquisitions had occurred on January 1, 2012 (in thousands):

	Year Ended December 31,	
	2013	2012
North Little Rock Terminal:		
Net Sales	$908,867	1,024,025
Net income	$34,958	15,157
Hopewell:		
Net Sales	$908,382	1,023,540
Net income	$33,981	14,180

Below are the unaudited pro forma consolidated results of the Partnership for the year ended December 31, 2012, as if our 2012 acquisitions had occurred on January 1, 2011 (in thousands):

	Year Ended December 31, 2012
Nettleton and Big Sandy:	
Net Sales	$1,022,715
Net income	$13,989

4. Net Income Per Unit

We use the two-class method when calculating the net income per unit applicable to limited partners because we have more than one participating class of securities. Our participating securities consist of common units, subordinated units, general partner units and incentive distribution rights. The two-class method is based on the weighted-average number of common units outstanding during the period. Basic net income per unit applicable to limited partners (including subordinated unitholders) is computed by dividing limited partners' interest in net income, after deducting our general partner's 2% interest and incentive distribution rights by the weighted-average number of outstanding common and subordinated units. Our net income is allocated to our general partner and limited partners in accordance with their respective partnership percentages after giving effect to priority income allocations for incentive distribution rights to our general partner, which is the holder of the incentive distribution rights pursuant to our partnership agreement, which are declared and paid following the close of each quarter.

Net income per unit is only calculated for periods after the Offering as no units were outstanding prior to November 7, 2012. Earnings in excess of distributions are allocated to our general partner and limited partners based on their respective ownership interests. Payments made to our unitholders are determined in relation to actual distributions declared and are not based on the net income allocations used in the calculation of net income per unit.

Diluted net income per unit applicable to common limited partners includes the effects of potentially dilutive units on our common units. At present, the only potentially dilutive units outstanding consist of unvested phantom units. Basic and diluted net income per unit applicable to subordinated limited partners are the same because there are no potentially dilutive subordinated units outstanding.

Our distributions earned with respect to a given period are declared subsequent to quarter end. Therefore, the table below represents total cash distributions applicable to the period in which the distributions are earned. The calculation of net income per unit is as follows (dollars in thousands, except per unit amounts):

	Year Ended December 31,		
	2014	2013	2012
Net income attributable to partners	$71,997	$47,830	$8,410
Less: General partner's distribution (including IDRs) [1]	1,883	785	110
Less: Limited partners' distribution	23,152	19,292	2,688
Less: Subordinated partner's distribution	22,799	19,199	2,688
Earnings in excess of distributions	$24,163	$8,554	$2,924
General partner's earnings:			
Distributions (including IDRs) [1]	$1,883	$785	$110
Allocation of earnings in excess of distributions	483	172	58
Total general partner's earnings	$2,366	$957	$168
Limited partners' earnings on common units:			
Distributions	$23,152	$19,292	$2,688
Allocation of earnings in excess of distributions	11,933	4,198	1,433
Total limited partners' earnings on common units	$35,085	$23,490	$4,121
Limited partners' earnings on subordinated units:			
Distributions	$22,799	$19,199	$2,688
Allocation of earnings in excess of distributions	11,747	4,184	1,433
Total limited partner's earnings on subordinated units	$34,546	$23,383	$4,121
Weighted average limited partner units outstanding:			
Common units - (basic)	12,171,548	12,025,249	11,999,258
Common units - (diluted)	12,302,629	12,148,774	11,999,258
Subordinated units - Delek (basic and diluted)	11,999,258	11,999,258	11,999,258
Net income per limited partner unit:			
Common - (basic)	$2.88	$1.95	$0.34
Common - (diluted)	$2.85	$1.93	$0.34
Subordinated - (basic and diluted)	$2.88	$1.95	$0.34

[1] General partner distributions (including IDRs) consist of the 2% general partner interest and IDRs, which represent the right of the general partner to receive increasing percentages of quarterly distributions of available cash from operating surplus in excess of $0.43125 per unit per quarter. See Note 11 for further discussion related to IDRs.

5. Major Customers

Sunoco LP accounted for 23.3%, 17.7% and 17.5% of our total revenues for the years ended December 31, 2014, 2013 and 2012, respectively. Delek accounted for 13.6%, 8.6% and 23.1% of our total revenues for the years ended December 31, 2014, 2013 and 2012, respectively.

6. Inventory

Inventories consisted of $10.3 million and $17.5 million of refined petroleum products as of December 31, 2014 and December 31, 2013, respectively. Cost of inventory is stated at the lower of cost or market on a first-in, first-out basis.

7. Property, Plant and Equipment

Property, plant and equipment, at cost, consist of the following (in thousands):

	December 31,	
	2014	2013
Land and land improvements	$2,000	$1,931
Building and building improvements	1,169	1,057
Pipelines and terminals	266,196	229,672
Asset retirement obligations	2,073	1,999
Other equipment	3,764	2,959
Construction in process	18,323	26,454
	293,525	264,072
Less: accumulated depreciation	(52,992)	(39,566)
	$240,533	$224,506

Property, plant and equipment, accumulated depreciation and depreciation expense by reporting segment as of and for the years ended December 31, 2014 and 2013 are as follows (in thousands):

	As of and For the Year Ended December 31, 2014		
	Pipelines and Transportation	Wholesale Marketing and Terminalling	Consolidated
Property, plant and equipment	$227,927	$65,598	$293,525
Less: Accumulated depreciation	(36,459)	(16,533)	(52,992)
Property, plant and equipment, net	$191,468	$49,065	$240,533
Depreciation expense	$10,395	$3,247	$13,642

	As of and For the Year Ended December 31, 2013		
	Pipelines and Transportation	Wholesale Marketing and Terminalling	Consolidated
Property, plant and equipment	$200,001	$64,071	$264,072
Less: Accumulated depreciation	(25,128)	(14,438)	(39,566)
Property, plant and equipment, net	$174,873	$49,633	$224,506
Depreciation expense	$9,928	$2,747	$12,675

8. Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of the identifiable net assets acquired. Goodwill acquired in a purchase business combination is recorded at fair value and is not amortized. Our goodwill relates to the west Texas assets contributed to us by Delek Marketing & Supply, LLC ("Delek Marketing") in connection with the Offering and to the allocation of the purchase price of our Hopewell, Nettleton, and Big Sandy acquisitions that occurred in July 2013, January 2012, and February 2012, respectively.

We perform an annual assessment of whether goodwill retains its value. This assessment is done more frequently if indicators of potential impairment exist. We performed our annual goodwill impairment review in the fourth quarter of 2014, 2013 and 2012. We performed a discounted cash flows test, using a market participant weighted average cost of capital, and estimated minimal growth rates for revenue, gross profit, and capital expenditures based on history and our best estimate of future forecasts. We also estimated the fair values using a multiple of expected future cash flows such as those used by third party analysts. In 2014, 2013 and 2012 the annual impairment review resulted in the determination that no impairment of goodwill had occurred. Goodwill was $11.7 million at December 31, 2014.

A summary of our goodwill accounts is as follows (in thousands):

	Wholesale Marketing and Terminalling	Pipelines and Transportation	Total
Balance, December 31, 2011	$7,499	$—	$7,499
Acquisitions	—	2,955	2,955
Balance, December 31, 2012	7,499	2,955	10,454
Acquisitions	—	1,200	1,200
Balance, December 31, 2013	7,499	4,155	11,654
Balance, December 31, 2014	$7,499	$4,155	$11,654

9. Other Intangible Assets

Our identifiable intangible assets are are as follows (in thousands):

As of December 31, 2014	Useful Life	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization:				
Supply contracts (Gross)	11.5	$12,227	$(8,949)	$3,278
Intangible assets not subject to amortization:				
Rights-of-way assets	Indefinite	8,071	—	8,071
Total		$20,298	$(8,949)	$11,349

As of December 31, 2013	Useful Life	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization:				
Supply contracts (Gross)	11.5	$12,227	$(7,885)	$4,342
Intangible assets not subject to amortization:				
Rights-of-way assets	Indefinite	8,032	—	8,032
Total		$20,259	$(7,885)	$12,374

Amortization of intangible assets was $1.1 million during each of the years ended December 31, 2014, 2013 and 2012 and is included in depreciation and amortization on the accompanying consolidated statements of income and comprehensive income. Amortization expense is estimated to be $1.1 million per year for the years ended 2015 through 2017, at which point our supply contracts will be fully amortized.

10. Long-Term Obligations

Second Amended and Restated Credit Agreement

We entered into a senior secured revolving credit agreement on November 7, 2012 with Fifth Third Bank, as administrative agent, and a syndicate of lenders. The agreement was amended and restated on July 9, 2013 (the "Amended and Restated Credit Agreement") and was most recently amended and restated on December 30, 2014 (the "Second Amended and Restated Credit Agreement"). Under the terms of the Second Amended and Restated Credit Agreement, the lender commitments were increased from $400.0 million to $700.0 million. The Second Amended and Restated Credit Agreement also contains an accordion feature whereby the Partnership can increase the size of the credit facility to an aggregate of $800.0 million, subject to receiving increased or new commitments from lenders and the satisfaction of certain other conditions precedent. While the majority of the terms of the Second Amended and Restated Credit Agreement are substantially unchanged from the predecessor facility, among other things, changes were made to certain negative covenants, the financial covenants and the interest rate pricing grid. The Second Amended and Restated Credit Agreement contains an option for Canadian dollar denominated borrowings. Borrowings denominated in U.S. dollars bear interest at either a U.S. dollar prime rate, plus an applicable margin, or the London Interbank Offered Rate ("LIBOR"), plus an applicable margin, at the election of the borrowers. Borrowings denominated in Canadian dollars bear interest at either a Canadian dollar prime rate, plus an applicable margin, or the Canadian Dealer Offered Rate ("CDOR"), plus an applicable margin, at the election of the borrowers. The applicable margin in each case varies based upon the Partnership's most recent leverage ratio calculation delivered to the lenders, as called for and defined under the terms of the credit facility. At December 31, 2014, the weighted average interest rate for our borrowings under the facility was approximately 2.3%. Additionally, the Second Amended and Restated Credit Agreement requires us to pay a leverage ratio dependent quarterly fee on the average unused revolving commitment. As of December 31, 2014, this fee was 0.30% per year.

The obligations under the Second Amended and Restated Credit Agreement remain secured by first priority liens on substantially all of the Partnership's and its subsidiaries' tangible and intangible assets. Additionally, Delek Marketing continues to provide a limited guaranty of the Partnership's obligations under the Second Amended and Restated Credit Agreement. Delek Marketing's guaranty is (i) limited to an amount equal to the principal amount, plus unpaid and accrued interest, of a promissory note made by Delek US in favor of Delek Marketing (the "Holdings Note") and (ii) secured by Delek Marketing's pledge of the Holdings Note to our lenders under the Second Amended and Restated Credit Agreement. As of December 31, 2014, the principal amount of the Holdings Note was $102.0 million, plus unpaid interest accrued since the issuance date. The Second Amended and Restated Credit Agreement matures on December 30, 2019.

As of December 31, 2014, we had approximately $251.8 million outstanding borrowings under the Second Amended and Restated Credit Agreement. Additionally, we had in place letters of credit totaling $7.5 million, primarily securing obligations with respect to gasoline and diesel purchases. No amounts were drawn under these letters of credit at December 31, 2014. Amounts available under the Second Amended and Restated Credit Agreement as of December 31, 2014 were approximately $440.8 million.

Principal maturities of the Partnership's existing third party debt instruments for the next five years and thereafter are as follows as of December 31, 2014 (in thousands):

	2015	2016	2017	2018	2019	Thereafter	Total
Second Amended and Restated Credit Agreement	$—	$—	$—	$—	$251,750	$—	$251,750

11. Equity

We had 9,417,189 common limited partner units held by the public outstanding as of December 31, 2014. Additionally, as of December 31, 2014, Delek owned a 59.9% limited partner interest in us, consisting of 2,799,258 common limited partner units and 11,999,258 subordinated limited partner units as well as a 95.9% interest in our general partner, which owns the entire 2.0% general partner interest consisting of 494,197 general partner units. In accordance with our partnership agreement, Delek's subordinated units may convert to common units once specified distribution targets and other requirements have been met.

The table below summarizes the changes in the number of units outstanding through December 31, 2014 (in units). There were no units outstanding prior to our initial public offering in November 2012.

	Common - Public	Common - Delek	Subordinated	General Partner	Total
Units issued in initial public offering in November 2012	9,200,000	2,799,258	11,999,258	489,766	24,488,282
Balance at December 31, 2012	9,200,000	2,799,258	11,999,258	489,766	24,488,282
GP units issued to maintain 2% interest	—	—	—	3,127	3,127
Unit-based compensation awards [(1)]	153,240	—	—	—	153,240
Balance at December 31, 2013	9,353,240	2,799,258	11,999,258	492,893	24,644,649
GP units issued to maintain 2% interest	—	—	—	1,304	1,304
Unit-based compensation awards	63,949	—	—	—	63,949
Balance at December 31, 2014	9,417,189	2,799,258	11,999,258	494,197	24,709,902

[(1)] Unit-based compensation awards are presented net of 5,539 units withheld for taxes.

Issuance of Additional Securities

Our partnership agreement authorizes us to issue an unlimited number of additional partnership securities for the consideration and on the terms and conditions determined by our general partner without the approval of the unitholders. Costs associated with the issuance of securities are allocated to all unitholders' capital accounts based on their ownership interest at the time of issuance.

Allocations of Net Income

Our partnership agreement contains provisions for the allocation of net income and loss to the unitholders and our general partner. For purposes of maintaining partner capital accounts, the partnership agreement specifies that items of income and loss shall be allocated among the partners in accordance with their respective percentage interest. Normal allocations according to percentage interests are made after giving effect to priority income allocations in an amount equal to incentive cash distributions allocated 100% to our general partner.

The following table presents the allocation of the general partner's interest in net income (in thousands, except percentage of ownership interest):

	Year Ended December 31,		
	2014	2013	2012
Net income attributable to partners	$71,997	$47,830	$8,410
Less: General partner's IDRs	(945)	—	—
Net income available to partners	$71,052	$47,830	$8,410
General partner's ownership interest	2.0%	2.0%	2.0%
General partner's allocated interest in net income	1,421	957	168
General partner's IDRs	945	—	—
Total general partner's interest in net income	$2,366	$957	$168

Incentive Distribution Rights

The following table illustrates the percentage allocations of available cash from operating surplus between the unitholders and our general partner based on the specified target distribution levels. The amounts set forth under “Marginal Percentage Interest in Distributions” are the percentage interests of our general partner and our unitholders in any available cash from operating surplus that we distribute up to and including the corresponding amount in the column “Total Quarterly Distribution per Unit Target Amount.” The percentage interests shown for our unitholders and our general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests set forth below for our general partner include its 2.0% general partner interest and assume that (i) our general partner has contributed any additional capital necessary to maintain its 2.0% general partner interest, (ii) our general partner has not transferred its incentive distribution rights, and (iii) there are no arrearages on common units.

		Target Quarterly Distribution per Unit Target Amount	Marginal Percentage Interest in Distributions	
			Unitholders	General Partner
Minimum Quarterly Distribution		$0.37500	98.0%	2.0%
First Target Distribution	above	$0.37500	98.0%	2.0%
	up to	$0.43125		
Second Target Distribution	above	$0.43125	85.0%	15.0%
	up to	$0.46875		
Third Target Distribution	above	$0.46875	75.0%	25.0%
	up to	$0.56250		
Thereafter	thereafter	$0.56250	50.0%	50.0%

Cash distributions

Our partnership agreement sets forth the calculation to be used to determine the amount and priority of cash distributions that our common and subordinated unitholders and general partner will receive. Our distributions earned with respect to a given period are declared subsequent to quarter end. The table below summarizes the quarterly distributions related to our quarterly financial results:

Quarter Ended	Total Quarterly Distribution Per Limited Partner Unit	Total Quarterly Distribution Per Limited Partner Unit, Annualized	Total Cash Distribution, including general partner IDRs (in thousands)	Date of Distribution	Unitholders Record Date
December 31, 2013	$0.415	$1.66	$10,228	February 13, 2014	February 4, 2014
March 31, 2014	$0.425	$1.70	$10,474	May 14, 2014	May 6, 2014
June 30, 2014	$0.475	$1.90	$11,910	August 14, 2014	August 7, 2014
September 30, 2014	$0.490	$1.96	$12,394	November 14, 2014	November 6, 2014
December 31, 2014	$0.510	$2.04	$13,056	February 13, 2015	February 6, 2015

The allocation of total quarterly cash distributions made to general and limited partners for the years ended December 31, 2014, 2013 and 2012 is set forth in the table below. Our distributions earned with respect to a given period are declared subsequent to quarter end. Therefore, the table below represents total cash distributions applicable to the period in which the distributions are earned (in thousands, except per unit amounts):

	Year Ended December 31,		
	2014	2013	2012
General partner's distributions:			
General partner's distributions	938	$785	$110
General partner's incentive distribution rights	945	—	—
Total general partner's distributions	1,883	785	110
Limited partners' distributions:			
Common	23,152	19,292	$2,688
Subordinated	22,799	19,199	$2,688
Total limited partners' distributions	45,951	38,491	5,376
Total cash distributions	$47,834	$39,276	$5,486
Cash distributions per limited partner unit	$1.900	$1.600	$0.224

12. Equity Based Compensation

The Delek Logistics GP, LLC 2012 Long-Term Incentive Plan (the "LTIP") was adopted by the Delek Logistics GP, LLC Board of Directors in connection with the completion of the Offering in November 2012. The LTIP provides for officers, directors and employees of our general partner or its affiliates, and any consultants, affiliates of our general partner or other individuals who perform services for us. The LTIP consists of unit options, restricted units, phantom units, unit appreciation rights, distribution equivalent rights, other unit-based awards and unit awards. The LTIP limits the number of common units that may be delivered pursuant to awards under the plan to 612,207 units. The LTIP is administered by the Conflicts Committee of the Board of Directors of our general partner.

We incurred approximately $0.3 million and $0.5 million of unit-based compensation expense related to the Partnership during the years ended December 31, 2014 and 2013, respectively. We incurred a nominal amount of unit-based compensation expense during the year ended December 31, 2012. These amounts are included in general and administrative expenses in the accompanying consolidated statements of income and comprehensive income. The fair value of phantom unit awards under the LTIP is determined based on the closing price of our common limited partner units on the grant date. The estimated fair value of our phantom units is amortized over the vesting period using the straight line method. Awards vest over a five-year service period. The total fair value of phantom units vested was $1.6 million and $4.2 million during the years ended December 31, 2014 and 2013, respectively.

As of December 31, 2014, there was $0.9 million of total unrecognized compensation cost related to non-vested equity-based compensation arrangements, which is expected to be recognized over a weighted-average period of 2.7 years.

A summary of our unit award activity for the twelve months ended December 31, 2014 is set forth below:

	Number of Phantom Units	Weighted-Average Grant Price
Non-vested December 31, 2013	274,952	$ 22.94
Granted	10,000	$ 35.46
Vested	(69,488)	$ 23.08
Non-vested December 31, 2014	215,464	$ 23.48

Sponsor's Equity-Based Compensation

Certain employees supporting the DKL Predecessor's operations received long-term incentive compensation that is part of the Delek US Holdings, Inc. 2006 Long-Term Incentive Plan, as amended (the “2006 Plan”). The 2006 Plan allows Delek to grant stock options, stock appreciation rights ("SARs"), restricted stock units and other stock-based awards denominated in shares of Delek's common stock to certain directors, officers, employees, consultants and other individuals who perform services for Delek or its affiliates, including these employees. Delek uses the Black-Scholes-Merton option-pricing model to determine the fair value of stock option and SAR awards, with the exception of the SARs granted to certain executive employees, which are valued under the Monte-Carlo simulation model. Restricted stock units are measured based on the fair market value of the underlying stock on the date of grant. Compensation expense related to stock-based awards is generally recognized with graded or cliff vesting on a straight-line basis over the vesting period.

Certain Delek employees supporting the DKL Predecessor's operations were historically granted these types of awards. These costs were recorded as compensation expense and additional paid-in capital and totaled $0.1 million related to the DKL Predecessor's employees for the year ended December 31, 2012. The DKL Predecessor recognized additional compensation expense related to equity-based compensation awards to related party employees of $0.5 million for the year ended December 31, 2012 for allocated related party services and an allocation of director and executive officer equity-based compensation.

As of December 31, 2012, there was no unrecognized compensation cost related to non-vested equity-based compensation arrangements for the DKL Predecessor's employees. Subsequent to the Offering, these costs are allocated to the Partnership as part of the administrative fee under the Second Omnibus Amendment (as defined in Note 18—Related Party Transactions).

13. Segment Data

We report our assets and operating results in two reportable segments: (i) pipelines and transportation and (ii) wholesale marketing and terminalling.

- The pipelines and transportation segment provides crude oil gathering, and crude oil, intermediate and finished products transportation and storage services to Delek's refining operations and independent third parties.

- The wholesale marketing and terminalling segment provides marketing and terminalling services to Delek's refining operations and independent third parties.

Our operating segments adhere to the accounting polices used for our consolidated financial statements, as described in Note 1. Our operating segments are managed separately because each segment requires different industry knowledge, technology and marketing strategies. Decisions concerning the allocation of resources and assessment of operating performance are made based on this segmentation. Management measures the operating performance of each of its reportable segments based on segment contribution margin. Segment contribution margin is defined as net sales less cost of sales and operating expenses, excluding depreciation and amortization.

On February 10, 2014, we acquired the El Dorado Terminal and Tank Assets and on July 26, 2013, we acquired the Tyler Terminal and Tank Assets. Our and our Predecessors' historical financial statements have been retrospectively adjusted to reflect the results of operations attributable to the El Dorado Terminal and Tank Assets and the Tyler Terminal and Tank Assets as if we owned the assets for all periods presented. The results of the El Dorado Terminal and the Tyler Terminal are included in the wholesale marketing and terminalling segment. The results of the El Dorado Tank Assets and the Tyler Tank Assets are included in the pipelines and transportation segment.

The following is a summary of business segment operating performance as measured by contribution margin for the period indicated (in thousands):

	Year Ended December 31,		
	2014 [1] [3]	2013 [2] [4]	2012 [2] [4]
Pipelines and Transportation			
Net Sales:			
Affiliate	$80,683	$51,878	$30,145
Third-Party	10,665	8,359	3,394
Total Pipelines and Transportation	$91,348	$60,237	$33,539
Operating costs and expenses:			
Cost of goods sold	4,294	764	—
Operating expenses	31,300	27,465	32,359
Segment contribution margin	$55,754	$32,008	$1,180
Capital spending (excluding business combinations)	$3,768	$9,621	$23,845
Wholesale Marketing and Terminalling			
Net Sales:			
Affiliate	$33,900	$26,295	$13,469
Third-Party	716,005	820,896	975,578
Total Wholesale Marketing and Terminalling	$749,905	$847,191	$989,047
Operating costs and expenses:			
Cost of goods sold	692,927	810,600	959,434
Operating expenses	7,486	8,175	7,061
Segment contribution margin	$49,492	$28,416	$22,552
Capital spending (excluding business combinations)	$3,364	$3,041	$6,971
Consolidated			
Net Sales:			
Affiliate	$114,583	$78,173	$43,614
Third-Party	726,670	829,255	978,972
Total Consolidated	$841,253	$907,428	$1,022,586
Operating costs and expenses:			
Cost of goods sold	697,221	811,364	959,434
Operating expenses	38,786	35,640	39,420
Contribution margin	105,246	60,424	23,732
General and administrative expenses	10,616	7,526	9,856
Depreciation and amortization	14,705	13,738	11,343
Loss on asset disposals	83	166	9
Operating income	$79,842	$38,994	$2,524
Capital spending (excluding business combinations)	$7,132	$12,662	$30,816

[1] The information presented includes the results of operations of the El Dorado Terminal and Tank Assets. Prior to the El Dorado Acquisition, the El Dorado Predecessor did not record all revenues for intercompany gathering, pipeline transportation, terminalling and storage services.

[2] The information presented includes the results of operations of the El Dorado Terminal and Tank Assets and the Tyler Terminal and Tank Assets. Prior to the El Dorado Acquisition and the Tyler Acquisition, the El Dorado Predecessor and the

Tyler Predecessor did not record all revenues for intercompany gathering, pipeline transportation, terminalling and storage services.

(3) Capital spending includes expenditures incurred in connection with the assets acquired in the El Dorado Acquisition

(4) Capital spending includes expenditures incurred in connection with the assets acquired in the El Dorado Acquisition and the Tyler Acquisition.

The following table summarizes the total assets for each segment as of December 31, 2014 and December 31, 2013 (in thousands).

	Year Ended December 31,	
	2014	2013
Pipelines and Transportation	210,846	195,984
Wholesale Marketing and Terminalling	100,993	105,360
Total Assets	$311,839	$301,344

14. Fair Value Measurements

The fair values of financial instruments are estimated based upon current market conditions and quoted market prices for the same or similar instruments. Management estimates that the carrying value approximates fair value for all of our assets and liabilities that fall under the scope of ASC 825, Financial Instruments.

We apply the provisions of ASC 820, which defines fair value, establishes a framework for its measurement and expands disclosures about fair value measurements. ASC 820 applies to our interest rate and commodity derivatives that are measured at fair value on a recurring basis. The standard also requires that we assess the impact of nonperformance risk on our derivatives. Nonperformance risk is not considered material at this time.

ASC 820 requires disclosures that categorize assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly through market-corroborated inputs. Level 3 inputs are unobservable inputs for the asset or liability reflecting our assumptions about pricing by market participants.

Over the counter commodity swaps and interest rate swaps and caps are generally valued using industry-standard models that consider various assumptions, including quoted forward prices, spot prices, interest rates, time value, volatility factors and contractual prices for the underlying instruments, as well as other relevant economic measures. The degree to which these inputs are observable in the forward markets determines the classification as Level 2 or 3. Our contracts are valued using quotations provided by brokers based on exchange pricing and/or price index developers such as Platts or Argus and are, therefore, classified as Level 2.

The fair value hierarchy for our financial assets accounted for at fair value on a recurring basis at December 31, 2014 and 2013 was as follows: (in thousands):

	As of December 31, 2014			
	Level 1	Level 2	Level 3	Total
Assets				
Interest rate derivatives	$—	$24	$—	$24
Commodity derivatives	—	456	—	456
Total assets	—	480	—	480
Liabilities				
Commodity Derivatives	—	(61)	—	(61)
Net Assets	$—	$419	$—	$419

	As of December 31, 2013			
	Level 1	Level 2	Level 3	Total
Assets				
Interest rate derivatives	$—	$116	$—	$116

The derivative values above are based on analysis of each contract as the fundamental unit of account as required by ASC 820. Derivative assets and liabilities with the same counterparty are not netted where the legal right of offset exists. This differs from the presentation in the financial statements, which reflects our policy under the guidance of ASC 815-10-45, wherein we have elected to offset the fair value amounts recognized for multiple derivative instruments executed with the same counterparty where the legal right of offset exists.

Our policy under the guidance of ASC 815-10-45 is to net the fair value amounts recognized for multiple derivative instruments executed with the same counterparty and offset these values against any cash collateral associated with these derivative positions. As of December 31, 2014 and December 31, 2013, no cash collateral was held by counterparty brokerage firms.

15. Derivative Instruments

From time to time, we enter into forward fuel contracts to limit the exposure to price fluctuations for physical purchases of finished products in the normal course of business. We use derivatives to reduce normal operating and market risks with a primary objective in derivative instrument use being the reduction of the impact of market price volatility on our results of operations. Typically, we enter into forward fuel contracts with major financial institutions in which we fix the purchase price of finished grade fuel for a predetermined number of units with fulfillment terms of less than 90 days.

From time to time, we may also enter into interest rate hedging agreements to limit floating interest rate exposure under the Second Amended and Restated Credit Agreement. Our initial credit facility required us to maintain interest rate hedging arrangements on at least 50% of the amount funded on November 7, 2012 under the credit facility, which was required to be in place for at least a three-year period beginning no later than March 7, 2013. Accordingly, effective February 25, 2013, we entered into interest rate hedges in the form of a LIBOR interest rate cap for a term of three years for a total notional amount of $45.0 million, thereby meeting the requirements in effect at that time. These requirements were eliminated in connection with the Amended and Restated Credit Agreement in July 2013, but the interest rate hedge remains in place in accordance with its terms.

The following table presents the fair value of our derivative instruments, as of December 31, 2014 and 2013. The fair value amounts below are presented on a gross basis and do not reflect the netting of asset and liability positions permitted under our master netting arrangements, including any cash collateral on deposit with our counterparties. We have elected to offset the recognized fair value amounts for multiple derivative instruments executed with the same counterparty in our financial statements. As a result, the asset and liability amounts below differ from the amounts presented in our consolidated balance sheets. During the years ended December 31, 2014 and 2013, we did not elect hedge accounting treatment for these derivative positions. As a result, all changes in fair value are marked to market in the accompanying consolidated statements of income and comprehensive income.

		December 31, 2014		December 31, 2013	
Derivative Type	Balance Sheet Location	Assets	Liabilities	Assets	Liabilities
Derivatives not designated as hedging instruments:					
Interest rate derivatives	Other long term assets	$24	$—	$116	$—
Commodity derivatives [1]	Other current assets	456	(61)	—	—
Total gross value of derivatives		$480	$(61)	$116	$—
Less: Counterparty netting and cash collateral [2]		(61)	61	—	—
Total net fair value of derivatives		$419	$—	$116	$—

(1) As of December 31, 2014, we had open derivative contracts representing 142,000 barrels of refined petroleum products. As of December 31, 2013, we had no open derivative contracts.

(2) As of December 31, 2014 and December 31, 2013, no cash collateral associated with our commodity derivatives has been netted with the derivative positions with each counterparty.

Recognized gains (losses) associated with derivatives not designated as hedging instruments for the years ended December 31, 2014 and 2013 were as follows (in thousands):

		Year Ended December 31,		
Derivative Type	Income Statement Location	2014	2013	2012
Interest rate derivatives	Interest expense	$(92)	$(106)	$—
Commodity derivatives	Cost of goods sold	3,083	(614)	85
	Total	$2,991	$(720)	$85

16. Income Taxes

For tax purposes, each partner of the Partnership is required to take into account its share of income, gain, loss and deduction in computing its federal and state income tax liabilities, regardless of whether cash distributions are made to such partner by the Partnership. The taxable income reportable to each partner takes into account differences between the tax basis and fair market value of our assets, the acquisition price of such partner's units and the taxable income allocation requirements under our partnership agreement.

Prior to the Offering, the DKL Predecessor was a corporation included in its parent's consolidated tax return. As such, the DKL Predecessor was subject to both federal and state income taxes and recorded deferred income taxes for the differences between the book and tax bases of its assets and liabilities, which are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Effective with the closing of the Offering, the Partnership is no longer a taxable entity for federal income tax purposes. While most states do not impose an entity level tax on partnership income, the Partnership is subject to entity level tax in both

Tennessee and Texas. The Partnership does not file a separate Texas income tax return. Our results of operations are included in Delek's consolidated return. However, the provisions of ASC 740 have been followed as if we were a stand-alone entity. As a result, the Partnership must record deferred income taxes for the differences between book and tax bases of its assets and liabilities based on those states' enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The total current deferred tax assets and liabilities, excluding the valuation allowance, were nominal as of December 31, 2014 and December 31, 2013. The total non-current deferred tax assets and liabilities, excluding the valuation allowance, were $0.2 million and $0.3 million as of December 31, 2014 and December 31, 2013, respectively. The majority component of our non-current deferred tax liability as of December 31, 2014 and December 31, 2013 was depreciation and amortization.

The difference between the actual income tax expense and the tax expense computed by applying the statutory federal income tax rate to income before income taxes is attributable to the following (in thousands):

	Year Ended December 31,		
	2014	2013	2012
Provision for federal income taxes at statutory rate	$—	$—	4,047
State income taxes, net of federal tax provision	492	794	(58)
Valuation allowance	—	—	193
Permanent differences	—	—	300
Conversion to partnership	—	—	(18,534)
Other items	(360)	(37)	28
Income tax (benefit) expense	$132	$757	$(14,024)

Income tax expense (benefit) is as follows (in thousands):

	Year Ended December 31,		
	2014	2013	2012
Current	$241	$448	$4,738
Deferred	(109)	309	(18,762)
	$132	$757	$(14,024)

Deferred income tax expense above is reflective of the changes in deferred tax assets and liabilities during the current period. The majority of the change in deferred tax assets and liabilities in 2013 from 2012 relates to the DKL Predecessor's conversion from a corporation to a partnership and no longer being subject to federal income tax. The conversion from a taxable corporation to a passthrough resulted in a one-time tax benefit of $18.5 million in 2012.

Delek US files a consolidated Texas income tax return and current income tax payments for DKL are paid by Delek US. Therefore, any current income tax payable is included in accounts receivable/payable from related parties. As of December 31, 2014 and 2013, income taxes payable of $0.6 million and $0.4 million, respectively, were included in accounts payable in the accompanying consolidated balance sheets. Taxes that are determined on a consolidated basis apply the "benefits for loss" allocation method; thus, tax attributes are realized when used in the combined tax return to the extent that they have been subject to a valuation allowance.

We recognize accrued interest and penalties related to unrecognized tax benefits as an adjustment to the current provision for income taxes. There were no uncertain tax positions recorded as of December 31, 2014, 2013 or 2012 and there were no interest or penalties recognized related to uncertain tax positions for the years ended December 31, 2014, 2013 or 2012. We have examined uncertain tax positions for any material changes in the next 12 months and none are expected.

17. Commitments and Contingencies

Litigation

In the ordinary conduct of our business, we are from time to time subject to lawsuits, investigations and claims, including environmental claims and employee-related matters. Although we cannot predict with certainty the ultimate resolution of lawsuits, investigations and claims asserted against us, including civil penalties or other enforcement actions, we do not believe

that any currently pending legal proceeding or proceedings to which we are a party will have a material adverse effect on our business, financial condition or results of operations.

Rate Regulation of Petroleum Pipelines

The rates and terms and conditions of service on certain of our pipelines are subject to regulation by the Federal Energy Regulatory Commission (“FERC”) under the Interstate Commerce Act (“ICA”) and by the state regulatory commissions in the states in which we transport crude oil and refined products, including the Railroad Commission of Texas, the Louisiana Public Service Commission, and the Arkansas Public Service Commission. Certain of our pipeline systems are subject to such regulation and have filed tariffs with the appropriate authorities. We also comply with the reporting requirements for these pipelines. Other of our pipelines have received a waiver from application of FERC's tariff requirements but comply with other applicable regulatory requirements.

The FERC regulates interstate transportation under the ICA, the Energy Policy Act of 1992 and the rules and regulations promulgated under those laws. The ICA and its implementing regulations require that tariff rates for interstate service on oil pipelines, including pipelines that transport crude oil and refined products in interstate commerce (collectively referred to as “petroleum pipelines”), be just and reasonable and non-discriminatory and that such rates and terms and conditions of service be filed with the FERC. Under the ICA, shippers may challenge new or existing rates or services. The FERC is authorized to suspend the effectiveness of a challenged rate for up to seven months, though rates are typically not suspended for the maximum allowable period. Tariff rates are typically contractually subject to increase or decrease on July 1 of each year, by the amount of any change in the FERC oil pipeline index or, in the case of the east Texas marketing agreement to the consumer price index and, in the case of the El Dorado Throughput and Tankage Agreement and the Tyler Throughput and Tankage Agreement, to other inflation-based indices; provided, however, that in no event will the fees be adjusted below the amount initially set forth in the applicable agreement.

While the FERC regulates rates for shipments of crude oil or refined products in interstate commerce, state agencies may regulate rates and service for shipments in intrastate commerce. We own pipeline assets in Texas, Arkansas, and Louisiana; accordingly such assets may be subject to additional regulation by the applicable governmental authorities in those states. In particular, and without limitation, the Greenville-Mount Pleasant Pipeline currently operates as a common carrier subject to regulation by the Railroad Commission of Texas.

Environmental Health and Safety

We are subject to various federal, state and local environmental and safety laws enforced by agencies including the United States Environmental Protection Agency ("EPA"), the United States Department of Transportation ("DOT") / Pipeline and Hazardous Materials Safety Administration, the United States Department of Labor / Occupational Safety and Health Administration, the Texas Commission on Environmental Quality, the Texas Railroad Commission, the Arkansas Department of Environmental Quality, the Louisiana Oil Spill Coordinating Office, the Louisiana Department of Environmental Quality, the Louisiana Department of Wildlife and Fisheries and the Tennessee Department of Environment and Conservation, as well as other state and federal agencies. Numerous permits or other authorizations are required under these laws for the operation of our terminals, pipelines, and related operations, and may be subject to revocation, modification and renewal.

These laws and permits raise potential exposure to future claims and lawsuits involving environmental and safety matters, which could include soil and water contamination, air pollution, personal injury and property damage allegedly caused by substances which we manufactured, handled, used, released or disposed of, or that relate to pre-existing conditions for which we have assumed responsibility. We believe that our current operations are in substantial compliance with existing environmental and safety requirements. However, there have been and will continue to be ongoing discussions about environmental and safety matters between us and federal and state authorities, including notices of violations, citations and other enforcement actions, some of which have resulted or may result in changes to operating procedures and in capital expenditures. While it is often difficult to quantify future environmental or safety related expenditures, we anticipate that continuing capital investments and changes in operating procedures will be required for the foreseeable future to comply with existing and new requirements as well as evolving interpretations and more strict enforcement of existing laws and regulations.

Crude Oil Releases

Since their acquisition, we have detected several crude oil releases involving our assets, including, but not limited to, a release at our Magnolia Station in March 2013, a release near Macedonia, Arkansas in October 2013 and a release in Haynesville, Louisiana in April 2014. During the year ended December 31, 2014, we incurred costs of $1.0 million related to the release in Haynesville, Louisiana. No costs were incurred for the releases at our Magnolia Station and near Macedonia, Arkansas during the year ended December 31, 2014. During the year ended December 31, 2013, we incurred costs of $0.3 million for each of the releases at the Magnolia Station and near Macedonia, Arkansas. Theses costs are included in operating expenses in our consolidated statements of income and comprehensive income. As of December 31, 2014, we have accrued $1.3 million and

$0.6 million for the releases that occured in Macedonia and Haynesville, respectively. No accrual was recorded for the spill at our Magnolia Station as of December 31, 2014, as we do not anticipate to incur any additional expenses in connection with this release. We do not believe the total costs associated with these events, whether alone or in the aggregate, including any fines or penalties and net of partial insurance reimbursement, will have a material adverse effect upon our business, financial condition or results of operations, as Delek is required, pursuant to the terms of the Second Omnibus Amendment (as defined in Note 18), to indemnify certain costs in excess of $0.3 million with respect to the releases at our Magnolia Station and near Macedonia, Arkansas and reimburse us for costs in excess of $1.0 million with respect to the release near Haynesville, Louisiana.

Contracts and Agreements

The majority of the petroleum products we sell in west Texas are purchased from Noble Petro, Inc. ("Noble Petro"). Under the terms of a supply contract (the "Abilene Contract") with Noble Petro, we have the right to purchase up to 20,350 bpd of petroleum products at the Abilene, Texas terminal, which we own, for sales at the Abilene and San Angelo terminals and to exchange barrels with third parties. We lease the Abilene and San Angelo, Texas terminals to Noble Petro, under a separate Terminal and Pipeline Lease and Operating Agreement, with a term that runs concurrent with that of the Abilene Contract. The Abilene Contract expires on December 31, 2017 and does not include any options for renewal. We also purchase spot barrels from various third parties and from Delek for sale to wholesale customers in west Texas.

Letters of Credit

As of December 31, 2014, we had in place letters of credit totaling $7.5 million under the Second Amended and Restated Credit Agreement, primarily securing obligations with respect to gasoline and diesel purchases. No amounts were drawn under these letters of credit at December 31, 2014.

Operating Leases

We lease certain equipment and have surface leases under various operating lease arrangements, most of which provide the option, after the initial lease term, to renew the leases. None of these lease arrangements include fixed rental rate increases. Lease expense for all operating leases for the years ended December 31, 2014, 2013 and 2012 totaled $0.7 million, $0.7 million, and $0.6 million, respectively.

18. Related Party Transactions

Commercial Agreements

The Partnership has various long-term, fee-based commercial agreements with Delek under which we provide crude oil gathering, crude oil and refined products transportation and storage services and marketing and terminalling services to Delek. Each of these agreements include minimum quarterly volume or throughput commitments and have tariffs or fees indexed to inflation, provided that the tariffs or fees will not be decreased below the initial amount. Fees under each agreement are payable to us monthly by Delek or certain third parties to whom Delek has assigned certain of its rights. In most circumstances, if Delek or the applicable third party assignee fails to meet or exceed the minimum volume or throughput commitment during any calendar quarter, Delek, and not any third party assignee, will be required to make a quarterly shortfall payment to us equal to the volume of the shortfall multiplied by the applicable fee. Carry-over of any volumes in excess of such commitment to any subsequent quarter is not permitted. Exceptions to this requirement that Delek make minimum payments under a given agreement can exist if (i) there is an event of force majeure affecting our asset, or (ii) after the first three years of the applicable commercial agreement's term (a) there is an event of force majeure affecting the applicable Delek asset, or (b) if Delek shuts down the applicable refinery upon giving 12 months' notice, which such notice may only be given after the first two years of the applicable commercial agreement's term. In addition, Delek may terminate any of these agreements under certain circumstances.

Under each of these agreements, we are required to maintain the capabilities of our pipelines and terminals such that Delek may throughput and/or store, as the case may be, specified volumes of crude oil and refined products. To the extent that Delek is prevented by our failure to maintain such capacities from throughputting or storing such specified volumes for more than 30 days per year, Delek's minimum throughput commitment will be reduced proportionately and prorated for the portion of the quarter during which the specified throughput capacity was unavailable, and/or the storage fee will be reduced, prorated for the portion of the month during which the specified storage capacity was unavailable. Such reduction would occur even if actual throughput or storage amounts were below the minimum

volume commitment levels.

The tariffs, throughput fees and the storage fees under our agreements with Delek are subject to increase or decrease on July 1 of each year, by the amount of any change in the FERC oil pipeline index or, in the case of the east Texas marketing agreement, to the consumer price index and, in the case of the El Dorado Throughput and Tankage Agreement and the Tyler

Throughput and Tankage Agreement, to other inflation-based indices; provided, however, that in no event will the fees be adjusted below the amount initially set forth in the applicable agreement.

We believe the terms and conditions under these agreements, as well as our other agreements with Delek described below, are generally no less favorable to either party than those that could have been negotiated with unaffiliated parties with respect to similar services. These commercial agreements with Delek include the following:

Asset/Operation	Initiation Date	Initial/Maximum Term (years) [1]	Service	Minimum Throughput Commitment (bpd)	Fee (/bbl)
Lion Pipeline System and SALA Gathering System:					
Crude Oil Pipelines (non-gathered)	November 2012	5 / 15	Crude oil and refined products transportation	46,000 [2]	$ 0 .92 [3]
Refined Products Pipelines	November 2012	5 / 15		40,000	$ 0.109
SALA Gathering System	November 2012	5 / 15	Crude oil gathering	14,000	$ 2.44 [3]
East Texas Crude Logistics System:					
Crude Oil Pipelines	November 2012	5 / 15	Crude oil transportation and storage	35,000	$ 0.43 [4]
Storage	November 2012	5 / 15		N/A	$271,640/month
East Texas Marketing	November 2012	10 [5]	Marketing products for Tyler Refinery	50,000	$0.616/bbl [5]
Memphis Terminal	November 2012	5 / 15	Dedicated terminalling services	10,000	$ 0.54
Big Sandy Terminal: [6]					
Refined Products Transportation	November 2012	5 / 15	Refined products transportation, dedicated terminalling services and storage for the Tyler Refinery	5,000	$ 0.54
Terminalling	November 2012	5 / 15		5,000	$ 0.54
Storage	November 2012	5 / 15		N/A	$54,280/month
Tyler Throughput and Tankage:					
Refined Products Throughput	July 2013	8 / 16	Dedicated Terminalling and storage	50,000	$ 0.36
Storage	July 2013	8 / 16		N/A	$855,041/month
Tyler Lease and Access	July 2013	50		N/A	$100 annually

			Real property lease		
Tyler Site Services	July 2013	8 / 16	Shared services	N/A	$203,178 annually
North Little Rock Terminal:					
Terminalling	October 2013	8 / 16	Dedicated terminalling and storage services	8,100	$ 0.23 (7)

Storage	October 2013	8 / 16		N/A	$64,001/month (7)
El Dorado Throughput and Tankage:					
Refined Products Throughput	February 2014	8 / 16	Dedicated terminalling and storage	11,000	$0.51/bbl
Storage	February 2014	8 / 16		N/A	$1,319,641/month
El Dorado Lease and Access	February 2014	50	Real property lease	N/A	$100 annually
El Dorado Site Services	February 2014	8 / 16	Shared services	N/A	$203,178 annually

(1) Maximum term gives effect to the extension of the commercial agreement pursuant to the terms thereof.
(2) Excludes volumes gathered on the SALA Gathering System
(3) Volumes gathered on the SALA Gathering System will not be subject to an additional fee for transportation on our Lion Pipeline System to the El Dorado Refinery
(4) For any volumes in excess of 50,000 bpd, the throughput fee will be $0.652/bbl.
(5) Following the primary term, the marketing agreement automatically renews for successive one-year terms unless either party provides notice of non-renewal 10 months prior to the expiration of the then-current term. An additional fee of 50% of the margin on products sold is also paid pursuant to the agreement. The fee shall not be less than $175,000 nor greater than $500,000 per quarter.
(6) On July 19, 2013, we acquired the Hopewell Pipeline in order to effectively connect it with the Big Sandy Pipeline and thereby return the Big Sandy Terminal to operation. In connection with the acquisition, on July 25, 2013, we and Delek entered into the Amended and Restated Services Agreement (Big Sandy Terminal and Pipeline), which amended and restated the terminalling services agreement for the Big Sandy Terminal originally entered into in connection with the Offering.
(7) Pursuant to the agreement, capital projects are to be completed in two phases in order to support and enhance blending activities at the terminal. Upon completion of phase II capital projects, the minimum throughput fees will decrease and storage fees will increase.

Pursuant to an arrangement with Delek and Lion Oil, to which we are not a party, J. Aron & Company ("J. Aron") acquires and holds title to substantially all crude oil and refined products transported on our Lion Pipeline System and SALA Gathering System. J. Aron is therefore considered the shipper for the liquid it owns on the Lion Pipeline System and the SALA Gathering System. J. Aron also has title to the refined products stored at our Memphis, North Little Rock and El Dorado terminals and in the El Dorado Storage Tanks. Under (i) our pipelines and storage agreement with Lion Oil relating to the Lion Pipeline System and the SALA Gathering System, (ii) our terminalling agreements with Lion Oil relating to the Memphis and North Little Rock terminals and (iii) our throughput and tankage agreement relating to the El Dorado Terminal and Tank Assets, Lion Oil has assigned to J. Aron certain of its rights under these agreements, including the right to have J. Aron's crude oil and intermediate and refined products stored in or transported on or through these systems, Memphis and North Little Rock terminals and the El Dorado Terminal and Tank Assets, with Lion Oil acting as J. Aron's agent for scheduling purposes. Accordingly, even though this is effectively a financing arrangement for Delek whereby J. Aron sells the product back to Delek, J. Aron is technically our primary customer under each of these agreements. J. Aron will retain these storage and transportation rights for the term of its arrangement with Delek and Lion Oil, which currently runs through April 30, 2017, and J. Aron will pay us for the transportation, throughput and storage services we provide to it. The rights assigned to J. Aron will not alter Lion Oil's obligations to meet certain throughput minimum volumes under our agreements with respect to the transportation, throughputting and storage of crude oil and refined products through our facilities, but J. Aron's throughput will be credited toward Lion Oil's minimum throughput commitments. Accordingly, Lion Oil will be responsible for making any shortfall payments incurred under the pipelines and storage agreement or the

terminalling agreement which may result from minimum throughputs or volumes not being met.

Other Agreements with Delek

In addition to the commercial agreements described above, the Partnership has entered into the following agreements with Delek:

Second Amended and Restated Omnibus Agreement

The Partnership entered into an omnibus agreement with Delek, our general partner, OpCo, Lion Oil and certain of the Partnership's and Delek's other subsidiaries on November 7, 2012 (the "Omnibus Agreement"). On July 26, 2013, in connection with the Tyler Acquisition, the Partnership and the other parties entered into an amendment and restatement of the Omnibus Agreement (the "First Omnibus Amendment"), which was amended and restated on February 10, 2014, in connection with the El Dorado Acquisition (the "Second Omnibus Amendment").

The Second Omnibus Amendment includes, among other things, (i) modifications in the reimbursement by Delek and certain of its subsidiaries under the Omnibus Agreement for certain operating expenses and capital expenditures incurred by the Partnership or its subsidiaries, (ii) modifications of the indemnification provisions under the Omnibus Agreement in favor of the Partnership with respect to certain environmental matters, and (iii) an increase in the annual administrative fee payable by us to Delek under the Omnibus Agreement from $3.0 million as of December 31, 2013 to $3.3 million as of December 31, 2014 for general corporate and administrative services. We paid Delek approximately $3.3 million, $2.8 million and $0.4 million pursuant to the Omnibus Agreement during the years ended December 31, 2014, 2013 and 2012, respectively, for general corporate and administrative services.

Under the Second Omnibus Amendment, Delek has agreed to reimburse us for (i) certain expenses that we incur for inspections, maintenance and repairs to any storage tanks we acquired in the El Dorado Acquisition to cause such storage tanks to comply with applicable regulatory and/or industry standards, (ii) certain expenses that we incur for inspections, maintenance and repairs to most of the storage tanks contributed to us by Delek (subject to a deductible of $0.5 million per year) that are necessary to comply with the DOT pipeline integrity rules and certain American Petroleum Institute storage tank standards for a period of five years, and (iii) certain non-discretionary maintenance capital expenditures with respect to certain of our assets in excess of specified amounts, as disclosed in the full agreement filed as Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on February 14, 2014.

Operation and Management Services Agreement

Our general partner operates our business on our behalf and is entitled under our partnership agreement to be reimbursed for the cost of providing those services. Prior to the Tyler Acquisition, we and our general partner entered into an operation and management services agreement with Delek, pursuant to which our general partner uses employees of Delek to provide operation and management services with respect to our pipelines, storage and terminalling facilities and related assets. We and/or our general partner reimbursed Delek for such services under the operation and management services agreement for the period beginning November 7, 2012 and ending July 26, 2013, at which time our general partner and Delek Logistics Services Company terminated the operation and management services agreement in connection with the Tyler Acquisition. We and our subsidiaries paid Delek approximately $5.9 million and $1.3 million pursuant to this agreement during the years ended December 31, 2013 and 2012, respectively.

Subsequent to the termination of the agreement, we continued to reimburse our general partner for the services it provides to us under our partnership agreement. We reimbursed our general partner $12.3 million and $6.5 million pursuant to the partnership agreement during the years ended December 31, 2014 and 2013, respectively.

Other Agreements

Paline Pipeline System Capacity Reservation. Prior to the Partnership's acquisition of Paline, Paline had entered into a contract with an unrelated third party for such company to exclusively use 100% of the southbound capacity of our Paline Pipeline. This agreement expired by its terms on December 31, 2014.

Pursuant to the Omnibus Agreement, Delek indemnified us $0.9 million and $0.4 million during the years ended December 31, 2013 and 2012, respectively, for lost service fees attributable to the failure of our customer to pay 100% of the full monthly fee for the capacity of the Paline Pipeline System. We were not indemnified for lost service fees during the year ended December 31, 2014, as we received the entire monthly amount payable to us from our customer during this period.

Predecessors' Transactions

Related-party transactions of the Predecessors were settled through division equity. Revenues from affiliates consist of revenues from gathering, pipeline transportation, storage, wholesale marketing and products terminalling services to Delek and its affiliates based on regulated tariff rates or contractually based fees.

Costs related specifically to us have been identified and included in the accompanying consolidated statements of income and comprehensive income. Prior to the formation of the Partnership, the El Dorado Acquisition and the Tyler Acquisition, we were not allocating certain corporate costs. These costs were primarily allocated based on a percentage of salaries expense

and property, plant and equipment costs. In the opinion of management, the methods for allocating these costs are reasonable. It is not practicable to estimate the costs that would have been incurred by us if we had been operated on a stand-alone basis.

Summary of Transactions

A summary of revenue and expense transactions with Delek, including expenses directly charged and allocated to our Predecessors, are as follows (in thousands):

	Year Ended December 31,		
	2014	2013	2012
Revenues	$114,583	$78,173	$43,614
Operating and maintenance expenses [1]	$20,210	$16,068	$4,678
General and administrative expenses [2]	$5,799	$4,010	$5,650

(1) Operating and maintenance expenses include costs allocated to the Tyler Predecessor and the El Dorado Predecessor for operating support provided to the Tyler Predecessor by Delek Refining and to the El Dorado Predecessor by Lion Oil, including certain labor related costs, property and liability insurance costs and certain other operating expenses. The costs that were allocated to us by Delek Refining were $1.4 million and $2.7 million for the years ended December 31, 2013 and 2012, respectively. The costs that were allocated to us by Lion Oil were $0.4 million, $1.4 million, and $1.3 million for the years ended December 31, 2014, 2013 and 2012, respectively.

(2) General and administrative expenses include costs allocated to the Tyler Predecessor and the El Dorado Predecessor for general and administrative support provided to the Tyler Predecessor by Delek Refining and to the El Dorado Predecessor by Lion Oil, including services such as corporate management, risk management, accounting and human resources. The costs that were allocated to us by Delek Refining were $0.5 million and $0.8 million for the years ended December 31, 2013 and 2012, respectively. The costs that were allocated to us by Lion Oil were $0.1 million for the year ended December 31, 2014 and $0.7 million for each of the years ended December 31, 2013 and 2012, respectively.

Quarterly Cash Distribution

In accordance with our partnership agreement, our common, subordinated and general partner unitholders are entitled to receive quarterly distributions of available cash. During the years ended December 31, 2014 and 2013, we paid quarterly cash distributions, of which $28.1 million and $21.5 million respectively, were paid to Delek and our general partner. On January 27, 2015, our general partner's board of directors declared a quarterly cash distribution totaling $13.1 million, based on the available cash as of the date of determination for the end of the fourth quarter of 2014, payable on February 13, 2015 to unitholders of record on February 6, 2015. The distribution included $7.8 million, paid to both Delek and our general partner, including incentive distribution rights.

19. Selected Quarterly Financial Data (Unaudited)

Quarterly financial information for the years ended December 31, 2014 and 2013 is summarized below. The quarterly financial information summarized below has been prepared by management and is unaudited (in thousands, except per unit data). On February 10, 2014, we acquired the El Dorado Terminal and Tank Assets and on July 26, 2013, we acquired the Tyler Terminal and Tank Assets. Our and our Predecessors' historical financial statements have been retrospectively adjusted to reflect the results of operations attributable to the El Dorado Terminal and Tank Assets and the Tyler Terminal and Tank Assets as if we owned the assets for all periods presented.

	For the Three Month Periods Ended			
	March 31, 2014 [1]	June 30, 2014	September 30, 2014	December 31, 2014
Net sales	$203,527	$236,343	$228,036	$173,347
Operating income	$15,859	$24,377	$17,488	$22,118
Net income	$13,729	$21,754	$15,085	$20,486
Limited partners' interest in net income	$14,379	$21,134	$14,487	$19,631
Net income per limited partner unit:				
Common (basic)	$0.60	$0.88	$0.60	$0.81
Common (diluted)	$0.59	$0.87	$0.59	$0.80
Subordinated - Delek (basic and diluted)	$0.60	$0.87	$0.60	$0.81

[1] The information presented includes the results of operations of the El Dorado Predecessor

	For the Three Month Periods Ended			
	March 31, 2013 [1] [2]	June 30, 2013 [1] [2]	September 30, 2013 [2]	December 31, 2013 [2]
Net sales	$210,894	$230,141	$243,295	$223,097
Operating income	$8,210	$7,443	$10,986	$12,355
Net income	$7,271	$6,573	$9,485	$10,338
Limited partners' interest in net income	$11,960	$11,521	$12,295	$11,098
Net income per limited partner unit:				
Common (basic)	$0.50	$0.48	$0.51	$0.46
Common (diluted)	$0.50	$0.47	$0.51	$0.46
Subordinated - Delek (basic and diluted)	$0.50	$0.48	$0.51	$0.46

[1] The information presented includes the results of operations of the El Dorado Predecessor and the Tyler Predecessor.

[2] The information presented includes the results of operations of the El Dorado Predecessor.

20. Subsequent Events

Distribution Declaration

On January 27, 2015, our general partner's board of directors declared a quarterly cash distribution of $0.510 per share, paid on February 13, 2015, to unitholders of record on February 6, 2015.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Delek Logistics Partners, LP
by and through its general partner, Delek Logistics GP, LLC

By: /s/ Assaf Ginzburg
Assaf Ginzburg
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Dated: February 26, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by or on behalf of the following persons on behalf of the registrant and in the capacities indicated on February 26, 2015:

/s/ Ezra Uzi Yemin
Ezra Uzi Yemin
Chairman of the Board of Directors and Chief
Executive Officer
(Principal Executive Officer)

/s/ Assaf Ginzburg
Assaf Ginzburg
Director, Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

/s/ Frederec Green
Frederec Green
Director and Executive Vice President

/s/ Charles J. Brown, III*
Charles J. Brown, III
Director

/s/ Eric D. Gadd*
Eric D. Gadd
Director

/s/ Gary M. Sullivan, Jr.*
Gary M. Sullivan, Jr.
Director

/s/ Mark B. Cox*
Mark B. Cox

Director

/s/ Reuven Spiegel*
Reuven Spiegel
Director

*By: /s/ Assaf Ginzburg
Assaf Ginzburg
Individually and as Attorney-in-Fact

EXHIBIT INDEX

Exhibit No.		Description
3.1		Certificate of Limited Partnership of Delek Logistics Partners, LP (incorporated by reference to Exhibit 3.1 to the Partnership's Form S-1 (File No. 333-182631) filed on July 12, 2012).
3.2		First Amended and Restated Agreement of Limited Partnership of Delek Logistics Partners, LP, dated November 7, 2012 (incorporated by reference to Exhibit 3.1 to the Partnership's Form 8-K filed on November 7, 2012).
3.3		Certificate of Formation of Delek Logistics GP, LLC (incorporated by reference to Exhibit 3.3 to the Partnership's Registration Statement on Form S-1 (File No. 333-182631) filed on July 12, 2012).
3.4		Third Amended and Restated Limited Liability Company Agreement of Delek Logistics GP, LLC, dated as of December 10, 2013 (incorporated by reference to Exhibit 3.1 to the Partnership’s Form 8-K filed on December 13, 2013).
10.1		Second Amended and Restated Omnibus Agreement, dated as of February 10, 2014, by and among Delek US Holdings, Inc., Lion Oil Company, Delek Logistics Operating, LLC, Delek Marketing & Supply, LP, Delek Refining, Ltd., Delek Logistics Partners, LP, Paline Pipeline Company, LLC, SALA Gathering Systems, LLC, Magnolia Pipeline Company, LLC, El Dorado Pipeline Company, LLC, Delek Crude Logistics, LLC, Delek Marketing-Big Sandy, LLC and Delek Logistics GP, LLC (incorporated by reference to Exhibit 10.2 to the Partnership’s Form 8-K filed on February 14, 2014).
10.2		Second Amended and Restated Credit Agreement, dated as of December 30, 2014, by and among Delek Logistics Partners, LP, Delek Logistics Operating, LLC, Delek Marketing GP, LLC, Delek Marketing & Supply, LP, Delek Crude Logistics, LLC, Delek Marketing-Big Sandy, LLC, Magnolia Pipeline Company, LLC, El Dorado Pipeline Company, LLC, SALA Gathering Systems, LLC, Paline Pipeline Company, LLC, DKL Transportation, LLC and Fifth Third Bank, as administrative agent, and a syndicate of lenders (incorporated by reference to Exhibit 10.1 to the Partnership’s Form 8-K filed on January 6, 2015).
10.3		Contribution, Conveyance and Assumption Agreement, dated November 7, 2012, by and among Delek Logistics Partners, LP, Delek Logistics GP, LLC, Delek Logistics Operating, LLC, Delek Crude Logistics, LLC, Delek US Holdings, Inc., Delek Marketing & Supply, LLC, Delek Marketing and Supply, LP, Lion Oil Company and Delek Logistics Services Company (incorporated by reference to Exhibit 10.4 to the Partnership's Form 8-K filed on November 7, 2012).
10.4	*	Delek Logistics GP, LLC 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.5 to the Partnership's Form 8-K filed on November 7, 2012).
10.5	++	Marketing Agreement, dated November 7, 2012, by and between Delek Refining, Ltd. and Delek Marketing & Supply, LP (incorporated by reference to Exhibit 10.6 to the Partnership's Form 8-K filed on November 7, 2012).
10.6		Pipelines and Tankage Agreement (East Texas Crude Logistics System), dated November 7, 2012, by and between Delek Refining, Ltd. and Delek Crude Logistics, LLC (incorporated by reference to Exhibit 10.7 to the Partnership's Form 8-K filed on November 7, 2012).
10.7		Amended and Restated Services Agreement (Big Sandy Terminal and Pipeline), dated July 25, 2013, by and between Delek Refining, Ltd. and Delek Marketing-Big Sandy, LLC (incorporated by reference to Exhibit 10.1 to the Partnership’s Form 8-K/A filed on July 31, 2013).

10.8	Pipelines and Storage Facilities Agreement, dated November 7, 2012, by and among Lion Oil Company, Delek Logistics Partners, LP, SALA Gathering Systems, LLC, El Dorado Pipeline Company, LLC, Magnolia Pipeline Company, LLC and J. Aron & Company (incorporated by reference to Exhibit 10.9 to the Partnership's Form 8-K filed on November 7, 2012).
10.9	Terminalling Services Agreement (Memphis Terminal), dated November 7, 2012, by and among Lion Oil Company, Delek Logistics Operating, LLC and J. Aron & Company (incorporated by reference to Exhibit 10.10 to the Partnership's Form 8-K filed on November 7, 2012).

10.10	*	Form of Director Phantom Unit Award (incorporated by reference to Exhibit 10.6 to the Partnership's Amendment No. 3 to Registration Statement on Form S-1 (File No. 333-182631), filed on October 16, 2012).
10.11	*	Form of Employee Phantom Unit Award (incorporated by reference to Exhibit 10.7 to the Partnership's Amendment No. 3 to Registration Statement on Form S-1 (File No. 333-182631), filed on October 16, 2012).
10.12	*	Form of Indemnification Agreement for Directors and Officers of Delek Logistics GP, LLC (incorporated by reference to Exhibit 10.13 to the Partnership's Amendment No. 4 to Registration Statement on Form S-1 (File No. 333-182631), filed on October 24, 2012).
10.13		Asset Purchase Agreement (Tyler Terminal and Tankage), dated July 26, 2013, by and between Delek Marketing & Supply, LP and Delek Refining, Ltd. (incorporated by reference to Exhibit 10.1 to the Partnership’s Form 8-K filed on August 1, 2013).
10.14		Throughput and Tankage Agreement (Tyler Terminal and Tankage), dated July 26, 2013, by and between Delek Marketing & Supply, LP and Delek Refining, Ltd. (incorporated by reference to Exhibit 10.3 to the Partnership’s Form 8-K filed on August 1, 2013).
10.15		Lease and Access Agreement (Tyler Terminal and Tankage), dated July 26, 2013, by and between Delek Marketing & Supply, LP and Delek Refining, Ltd. (incorporated by reference to Exhibit 10.4 to the Partnership’s Form 8-K filed on August 1, 2013).
10.16		Site Services Agreement (Tyler Terminal and Tankage), dated July 26, 2013, by and between Delek Marketing & Supply, LP and Delek Refining, Ltd. (incorporated by reference to Exhibit 10.5 to the Partnership’s Form 8-K filed on August 1, 2013).
10.17		Asset Purchase Agreement (El Dorado Terminal and Tankage), dated as of February 10, 2014, by and between Lion Oil Company and Delek Logistics Operating, LLC (incorporated by reference to Exhibit 10.1 to the Partnership’s Form 8-K filed on February 14, 2014).
10.18		Throughput and Tankage Agreement (El Dorado Terminal and Tankage), dated as of February 10, 2014, by and among Lion Oil Company and Delek Logistics Operating, LLC, and for limited purposes, J. Aron & Company (incorporated by reference to Exhibit 10.3 to the Partnership’s Form 8-K filed on February 14, 2014).
10.19		Lease and Access Agreement (El Dorado Terminal and Tankage), dated as of February 10, 2014, by and between Lion Oil Company and Delek Logistics Operating, LLC (incorporated by reference to Exhibit 10.4 to the Partnership’s Form 8-K filed on February 14, 2014).
10.20		Site Services Agreement (El Dorado Terminal and Tankage), dated as of February 10, 2014, by and between Lion Oil Company and Delek Logistics Operating, LLC (incorporated by reference to Exhibit 10.5 to the Partnership’s Form 8-K filed on February 14, 2014).
21.1	#	Subsidiaries of Registrant.
23.1	#	Consent of Independent Registered Public Accounting Firm (Ernst & Young LLP).
24.1	#	Power of Attorney.
31.1	#	Certification of Delek Logistics GP, LLC's Chief Executive Officer pursuant to Rule 13a-14(a) or 15(d)-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	#	Certification of Delek Logistics GP, LLC's Chief Financial Officer pursuant to Rule 13a-14(a) or 15(d)-14(a) under the Securities Exchange Act of 1934, as amended.
32.1	#	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	#	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101	^	The following materials from Delek Logistics Partners, LP Annual Report on Form 10-K for the annual period ended December 31, 2014, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2014 and 2013; (ii) Consolidated Statements of Income and Comprehensive Income for the years ended December 31, 2014, 2013 and 2012; (iii) Consolidated Statements of Changes in Partners' Equity for the years ended December 31, 2014, 2013 and 2012; (iv) Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012; and (v) Notes to Consolidated Financial Statements.

*	Management contract or compensatory plan or arrangement.
#	Filed herewith.
++	Confidential treatment has been requested and granted with respect to certain portions of this exhibit pursuant to Rule 24b-2 of the Securities Exchange Act of 1934. Omitted portions have been filed separately with the Securities and Exchange Commission.
^	Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files in Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.