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

Form 10-K

(Mark One)

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

For the Fiscal Year Ended **December 31 , 2023**

OR

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

For the transition period from to

Commission file number 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.)*

310 Seven Springs Way , Suite 500	**Brentwood**	**Tennessee**	**37027**
(Address of principal executive offices)			*(Zip Code)*

(615) 771-6701

(Registrant's telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Units Representing Limited Partner Interests	DKL	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 ☐ No ☑

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

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

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

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 4262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

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

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

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

The aggregate market value of the registrant's common limited partner units held by non-affiliates as of June 30, 2023 was approximately $ 488,499,000 , based upon the closing price of its common units on the New York Stock Exchange on that date.

At February 21, 2024, there were 43,616,811 common limited partner units.

Documents incorporated by reference: None

Delek Logistics Partners, LP

Annual Report on Form 10-K

For the Annual Period Ending December 31, 2023

PART I

PART II

PART III

PART IV

Delek LOGISTICS

Delek Logistics Partners, LP is a registrant pursuant to the Securities Act of 1933 and is listed on the New York Stock Exchange ("NYSE") under the ticker symbol "DKL." Unless otherwise noted or the context requires otherwise, references in this report to "Delek Logistics Partners, LP," the "Partnership," "we," "us," or "our" or like terms, may refer to Delek Logistics Partners, LP, one or more of its consolidated subsidiaries or all of them taken as a whole. Unless otherwise noted or the context requires otherwise, references in this report to "Delek Holdings" refers collectively to Delek US Holdings, Inc. and any of its subsidiaries, other than the Partnership and its subsidiaries and its general partner.

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. Forward-looking statements include, among other things, statements that refer to the acquisition of 3 Bear Delaware Holding – NM, LLC ("3 Bear") (subsequently renamed to Delek Delaware Gathering ("Delaware Gathering")) (the "Delaware Gathering Acquisition"), including any statements regarding the expected benefits, synergies, growth opportunities, impact on liquidity and prospects, and other financial and operating benefits thereof, statements regarding the effect, impact, potential duration or other implications of, or expectations expressed with respect to, and statements regarding our efforts and plans in response to such events, the information concerning our possible future results of operations, business and growth strategies, including as the same may be impacted by the on-going war between Russia and Ukraine (the "Russia-Ukraine War"), financing plans, expectations that regulatory developments or other matters will or 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, 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," "intends," "plans," "believes," "estimates," "appears," "projects" and similar expressions, as well as statements in future tense, identify forward-looking statements. Forward-looking statements 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, of this Annual Report on Form 10-K.

Available Information

Our corporate headquarters are located at 310 Seven Springs Way, Suite 400 and 500, Brentwood, Tennessee 37027. Our phone number is 615-771-6701. 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 reports, proxy and information statements, and any amendments to such documents are filed electronically with the Securities and Exchange Commission ("SEC") and are available on our Internet website in the "Resources" 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 & Ethics and the charters of our Board of Directors' committees in the "Corporate Governance" section of our website. We will provide any of these documents to any stockholder that makes a written request to the Corporate Secretary, Delek Logistics, GP, LLC, general partner of Delek Logistics Partners, LP, 310 Seven Springs Way, Suite 400 and 500, Brentwood, Tennessee 37027.

Summary of Risk Factors

An investment in the Partnership involves a high degree of risk. Numerous factors, including those discussed below in Item 1A, Risk Factors, may limit our ability to successfully execute our business and growth strategies. You should carefully consider all of the information set forth and incorporated by reference in this Annual Report on Form 10-K in deciding whether to invest in the Partnership. Among these important risks are the following:

- An impairment of our long-lived assets or goodwill could reduce our earnings or negatively impact our financial condition and results of operations.
- Our ongoing review of strategic alternatives could materially impact our strategic direction, business and results of operations.
- If our cost efficiency measures are not successful, we may become less competitive.
- Our relationship with Delek Holdings and its financial condition subjects us to potential risks that are beyond our control.
- Developments which impact the global oil markets have had, may continue to have, an adverse impact on our business, our results of operations and our overall financial performance.
- A regional or global disease outbreak could have a material adverse effect on our business, financial condition, results of operation and liquidity.
- If we are unable to generate sufficient cash flow, our ability to pay quarterly distributions to our common unitholders, at all or at current levels or our ability to increase our quarterly distributions in the future could be impaired materially.
- 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. In addition, our business involves the risks of spills, releases and emissions from our facilities, which could require us to make substantial expenditures and subject us to fines and penalties.
- A material decrease in wholesale fuel margins or in the quantity of barrels sold to wholesale customers could adversely affect our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distribution to unitholders.
- We may be unsuccessful in integrating the operations of the assets we have acquired or may acquire with our operations, and in realizing all or any part of the anticipated benefits of any such acquisitions.
- If Delek Holdings satisfies only its minimum obligations under, or if we are unable to renew or extend, the various commercial agreements we have with Delek Holdings, our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to unitholders could suffer.
- A material reduction in the volumes of crude oil or refined products that we handle for Delek Holdings could adversely affect our financial condition, results of operations, cash flows and ability to make distributions to unitholders. Our substantial dependence on Delek Holdings' Tyler, El Dorado and Big Spring refineries, as well as the lack of diversification of our assets and geographic locations, could have a material adverse effect on our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to 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, ability to service our indebtedness and ability to make distributions to our unitholders.
- Our ability to expand may be limited if Delek Holdings’ business does not grow as expected.
- The costs, scope, timelines and benefits of any construction projects we undertake may deviate significantly from our original plans and estimates, which could have a material adverse effect on our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to unitholders.
- A shortage of skilled labor or disruptions in our labor force may make it difficult for us to maintain labor productivity.
- 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.
- An interruption or reduction of supply and delivery of refined products to our wholesale marketing business could result in a decline in our sales and profitability.
- We are exposed to the credit risks and certain other risks of our key customers and other contractual counterparties, including Delek Holdings, and any material nonpayment or nonperformance by our key customers or other counterparties could adversely affect our business.
- Restrictions in our revolving credit facility and in the respective indentures governing the 2025 and 2028 Notes could adversely affect our business, financial condition, results of operations and ability to make quarterly cash distributions to our unitholders.
- Our debt levels may limit our flexibility to obtain financing and to pursue other business opportunities.

- Transportation on certain of our pipelines is subject to federal or state 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.
- Delek Holdings' level of indebtedness, the terms of its borrowings and any 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 current and future credit ratings may also be affected by Delek Holdings' level of indebtedness and creditworthiness.
- Our right of first offer to acquire certain of Delek Holdings' existing logistics assets and certain assets that it may acquire or construct in the future is subject to risks and uncertainty, and we ultimately may not acquire any of those assets.
- 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.
- Our general partner and its affiliates, including Delek Holdings, 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.
- Our Partnership Agreement replaces the fiduciary duties that would otherwise be owed by our general partner with contractual standards governing its duties.
- Delek Holdings may compete with us.
- Holders of our common limited partner units have limited voting rights and are not entitled to elect our general partner or its directors.
- Our Partnership Agreement restricts the voting rights of certain unitholders owning 20% or more of our common limited partner units.
- The NYSE does not require a publicly traded limited partnership like us to comply with certain of its corporate governance requirements.
- Our unitholders are required to pay income taxes on their share of our taxable income even if they do not receive any cash distributions from us. A unitholder's share of our taxable income, and its relationship to any distributions we make, may be affected by a variety of factors, including our economic performance, transactions in which we engage or changes in law and may be substantially different from any estimate we make in connection with a unit offering.
- 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.

PART I

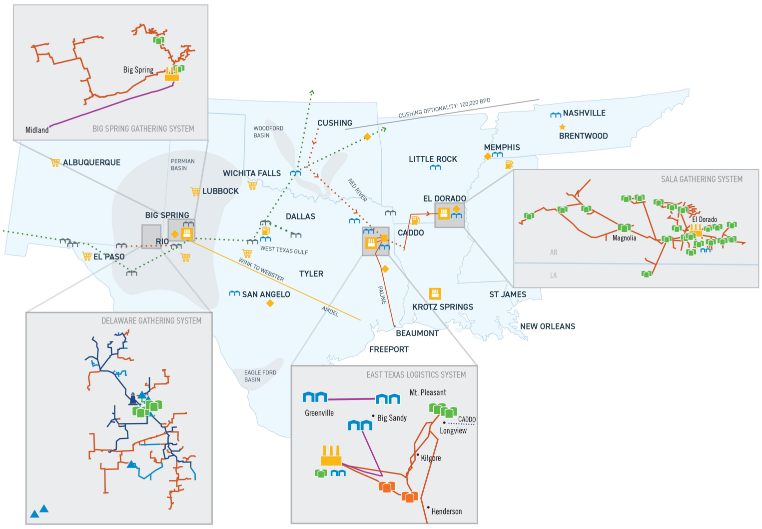
ITEMS 1 AND 2. BUSINESS AND PROPERTIES

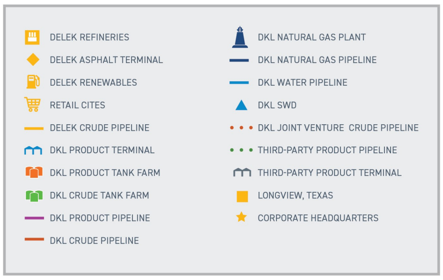
Company Overview

The Partnership is a Delaware limited partnership formed in 2012 by Delek US Holdings, Inc. ("Delek Holdings") and its subsidiary Delek Logistics GP, LLC, our general partner (our "general partner"). The Partnership provides gathering, pipeline and other transportation services primarily for crude oil and natural gas customers, storage, wholesale marketing and terminalling services primarily for intermediate and refined product customers, and water disposal and recycling services through its owned assets and joint ventures located primarily in the Permian Basin (including the Delaware sub-basin) and other select areas in the Gulf Coast region. A majority of our existing assets are both integral to and dependent upon the success of Delek Holdings' refining operations, as many of our assets are contracted exclusively to Delek Holdings in support of its Tyler, Texas (the "Tyler Refinery"), El Dorado, Arkansas (the "El Dorado Refinery") and Big Spring, Texas (the "Big Spring Refinery").

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 such 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 the partner's units and the taxable income allocation requirements under the Partnership's Second Amended and Restated Agreement of Limited Partnership, as amended (the "Partnership Agreement").

The following map outlines the location of our assets and operations, which are described in greater detail in the “Information About Our Segments” section below.





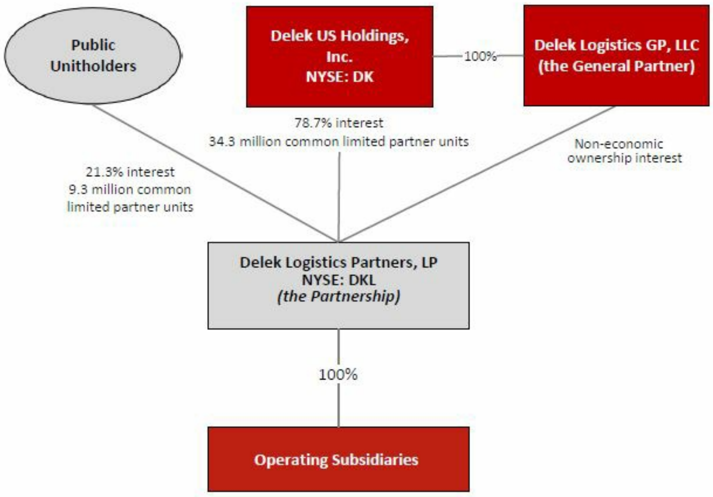
Reportable Operating Segments Overview

We aggregate our operating segments into four reportable segments: (i) gathering and processing; (ii) wholesale marketing and terminalling; (iii) storage and transportation; and (iv) investment in pipeline joint ventures. Operations that are not specifically included in the reportable segments are included in Corporate and Other, consisting primarily of general and administrative expenses.

Gathering and Processing	*Wholesale Marketing and Terminalling*	*Storage and Transportation*	*Investments in Joint Ventures*
The assets in our gathering and processing segment consist of pipelines, tanks, offloading facilities, which provide crude oil and natural gas gathering and processing, water disposal and recycling and storage services primarily in support of Delek Holdings' refining operations in Tyler, Texas, El Dorado, Arkansas and Big Spring, Texas. Additionally, the assets in this segment provide crude oil transportation services to certain third parties.	The operational assets in our wholesale marketing and terminalling segment consist of refined products terminals and pipelines in Texas, Tennessee and Arkansas. We generate revenue in our wholesale marketing and terminalling segment by providing marketing services for the refined products output of the Tyler and Big Spring refineries, engaging in wholesale activity at our terminals in West Texas and at terminals owned by third parties, whereby we purchase light products for sale and exchange to third parties, and by providing terminalling services at our refined products terminals to independent third parties and Delek Holdings.	The operational assets and investments in our storage and transportation segment consist of tanks, offloading facilities, trucks and ancillary assets, which provide crude oil, intermediate and refined products transportation and storage services primarily in support of Delek Holdings' refining operations in Tyler, Texas, El Dorado, Arkansas and Big Spring, Texas. Additionally, the assets in this segment provide crude oil transportation services to certain third parties. In providing these services, we do not take ownership of the products or crude oil that we transport or store. Therefore, we are not directly exposed to changes in commodity prices with respect to this operating segment.	The Partnership owns a portion of three joint ventures (accounted for as equity method investments) that have constructed separate crude oil pipeline systems and related ancillary assets primarily in the Permian Basin and Gulf Coast regions and with strategic connections to Cushing, Midland and other key exchange points, which provide crude oil and refined product pipeline transportation to third parties and subsidiaries of Delek Holdings.

Ownership Structure

Delek Logistics Partners, LP is a Delaware limited partnership formed in 2012 by Delek US Holdings, Inc. ("Delek Holdings") and its subsidiary Delek Logistics GP, LLC, our general partner (our "general partner"). The following chart illustrates the Partnership's structure as of December 31, 2023:



Our Vision

We have a long history of operating successfully in our core segments by focusing on operating efficiencies and market fundamentals, balanced with the continued pursuit of strategic investments and acquisitions, both with our sponsor and with third parties. And while the oil and gas macroeconomic environment continues to be dynamic, we believe the world's reliance on hydrocarbons will not disappear, and oil and gas will continue to remain relevant in meeting global energy demand. At the same time, the emphasis on environmental responsibility and long-term economic and environmental sustainability is accelerating, with increased demand for transparency evolving out of the environmental, social and governance ("ESG") movement. Accordingly, it is critical that we understand not only our current ESG positioning in the market, but also that we integrate a broader sustainability view to all of our activities, both operational and strategic. For these reasons, in partnership with our sponsor Delek Holdings, we have developed a **Long-Term Sustainability Framework**, representing a continuously evolving foundation out of which we identify our strategic objectives and initiatives, which collectively form our **Long-term Sustainability Strategy** for 2023.

Long-Term Sustainability Framework: Overarching Objectives

Our Long-Term Sustainability Framework is simply a lens with which to view our strategic objectives, built upon the bedrock of our core values. As discussed above, we expect that our Long-Term Sustainability Framework will involve iterative, living evolution as we transform as a company. That said, certain fundamental principles are foundational, and direct us as we develop our guiding objectives. With that in mind, we have initially identified the following **overarching objectives**:

I. Redirect Corporate Culture towards Innovation, Excellence, and Operating Discipline.

II. Focus on Operational Optimization and Improved Margin Capture.

III. Implement Digital Transformation Strategy.

IV. Identify ESG-Conscious Investments with Clear Value Propositions and Sustainable Returns.

V. Evaluate Strategic Priorities and Redefine Long-term Sustainable Business Model.

Long-Term Sustainability Framework: Key Initiatives

Integral to our Long-Term Sustainability Framework and the achievement of the initial overarching objectives are the following **key initiatives**:

- Maintain safe, reliable, and environmentally responsible operations.
- Create shareholder value by rewarding our shareholders with a competitive long-term capital allocation framework.
- Continuous evaluation of our business model in terms of long-term economic and operational sustainability.

See further discussion in the 'Executive Summary: Strategic Overview' Section of Item 7. Management's Discussion and Analysis, of this Annual Report on Form 10-K.

Core Strategy

Historically, our business strategy has been focused on capitalizing on and growing our integrated business model in ways that allow us to participate in all phases of the midstream process. This growth has come from acquisitions or new investments, as well as investments in our existing businesses, as we continue to broaden our existing geographic presence and integrated business model, while also reducing our reliance on Delek Holdings. With the integration of Delaware Gathering Assets, we have further diversified our logistics customer base to include significantly more third-party customers, allowing us to provide comprehensive logistics services in the Delaware Basin, while also serving as a funnel into our existing midstream Permian activities. Our strong position in the Permian Basin has been further validated by the substantial organic growth we have experienced from new connections in our Midland Gathering operations.

A secondary focus of our strategic growth has been and continues to be to diversity of our revenue streams and to ensure the longevity of those revenue streams and related cash flows to continue to support strong distributable cash flow coverage and healthy leverage ratios. As producers continue to ramp up production within the prime acreage of the Permian, the Partnership is well positioned to continue to add value through our gathering and processing services, including crude, natural gas and water, as a result of diversifying our revenue streams through the addition of the Delaware Gathering operations which complement our existing Midland Gathering System assets. Our positioning allows our customers the ability to control quality and adds optionality to place barrels in a variety of markets. Additionally, through our joint venture projects, we have increased our supply network to take advantage of growth opportunities in expanding markets and added additional flexibility which has delivered realized value through the entire system. While our customers are subject to volatility in the demand for hydrocarbons and natural gas, we are well positioned to manage through economic volatility because of built-in recessionary protections which include minimum volume commitments on throughput and dedicated acreage agreements.

We have a history of successful acquisitions that have added value to our business model and recurring cash flows while simultaneously strengthening our balance sheet. Here are some of our most significant transactions in recent years, all of which continue to have a lasting and important impact on our strategic positioning and long-term value proposition:

Date	Acquired Company/Assets	Acquired From	Approximate Purchase Price
March 1, 2018	Acquired from Delek Holdings, Big Spring Logistics Assets (the "Big Spring Asset Acquisition"). The Big Spring Asset Acquisition was considered a transaction between entities under common control.	Delek Holdings	$171 million
March 31, 2020	Acquired from Delek Holdings, a crude oil gathering system located in Howard, Borden and Martin Counties, Texas (the "Midland Gathering Assets," formerly referred to as the "Permian Gathering Assets"), and certain related assets, such transaction the "Midland Gathering Assets Acquisition" (formerly referred to as the "Permian Gathering Assets Acquisition"). The Midland Gathering Assets are recorded in our gathering and processing segment.	Delek Holdings	$100 million and 5.0 million common limited partner units
May 1, 2020	Acquired Delek Trucking, LLC consisting of certain leased and owned tractors and trailers and related assets (the "Trucking Assets") from Delek Holdings, such transaction the "Trucking Assets Acquisition." The Trucking Assets are recorded in our transportation segment and include approximately 150 trucks and trailers. The Trucking Assets Acquisition was considered a transaction between entities under common control.	Delek Holdings	$48 million
June 1, 2022 (1)	Acquired 100% of the limited liability company interests in 3 Bear from 3 Bear Energy – New Mexico LLC, related to their crude oil and natural gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, located in the Delaware Basin of New Mexico, which enhanced our third party revenues, further diversified of our customer and product mix and, expanded our footprint into the Delaware basin.	3 Bear Energy – New Mexico LLC	$628.3 million

(1) See Note 3 to our consolidated financial statements in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K, for additional information.

Evolving Strategic View

The Partnership has also embraced opportunities to enhance our environmental stewardship. While we expect that non-hydrocarbon renewables will continue to grow as a percentage of total energy consumption, liquid transportation fuels will continue to be in high demand during transition. For these reasons, we are consistently evaluating existing and arising market factors and technologies, as we look to the future of energy. In connection with the development of our Long-Term Sustainability Framework, we have expanded the scope of our growth and business development strategy to one that is also focused on operational, economic and environmental sustainability, including increased emphasis on sustainable carbon efficiency. As an initial foundational change, this expanded scope includes the implementation of an enhanced screening process for proposed future growth projects to incorporate key considerations regarding their environmental and social impact, including quantitative and qualitative data corresponding to several sustainability criteria, such as GHG emissions, carbon intensity, water usage, electricity usage, waste generation, biodiversity impact, and impact on indigenous peoples, among other environmental conscious considerations. This type of data provides management with a more thorough understanding of a project's potential environmental and social impacts to better make investment decisions that are aligned with our long-term sustainability view. As we move into the future and begin to execute on new growth transactions under the sustainability framework, this data will enable us not only to more closely track the impact we have on both the communities in which we operate and the environment at large, but also to realize the exponential impact of sustainable growth on the long-term value to our stakeholders.

Information About Our Segments

Additional segment and financial information is contained in 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.

Gathering and Processing

Overview

The operational assets in our gathering and processing segment, consist of assets acquired in connection with the Midland Gathering Assets Acquisition, as well as operational assets we acquired in connection with the Delaware Gathering Acquisition, located primarily in the Delaware Basin (“Delaware Gathering Assets”). The Midland Gathering Assets support our crude oil gathering activities which primarily serves Delek Holdings refining needs throughout the Midland Basin. The Delaware Gathering Assets support our crude oil and natural gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, located in the Delaware Basin of New Mexico, and serving primarily third-party producers and customers. Finally, our gathering and processing assets are integrated with our pipeline assets, which we use to transport gathered crude oil as well as provide other crude oil, intermediate and refined products transportation in support of Delek Holdings' refining operations in Tyler, Texas, El Dorado, Arkansas and Big Spring, Texas, as well as to certain third parties. In providing these services, we do not take ownership of the products or crude oil that we transport or store. Therefore, we are not directly exposed to changes in commodity prices with respect to this operating segment. The combination of these operational assets provides a comprehensive, integrated midstream service offering to producers and customers.

Revenue Streams and Customers

With respect to our gathering and processing segment, we generate three principal types of revenues:

- Product sales - comprised of residual products as a result of our gathering services where Delaware Gathering meets the definition of the principal rather than an agent, and where such revenue is recognized upon satisfaction of the performance obligation, which is generally upon delivery.
- Gathering and processing services - comprised of fees charged for one or more of the following services under dedicated acreage and other long-term fee-based contracts: gathering, processing and transportation of natural gas; gathering, transportation and storage of NGLs; gathering, recycling and disposal of wastewater; and transportation, storage and distribution of crude oil, and other hydrocarbon-based products. The contractual fees are generally related to the volume of natural gas, NGLs, water, crude oil that is gathered, transported, stored or processed and therefore is not directly impacted by commodity prices.
- Pipeline throughput fees - comprised of fees to customers, generally based on throughput or other relevant volumetric measures, for transporting crude oil and refined products via our pipeline assets. A substantial majority of these revenues is derived from commercial agreements with Delek Holdings with initial terms ranging from five to ten years, which gives us a contractual revenue base that we believe enhances the stability of our cash flows. These commercial agreements with Delek Holdings typically include minimum volume or throughput commitments by Delek Holdings, which provides protection from market volatility related to commodity prices. The majority of our commercial agreements with Delek Holdings are deemed to be leases.

Competition

The Permian Basin has been one of the most prolific oil and gas producing regions in the U.S. It is fed by the remnants of a prehistoric seabed containing organic deposits and forming one of the thickest hydrocarbon structures in the world. It consists of three sub-regions: the Delaware Basin, which is the deepest of the Permian sub-basins and is located in the western section located in New Mexico, the Midland Basin which has been an active drilling region since the 1940s and is located in the eastern part of the Permian in Texas, and the Central Basin Platform which lies between the Delaware and Midland. The Permian Basin wells produce not only oil and gas, but also large volumes of salt water, resulting in an ancillary industry surrounding water disposal and transportation.

We primarily operate our gathering and processing operations in the Delaware and Midland Basins within the overall Permian Basin, with our Delaware Basin focused on crude and gas gathering as well as gas and water processing and primarily services third-party customers, and our Midland activities focused on crude gathering and transportation which ultimately services the refineries of Delek Holdings, our largest customer.

With respect to our Delaware Basin Gathering and Processing activities, competition is impacted by the prevalence of other midstream companies in the region with gathering lines, compression facilities, processing plants, and storage and transportation capabilities. Additionally, the demand for gathering and processing activities is dependent upon oil and gas production in the area. Because virtually all of our business in the Delaware Basin is third-party, our competitive position is dependent upon our ability to develop relationships with producers, to provide an integrated gathering and processing asset infrastructure, including rights-of-way, that allows us to demonstrate the breadth, quality, and relevance of our gathering and processing service offerings, and to secure strategic long-term contracts with those producers. We have a customer base that is continuing to grow based on our success in these areas, and where our contract portfolio is comprised of long-term renewable contracts, often with minimum volume commitments and dedicated acreage which further contributes to the long-term stability of those associated cash flows.

With respect to the Midland Basin Gathering and Processing activities, we note many of the same factors in terms of securing a competitive position for providing gathering services to producers. These include having strategically located assets, including rights-of-way, and securing dedicated acreage and other competitive contracts. However, our Permian Gathering activities have a unique component that positions us well strategically. And that is, we have worked with our sponsor, Delek Holdings, to purchase first barrels of crude oil gathered from producers and then utilizing the Partnership's network of logistics assets, combined with physical exchange trades, in order to ultimately source those (or equivalent) barrels for production at Delek Holdings refineries. As a result, our producer arrangements are structured such that the Partnership, the producers, and our primary customer for those barrels (Delek Holdings) are mutually incentivized to continue those relationships. This includes rights of first refusal for barrels coming out of wellheads under agreements with producers. As a result, our access to those barrels, and our revenues for those gathering and related transportation activities, are well insulated from typical competitive pressures.

We face competition for the transportation of crude oil from other pipeline owners whose pipelines or gathering facilities (i) may have a location advantage over our pipelines or gathering facilities, (ii) may be able to transport more desirable crude oil or refined products to Delek Holdings or to third parties, or (iii) may be able to transport crude oil or refined product at a lower rate. Any or all such factors could cause Delek Holdings, or our third-party customers, to 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. To the extent our pipeline assets are directly serving Delek Holdings into the refineries, the competition risk is significantly lower.

Seasonality

Our Gathering and Processing activities in the Delaware and Permian (Midland) Basins may be subject to seasonality to the extent that crude oil prices are impacted. However, to the extent that we have minimum volume commitments with producers, we are insulated from these seasonal/market conditions.

The volume and throughput of crude and products in our pipelines are influenced by supply and demand in the markets we serve. For example, gasoline demand is higher in the summer due to increased traffic. Our refining customers may also reduce operations for maintenance, usually in the winter when demand is lower. As a result, our volumes and operating results are typically lower in the first and fourth quarters. However, our agreements with Delek Holdings help mitigate these effects by including minimum volume commitments.

See Note 4 to the consolidated financial statements in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K, for additional information.

Midland Gathering Assets

The Midland Gathering System (formerly referred to as Permian Gathering System) (the "Midland Gathering System") is a system of common carrier pipelines that primarily gathers and transports crude oil, located primarily near the Big Spring Refinery in Texas, which provide access to hydrocarbons directly from wellheads located in the Midland Basin. These assets consist of approximately 240 miles of gathering assets, approximately 65 tank battery connections, terminals with total storage capacity of approximately 400,000 barrels and applicable rights-of-way assets.

Delaware Gathering Assets

Delaware Gathering Assets is anchored by a high-quality diversified customer base, which has integrated crude, gas and water infrastructure concentrated in the central Lea County, New Mexico core. The following assets support our crude oil and natural gas gathering, processing and transportation business, as well as water disposal and recycling operations:

	Natural Gas Gathering & Processing	Crude Oil Gathering & Storage	Water Gathering, Disposal & Recycling
Dedicated Acreage	57,600	160,160	132,480
System Capacity	88 MMcf/d Processing (1)	120 MBbl Storage (2)	200 MBbl/d Disposal (2)
Pipeline Capacity	150 MMcf/d (1)	140 MBbl/d (2)	220 MBbl/d (2)
Miles of Pipeline	120	220	170

(1) Million cubic feet ("MMcf") per day ("MMcf/d")

(2) Thousand barrels ("MBbl") per day ("MBbl/d")

Pipeline Assets

Pipeline, Diameter (inches)	Length (miles)	Throughput Capacity (bpd)	Commodity	Associated Refinery	Origin/Termination Point	Third-Party System Connections
El Dorado Assets						
Magnolia Pipeline, 12 and 16 (1)	77	68,500	crude oil	El Dorado	Shreveport, LA to Magnolia, AR	ETP/ExxonMobil's LOLA System
Magnolia Station (2)	N/A	N/A	crude oil	El Dorado	N/A	N/A
El Dorado Pipeline, 12 (3)	31	75,000	crude oil	El Dorado	Magnolia Station to Delek Holdings' Sandhill Station	N/A
Refined Products Pipeline System (4)						
12- inch diesel pipeline	8	N/A	diesel	El Dorado	El Dorado Refinery to the Enterprise TE Products Pipeline El Dorado Station	TE Products Pipeline
10-inch gasoline pipeline	8	N/A	gasoline	El Dorado	El Dorado Refinery to the Enterprise TE Products Pipeline El Dorado Station	TE Products Pipeline
Paline Pipeline System (5)						
Longview to Nederland Pipeline, 10 (6)	195	42,000	crude oil	N/A	Longview, TX to the Phillips 66-operated Beaumont terminal in Nederland, TX	N/A
East Texas Crude Logistics System						
Nettleton Pipeline, 8 and 10	36	25,000	crude oil	Tyler	Tank Farms in Longview, TX to (a) Bullard Junction at the Tyler Refinery, and (b) our other tank farms in Longview, TX	N/A
McMurrey Pipeline System, 6, 8 and 12	59	24,000	crude oil	N/A	Tank Farms in Longview, TX, runs roughly parallel to the Nettleton Pipeline	N/A
Tyler Assets (7)						
Tyler-Big Sandy Product Pipeline, 8 (8)	32	60,000	refined product	Tyler	Tyler Refinery to Big Sandy Station	N/A
Big Spring Logistics Assets (9)						
Refined Product Pipeline, 6	40	20,000 (10)	refined product	Big Spring	Big Spring, TX to Midland, TX	N/A
Crude oil gathering system	240	250,000	crude oil	Big Spring	N/A	N/A

(1) Third-party pipelines connect to the Magnolia Pipeline near Shreveport, Louisiana, which allows for the receipt of crude oil transported from Longview, Texas.

(2) The Magnolia Station has a storage facility with approximately 230,000 barrels of active shell capacity. It is also where Magnolia and El Dorado Assets and El Dorado Gathering System have origination and destination points.

(3) Upon reaching Sandhill Station, the crude oil from the El Dorado Pipeline is transported, via multiple short crude oil pipelines owned by us, to Tank 192, a 150,000 barrel capacity storage tank ("Tank 192") or to Tank 120, an 80,000 barrel capacity storage tank ("Tank 120"), which receives heavier asphaltic crudes. At present, substantially all crude oil that enters the El Dorado Refinery, including the crude oil gathered on the El Dorado Gathering System, is routed through Sandhill Station. We own Tank 192 and Tank 120 and lease the underlying ground from Lion Oil Company, LLC (formerly known as Lion Oil Company) under a long-term ground lease.

(4) Pursuant to a capacity lease with Enterprise, we also lease capacity of approximately 14,000 bpd on the approximately 240-mile Enterprise Products Pipeline from Enterprise's El Dorado Station to our refined products terminal in Memphis, Tennessee.

(5) Operated as a common carrier pipeline.

(6) The Longview to Nederland Pipeline includes a three-mile section that runs north from Kilgore, Texas. In addition, there is a connection near Vidor, Texas which connects with a third-party pipeline terminating at the Jefferson Energy Terminal in Beaumont, Texas.

(7) The Partnership owns various pipeline and tankage assets that support the Tyler Refinery. These assets include a crude oil storage tank and certain ancillary assets located adjacent to the Tyler Refinery (the "Tyler Crude Tank"). The Tyler Crude Tank has approximately 350,000 barrels of active shell capacity and is located on property leased from third parties and Delek Holdings. In addition, we own 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 (the "Tyler Tank Assets").

(8) This pipeline runs between the Tyler Refinery and the Partnership's terminal at Big Sandy, Texas. Service on the Tyler-Big Sandy Product Pipeline is not provided to third parties, and is classified as private intrastate carrier service.

(9) Our Big Spring Logistics Assets are located on property leased from third parties and Delek Holdings.

(10) The Partnership leases the capacity on this pipeline to Delek Holdings' Big Spring refinery for an annual fee of $1.0 million annually.

El Dorado Assets

The Partnership owns a system of common carrier pipelines that primarily gathers and transports crude oil and condensate that is purchased from various crude oil producers in Arkansas, Texas and Louisiana by Delek Holdings or a third party to whom Delek Holdings has assigned certain of its rights (the "El Dorado Gathering System"). The El Dorado 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 El Dorado Gathering System transports minimal crude oil for third party shippers pursuant to a common carrier tariff.

The pipelines in the El Dorado Assets have injection points where crude oil gathered from the El Dorado Gathering System can be injected and then transported to the El Dorado Refinery. The El Dorado Assets also have crude oil storage tanks and facilities ancillary to the operation of the pipeline system. Tankage assets include approximately 150 crude oil storage tanks, breakout 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 (the "El Dorado Tank Assets") (including Tank 120 and Tank 192). In addition, these assets include 17 truck receipt locations, approximately 500 pipeline gathering and receiving stations and 17 relay stations to deliver crude oil to the Magnolia Station, the El Dorado Pipeline System or directly to the El Dorado Refinery. The El Dorado Assets are capable of transporting crude oil offloaded from rail cars at or near the El Dorado Refinery, including two crude oil rail offloading racks, which are designed to receive up to 25,000 bpd of light crude oil or 12,000 bpd of heavy crude oil, or any combination of the two and are located on property leased from third parties and Delek Holdings. We also have approximately 0.6 million barrels of combined shell capacity that is currently not in service.

East Texas Crude Logistics System

Our East Texas Crude Logistics System includes five owned or leased crude oil storage terminals, at which we store crude oil owned by Delek Holdings for the Tyler Refinery. The following table summarizes information with respect to these terminals:

Terminal	Number of Tanks	Active Shell Capacity (barrels)	Shell capacity not in service (barrels)
LaGloria Station	2	450,000	N/A
Nettleton Station [(1)]	5	220,000	55,000
Bradford Station [(1)]	2	N/A	65,000
Arp Station	2	55,000	55,000
Big Sandy Station	6	176,000	N/A

(1) The Nettleton Station and the Bradford Station are located on properties that are owned by third parties in which we have leasehold interests.

We have a pipelines and tankage agreement with Delek Holdings to provide throughput on the East Texas Crude Logistics System. Delek Holdings has a 5-year agreement, with third parties to transport a substantial majority of the Tyler Refinery's crude oil requirements on this pipeline system. As a result of the third parties' ability to transport crude oil on the pipeline system directly to the Tyler Refinery, the crude oil supplied through the Nettleton and McMurrey Pipelines is generally below the minimum aggregate throughput requirements of our pipelines and tankage agreement with Delek Holdings. However, under its commercial agreement with us, Delek Holdings is required 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. As the current term of this agreement is set to expire on March 31, 2024, we are currently in the process of negotiating new terms. The operation of this agreement will be continued on a month to month basis until the new terms have been successfully negotiated.

Wholesale Marketing and Terminalling

Overview

Our wholesale marketing and terminalling segment provides wholesale marketing and terminalling services to Delek Holdings' refining operations and to independent third parties from whom we receive fees for marketing, transporting, storing and terminalling refined products and to whom we wholesale market refined products. In providing certain of these services, we take ownership of the products and are therefore exposed to market risks related to the volatility of commodity and refined product prices in our West Texas operations, which depend on many factors, including demand and supply of refined products in the West Texas market, the timing of refined product deliveries and downtime at refineries in the surrounding area.

Revenue Streams and Customers

We generate revenue in our wholesale marketing and terminalling segment by (i) providing marketing services for the refined products output of the Tyler Refinery and the Big Spring 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 Holdings. See "Commercial Agreements—Other Agreements with Third Parties—West Texas."

Competition

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. However, there are no competitive fuel loading terminals in close proximity to our Abilene terminal or 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. As a result of our exclusive terminalling agreements, we do not believe we will face significant competition from third parties with respect to terminalling services provided to Delek Holdings at our Memphis and North Little Rock terminals during the terms of these agreements.

Pursuant to separate exclusive marketing agreements with Delek Holdings, we market 100% of the refined products output of the Tyler Refinery (other than jet fuel and petroleum coke) and certain refined products located at or sold from the Big Spring Refinery to various customers in return for a marketing fee. The current terms of the agreements for services provided with respect to products produced at the Tyler Refinery and the Big Spring Refinery expire in 2026 and 2028, respectively. As a result, 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 the Big Spring Refinery, and our contractual relationships with Delek Holdings related to both refineries, we do not believe that we will face significant competition for the storage or throughput of intermediate or refined products at the refineries, particularly during the term of our agreements with Delek Holdings. Delek Holdings' Tyler Refinery and Big Spring Refinery are the only full-range product supplier within 100 miles; therefore, we believe their location gives the refineries a natural advantage over more distant competitors. However, should Delek Holdings' wholesale customers 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 agreements could decrease below the minimum volume commitment under the contract.

Seasonality

The volume and throughput of oil and products sold by our terminals are affected by supply and demand in the markets we serve. For example, gasoline demand is higher in summer due to more traffic, while demand for asphalt products is lower in winter. Our refining customers may also reduce operations for maintenance during winter when demand is lower. These factors limit our marketing and terminalling activities during these periods. While these seasonal fluctuations may impact our revenues and margins, we do not hold inventory and therefore are not subject to inventory risk.

See Note 4 to the consolidated financial statements in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K, for additional information. The tables below show the operating results for the wholesale marketing and terminalling segment. For the years ended December 31, 2023, 2022 and 2021, we present the results for the period during which we owned the relevant assets, as delineated in any notes accompanying the tables.

Wholesale Marketing

East Texas

Pursuant to a marketing agreement with Delek Holdings, we market 100% of the refined products output of the Tyler Refinery, other than jet fuel and petroleum coke. See Note 4 to the consolidated financial statements in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K for additional information.

West Texas

In our West Texas marketing operations, we generate revenue by purchasing refined products from independent third-party suppliers and from Delek Holdings for sale and exchange to Delek Holdings and third parties at our Abilene and San Angelo, Texas terminals and at third-party terminals located elsewhere in Texas.

We own approximately 100 miles of product pipelines in West Texas that connect our Abilene and San Angelo, Texas terminals to the Magellan Orion Pipeline. We purchase products from Delek Holdings and third parties at our Abilene and San Angelo terminals. To facilitate these purchases, we constructed a pipeline into our Abilene Terminal to receive product from the pipeline owned by Holly Energy Partners, L.P. (NYSE: HEP) through which Delek Holdings shipped product that was produced at the Big Spring Refinery. We completed constructing a connection to a Magellan Midstream Partners, L.P. ("Magellan") pipeline that allows Magellan to supply our Abilene and San Angelo terminals with product transported from the Gulf Coast. We also have active connections to the Magellan Orion Pipeline that enable us to ship product to our terminals and to acquire product from other shippers. The table below provides the number of tanks, their storage capacities, number of truck loading lanes and maximum daily available truck loading capacity for the year ended December 31, 2023 at the Abilene and San Angelo terminals associated with our marketing activities. See “Commercial Agreements—Other Agreements with Third Parties—West Texas."

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	363,000	2	15,000
San Angelo, TX	5	93,000	2	15,000
Total	14	456,000	4	30,000

(1) Excludes approximately 47,000 barrels of shell capacity that is out of service.

Terminalling

We provide terminalling services for products to third parties and Delek Holdings through light products terminals we own in Nashville, Tennessee and to Delek Holdings, or certain third parties to whom Delek Holdings has assigned its rights, through our light products terminals in Memphis, Tennessee; Tyler, Texas; Big Sandy, Texas; Mount Pleasant, Texas; El Dorado, Arkansas; and North Little Rock, Arkansas. See Note 4 to the consolidated financial statements in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K for additional information pertaining to our material agreements. See "Commercial Agreements—Delek Holdings' Crude Oil and Refined Products Intermediation Agreement" for a description of a third party's involvement in certain agreements.

The table below provides the locations of our refined product terminals associated with our terminalling activities and their storage capacities, number of truck loading lanes and maximum daily available truck loading capacity for the year ended December 31, 2023.

Terminal Location	Number of Tanks	Active Aggregate Shell Capacity (bbls)	Number of Truck Loading Lanes	Maximum Daily Available Truck Loading Capacity (bpd)
Mount Pleasant, TX (1)	8	200,000	3	10,000
Nashville, TN (2)	10	137,000	2	15,000
Memphis, TN	10	126,000	3	20,000
North Little Rock, AR (3)			2	17,100
Big Sandy, TX (3)			3	25,000
El Dorado, AR (3)			3	35,000
Tyler, TX (3)			11	91,000
Total	28	463,000	27	213,100

(1) Excludes approximately 40,000 barrels of shell capacity that is currently not in service.

(2) Excludes approximately 2,250 barrels of shell capacity that is currently not in service.

(3) See "Gathering and Processing Segment—Tyler Assets," "Gathering and Processing Segment— El Dorado Assets," and "Storage and Transportation Segment—Other Transportation Assets" for a discussion of the storage tanks associated with these terminals. The North Little Rock Terminal, the El Dorado Terminal and tank farm and the Tyler Terminal and tank farm are located on property leased from third parties and Delek Holdings.

Storage and Transportation Segment

Overview

The operational assets in our storage and transportation segment consist of tanks, offloading facilities, trucks and ancillary assets, which provide crude oil, intermediate and refined products transportation and storage services primarily in support of Delek Holdings' refining operations in Tyler, Texas, El Dorado, Arkansas and Big Spring, Texas. Additionally, the assets in this segment provide crude oil transportation services to certain third parties. In providing these services, we do not take ownership of the products or crude oil that we transport or store. Therefore, we are not directly exposed to changes in commodity prices with respect to this operating segment.

Other Transportation Assets

We own assets or lease capacity on assets that are used to support Delek Holdings' refineries or that are used in our operations but may not be adjacent to or directly on the properties owned by such refineries. These include tankage assets and trucking assets listed below:

- eight tanks with an aggregate active shell capacity of approximately 257,000 barrels at a terminal in North Little Rock, Arkansas; and
- 199 tractors and 353 trailers, which are owned or leased, and used to haul primarily crude oil and other products for related and third parties.

Revenue Streams and Customers

The Partnership generates revenue in its Storage and Transportation segment by charging fees to customers, generally based on throughput or other relevant volumetric measures, for services associated with transporting, offloading and storing crude oil and refined products. Furthermore, a substantial majority of our Storage and Transportation segment revenues (and also EBITDA) is derived from commercial agreements with Delek Holdings with initial terms ranging from five to ten years, which gives us a contractual revenue base that we believe enhances the stability of our cash flows. As more fully described below, our commercial agreements with Delek Holdings typically include minimum volume or throughput commitments by Delek Holdings, which we believe will provide a stable revenue stream in the future. The fees charged under our agreements with Delek Holdings and third parties are indexed to inflation-based indices.

Competition

We face competition for the transportation and storage of crude oil from pipeline owners whose storage facilities (i) may have a location advantage over our pipelines offtake or storage facilities, (ii) may be able to transport or store more desirable crude oil or refined products to Delek Holdings or to third parties, (iii) may be able to transport or store crude oil or refined product at a lower rate, or (iv) may be able to store more crude oil or refined product. Any or all such factors could cause Delek Holdings, or our third-party customers, to 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 certain of our logistic assets are on site at certain of Delek Holdings refineries and as a result of our contractual relationships with Delek Holdings related to its refineries, we do not believe that we face significant competition for the transportation and storage of crude oil or refined products to or from the refineries, particularly during the terms of the commercial agreements applicable to our pipeline and transportation assets.

Seasonality

The need for our storage services may fluctuate in opposition to seasonal demand, but may also be impacted by our customers' strategic decisions on whether to store or sell excess committed volumes. Our transportation activities within this segment, which consists primarily of ancillary trucking services and which supplement and provide alternative transportation for barrels in times when supply or demand are disrupted, can be responsive to seasonal as well as other unexpected changes in demand.

See Note 4 to the consolidated financial statements in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K, for additional information. The tables below show the operating results for the wholesale marketing and terminalling segment.

Investments in Pipeline Joint Ventures

Overview

The Partnership owns a portion of three joint ventures (accounted for as equity method investments) that have constructed separate crude oil pipeline systems and related ancillary assets primarily in the Permian Basin and Gulf Coast regions and with strategic connections to Cushing, Midland and other key exchange points, which provide crude oil and refined product pipeline transportation to third parties and subsidiaries of Delek Holdings.

Our investments in pipeline joint ventures include the following:

JV Name	Ownership Interest	Description
Andeavor Logistics Rio Pipeline LLC ("Andeavor Logistics")	33%	Joint venture that operates a 109-mile crude oil pipeline with a capacity of 145,000 bpd, that originates in north Loving County, Texas near the Texas-New Mexico border and terminates in Midland, Texas (the "Rio Pipeline")
Caddo Pipeline LLC ("CP LLC")	50%	Joint venture that operates an 80-mile crude oil pipeline with a capacity of 80,000 bpd that originates in Longview, Texas, with destinations in the Shreveport, Louisiana area (the "Caddo Pipeline")
Red River Pipeline Company LLC ("Red River")	33%	Joint venture that operates a 16-inch crude oil pipeline between Oklahoma and Texas with prior capacity of 150,000 bpd and increased capacity of 235,000 bpd after completion of the expansion project in October 2020 (the "Red River Pipeline")

The Rio Pipeline, which was completed in September 2016, is strategically located to benefit from increased drilling activity in the Delaware Basin area. This pipeline offers connection to the Midland takeaway pipelines.

The Caddo Pipeline, completed in January 2017, strategically provides essential additional logistics support to nearby refineries with a third crude supply source.

We acquired a 33% ownership stake in Red River in May 2019. The expansion project to increase the crude oil pipeline capacity from 150,000 bpd to 235,000 bpd was completed in October 2020. Delek Holdings is a major shipper on the Red River Pipeline. Following the completion of the expansion project, Delek Holdings increased its crude oil options, increasing the flow of Cushion crude oil into Longview, TX. Strategically, at Longview TX we have access to the Delek Holdings refining system providing ability to reduce dependence on Midland crude oil at Tyler, El Dorado and Krotz Springs, Gulf Coast markets through Paline and other third-party pipelines and increases potential WTI Brent exposure with limited cost to the Partnership.

Revenue Streams and Customers

We do not directly earn revenues from our joint venture investments. Rather, we earn income (loss) from the equity method investment, which is inclusive of our proportionate share of net income (loss) of the joint venture for each period. These pipelines serve numerous customers and generally charge spot or contractual rates pursuant to FERC regulations.

Competition

Our joint venture entities may compete with other pipeline owners including those affiliated with major integrated petroleum companies, in terms of transportation fees, reliability and quality of customer service. Competition in any geographic area is affected significantly by the volume of crude oil gathered and transported, volume of products produced by refineries and the availability of products and cost of transportation to that area from other locations. Due to the strategic location of these pipelines, Delek Holdings is one of the major shippers and customer on certain of the joint venture pipelines. During the term of these agreements, the joint venture entities do not face any significant competition from third parties. To maintain a competitive advantage during agreement negotiations, the joint venture pipelines have to offer competitive transportation fees to Delek Holdings or other related party shippers.

Seasonality

The volume and throughput of crude oil and refined products transported through our pipelines, including those in which we own a joint venture interest, are 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. In addition, our refining customers, such as Delek Holdings, 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 refined 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 are substantially mitigated due to throughput and deficiency agreements with Delek Holdings and other customers of the pipeline joint ventures, many of which are related to our joint venture partners. Additionally, because of the related party nature of many of the customers of these joint ventures, they are incentivized to continue working with our pipeline joint ventures to create and maintain mutually beneficial contractual arrangements.

Corporate and Other

The corporate and other segment primarily consists of general and administrative expenses not allocated to a reportable segment. When applicable, it may also contain operating segments that are not reportable and do not meet the criteria for aggregation with any of our existing reportable segments.

Commercial Agreements

Commercial Agreements with Delek Holdings

The Partnership has a number of long-term, fee-based commercial agreements with Delek Holdings under which we provide various services, including crude oil gathering and crude oil, intermediate and refined products transportation and storage services, and marketing, terminalling and offloading services to Delek Holdings. Most of these agreements have an initial term ranging from five to ten years. The fees under each agreement are payable to us monthly by Delek Holdings or certain third parties to whom Delek Holdings has assigned certain of its rights and are generally subject to increase or decrease on July 1 of each year, by the amount of any change in various inflation-based indices, however, in no event will the fees be adjusted below the amount initially set forth in the applicable agreement. Under each of these agreements, we are required to maintain the capabilities of our pipelines and terminals, such that Delek Holdings may throughput and/or store, as the case may be, specified volumes of crude oil, intermediate and refined products. See Note 4 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 material commercial agreements with Delek Holdings.

Other Agreements with Delek Holdings

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

Omnibus Agreement

The Partnership entered into an omnibus agreement with Delek Holdings, Delek Logistics Operating, LLC, Lion Oil Company, LLC (formerly known as Lion Oil Company) and certain of the Partnership's and Delek Holdings' other subsidiaries on November 7, 2012, which has been amended and restated from time to time in connection with acquisitions from Delek Holdings (collectively, as amended, the "Omnibus Agreement"). The Omnibus Agreement governs the provision of certain operational services and reimbursement obligations, among other matters, between the Partnership and Delek Holdings.

Other Transactions

The Partnership manages long-term capital projects on behalf of Delek Holdings pursuant to a construction management and operating agreement (the "DPG Management Agreement") for the construction of gathering systems in the Permian Basin. The majority of the gathering systems have been constructed, however, additional costs pertaining to a pipeline connection that was not acquired by the Partnership continue to be incurred and are still subject to the terms of the DPG Management Agreement. The Partnership is also considered the operator for the project and is responsible for oversight of the project design, procurement and construction of project segments and provides other related services. Pursuant to the terms of the DPG Management Agreement, the Partnership receives a monthly operating services fee and a construction services fee, which includes the Partnership's direct costs of managing the project plus an additional percentage fee of the construction costs of each project segment. The agreement extends through December 2024.

We executed a series of agreements, effective January 1, 2022, with DK Trading & Supply, LLC (“DKT&S”) and Alon Refining Krotz Springs, Inc. whereby the Partnership will operate and maintain a facility, located within the Krotz Springs, Louisiana refinery, to process slurry for DKT&S. Using a process that incorporates horizontal and vertical centrifuges, we will remove metals, ash, and other solids from the slurry. The clarified product can then be sold to DKT&S or one of its affiliates. As consideration for the processing services, we will receive a fixed rate per barrel processing fee in addition to a margin-based payment. The Partnership and DKT&S have agreed to a minimum delivery commitment volume to be processed in the facility. The initial term of the agreement is for a period of three years, and thereafter, will continue a year-to-year basis unless canceled by either party.

Other Agreements with Third Parties

West Texas

In our West Texas marketing operations, we generate revenue by purchasing refined products from independent third-party suppliers and Delek Holdings for sale and exchange to Delek Holdings and third parties at our Abilene and San Angelo, 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. Product purchased from Delek Holdings is produced by the Big Spring Refinery. Products purchased from Delek Holdings are generally based on daily market prices at the time of sale limiting exposure to fluctuating prices. Products purchased from third parties are generally based on daily market prices at the time of purchase requiring price hedging risk management activities between the time of purchase and sale. Existing price risk hedging programs have been adjusted to correspond to the volume of product purchased from third parties.

Delek Holdings' Crude Oil and Refined Products Intermediation Agreement

Pursuant to financing arrangements between Delek Holdings and its subsidiaries, Lion Oil Company, LLC, DK Trading & Supply, LLC and Alon USA, LP (all hereinafter referred to together as "Delek Holdings"), to which we are not a party, and Citigroup Energy ("Citi"), Delek Holdings assigned to Citi certain of its rights under our specific terminalling agreements, pipelines, storage and throughput facilities agreements, and asphalt services agreements. This is a financing arrangement for Delek Holdings whereby Citi holds crude oil and product for Delek Holdings. Citi retains these storage and transportation rights for the term of the financing arrangement, which currently expires on December 30, 2024, with Citi having the option to further extend to December 30, 2025. The Inventory Intermediation Agreement with Citi replaces the Supply and Offtake Agreements with J. Aron that expired on December 30, 2022.

See Note 4 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 the Delek Holdings' Inventory Intermediation Agreement.

Major Customers

We are dependent upon Delek Holdings as our primary customer, and the loss of Delek Holdings as a customer would have a material adverse effect on our operating segments. We derive a majority of our revenue from fee-based commercial agreements with Delek Holdings or as a direct result of its operations. For more information pertaining to these agreements, see "Commercial Agreements." Delek Holdings, directly or indirectly, accounted for 55.3%, 46.3% and 59.8% of our total revenues for the years ended December 31, 2023, 2022 and 2021, respectively. Our other customers include major oil companies, independent refiners and marketers, jobbers, distributors, utility and transportation companies and independent retail fuel operators.

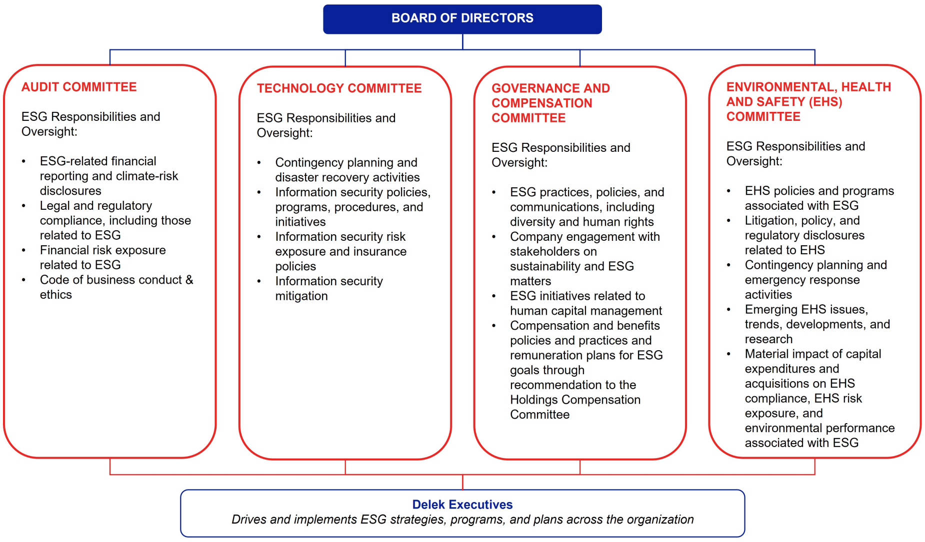
Employees

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.

ESG-Related Matters

Board of Directors Oversight

The strategy and direction of our business begins with the Board of Directors of our general partner. The Board of Directors is committed to developing and implementing the Partnership's ESG-related goals, taking an active role in overseeing management's efforts. To assist in these efforts, Board of Directors of our general partner has delegated a number of sustainability-related responsibilities to its standing committees.



The primary responsibility for overseeing ESG-related matters has been assigned to the Governance and Compensation Committee of the Board of Directors of our general partner. The Governance and Compensation Committee, which has been helping to guide these activities, is focused on elevating the Partnership's ESG performance to that of a leader amongst its peers. The Governance and Compensation Committee's responsibilities include making recommendations to Delek Holdings' Human Capital and Compensation Committee related to executive and employee compensation for the achievement of ESG-related goals.

The Environment, Health and Safety Committee of the Board of Directors of our general partner exercises direct oversight over a number of ESG-related matters such as the implementation of our first GHG reductions goals, the continual improvement of our workforce health and safety performance, spill prevention, waste minimization, and air emission reduction efforts.

The Audit Committee of the Board of Directors of our general partner oversees certain ESG-related matters, such as all financial reporting disclosures related to ESG, the Partnership's legal and regulatory compliance, and any potential financial risk exposure related to ESG.

Management Oversight

The strategy provides for clear lines of ownership and accountability, in addition to regular and clear communication between the Board of Directors of our general partner and executives, are critical to effectively managing our ESG-related risks and opportunities. As such, Delek Holdings' leadership has created several ESG-related strategic groups. For example, the New Energy Task Force was developed to examine how to tactically reduce our GHG emissions, as well as to evaluate product and service offerings that will be sustainable in the post-2050 net carbon neutral environment.

In addition, the Joint Risk Committee, which consists of our President, Chief Financial Officer, Senior Vice President and General Counsel, acts as the executive sponsors and overseers of our Enterprise Risk Management framework ("ERM") and reports quarterly to the Board of Directors. Moreover, Delek Holdings implemented three standing subcommittees underneath the Joint Risk Committee: the Systems Risk Management Subcommittee, the Financial Markets Risk Subcommittee, and the Sustainable Operations Team, which was established in the beginning of 2022. Specifically, the Sustainable Operations Team, led by our EVP of Operations, is composed of experts and leaders across our business functions, including our executives responsible for Refining, Human Resources, as well as our and General Counsel. To ensure continued progress, the Sustainable Operations Team meets quarterly to assess, manage and oversee relevant risks, including those related to safety, the workforce and decarbonization.

Governmental Regulation and Environmental Matters

Rate Regulation of Petroleum Pipelines

The rates, terms and conditions of service on certain of our pipelines are subject to regulation by the Federal Energy Regulatory Commission (the "FERC") under the Interstate Commerce Act (the “ICA”) and by state regulatory commissions in the states in which we transport crude oil, intermediate and refined products, including the Texas Railroad Commission, the Louisiana Public Service Commission, the Arkansas Public Service Commission and the New Mexico Public Regulation Commission. 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, intermediate 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 various inflation-based indices, including the FERC oil pipeline index, the consumer price index and 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. See Item 1A, "Risk Factors—Risks Relating to Our Business."

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, Louisiana and New Mexico; accordingly, such assets may be subject to additional regulation by the applicable governmental authorities in those states. Without limitation, certain of our pipeline assets in Texas, including the Greenville-Mount Pleasant Pipeline, are operated under the regulation of the Texas Railroad Commission and subject to filed tariffs and other regulatory requirements of that agency. In Texas, a pipeline, with some exceptions, is required to operate as a common carrier by publishing tariffs and providing transportation on a non-discriminatory basis. 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 transportation on a non-discriminatory basis. New Mexico Public Regulation Commission may prescribe reasonable maximum rates for the transportation of oil, and the products derived from oil, by a pipeline common carrier from any point in New Mexico to an ultimate destination in New Mexico.

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, and for which we do not have a tariff on file at the FERC, is within its jurisdiction. If the FERC were successful with any such assertion, we may be required to pay refunds to customers and the FERC's ratemaking methodologies may subject us to potentially burdensome and expensive operational, reporting and other requirements. Service on the East Texas Crude Logistics System is currently subject to a temporary waiver issued by the FERC. The temporary waiver for the East Texas Crude Logistics System (the "East Texas Waiver Order") was issued by the FERC on October 23, 2012, and waives the otherwise applicable tariff filing and reporting requirements for common carrier interstate service providers. The continuing effectiveness of the East Texas Waiver Order depends upon the continuation in effect of the following conditions: (1) our affiliates continuing to own 100% of the throughput; (2) there being no demonstrated third party interest in shipping on the system; (3) our not anticipating any such interest materializing; and (4) there remaining no demonstrated opposition to the continuing effectiveness of the East Texas Waiver Order.

If the conditions to the continued effectiveness of that East Texas Waiver Order are no longer satisfied at any point, service on that system may become subject to the FERC tariff filing requirements and other the FERC regulatory requirements for the provision of interstate transportation service.

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, safety and reporting and emergency response of crude oil, petroleum products and other hazardous liquids pipelines and other facilities, including certain tank facilities used in the transportation of such liquids. These requirements are complex, subject to change and, in certain cases, costly with which to comply. We believe our operations are in compliance with these regulations, but cannot assure you that substantial expenditures on our part will not be required to maintain such compliance. Moreover, certain of these requirements are difficult to insure adequately, and we cannot assure you that we will have adequate insurance to address costs and damages from any noncompliance.

The United States Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011 (the "Pipeline Safety Act") gives the PHMSA the power to assess penalties of up to $257,664 per violation per day of violation, and up to $2,576,627 for a series of related violations. These amounts are subject to inflation adjustments as well. 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 work closely with our industry associations to participate with and monitor PHMSA's efforts.

In January 2017, PHMSA finalized a new regulation that imposes additional responsibilities concerning (i) the operation, maintenance, and inspection of hazardous liquid pipelines; (ii) the reporting of pipeline incidents; (iii) reference standards for in-line pipeline inspection and the direct assessment of stress corrosion cracking; and (iv) other requirements. Additional potential new pipeline regulations have been proposed by PHMSA and we are monitoring these developments to the extent applicable to our operations.

The DOT has additionally 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 a potential attack.

The Federal Motor Carrier Safety Administration of the DOT regulates safety standards and monitors drivers and equipment of commercial motor carrier fleets. Such standards include vehicle and maintenance inspection requirements, limitations on the number of hours drivers may operate vehicles and financial responsibility requirements. We believe that the operations of our fleet of crude oil and refined products truck transports are substantially in compliance with these regulations and safety requirements.

Environmental, Health and Safety

We are subject to extensive federal, state and local environmental and safety laws and regulations enforced by various agencies, including, but not limited to, the Environmental Protection Agency (the "EPA"), the United States Department of Transportation, the Occupational Safety and Health Administration, as well as numerous state, regional and local environmental, safety and pipeline agencies. These laws and regulations govern the discharge, release, and spillage of materials into the environment, waste management practices, pollution prevention measures, as well as the safe operation of our pipelines and the safety of our workers and the public. Numerous permits or other authorizations are required under these laws and regulations for the operation of our terminals, pipelines, saltwells, trucks, and related operations, and such permits and authorizations may be subject to revocation, modification and renewal. Any failure to comply with these laws and permits may raise potential exposure to future claims and lawsuits involving environmental and safety matters as a result of soil and water contamination, air pollution, personal injury and property damage allegedly caused by substances which we handled, used, released, disposed of, transported, 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 and permitting requirements. However, there have been, and we expect that there 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 to comply with existing and new requirements, as well as evolving interpretations and enforcement of existing laws and regulations.

Releases of hydrocarbons or hazardous substances into the environment may, to the extent the event is not insured, or is not a reimbursable event under the Omnibus Agreement, subject us to substantial expenses, including costs to respond to, contain and remediate a release, to comply with applicable laws and regulations and to resolve claims by federal, state, or local authorities under applicable laws or permits or third parties for personal injury, property damage or natural resources damages. See "Hazardous Substances and Waste" below for additional information on regulations pertaining to releases into the environment. These impacts may directly and indirectly affect our business. We cannot currently determine the amounts of such future impacts. See Note 14 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 commitments and contingencies related to crude oil releases.

Indemnification

Under the Omnibus Agreement, Delek Holdings has agreed to indemnify us for certain environmental matters associated with the ownership of our assets as specified therein, including matters arising from operations by Delek Holdings at or before the time of our acquisition of these assets from Delek Holdings.

Air Emissions and Climate Change

A number of our operations are subject to the Clean Air Act (the "CAA") and its regulations and comparable state and local statutes. Under these laws, permits may be required before construction can commence on certain new sources of air emissions, and operating permits may be required for sources following construction. These permits may require controls on our air emission sources, and we may become subject to more stringent regulations requiring the installation of additional or different emission control technologies. Any such future obligations may require us to incur significant additional capital or operating costs. These air emissions requirements also affect Delek Holdings' refineries, from which we receive a substantial portion of our revenues. In the future, Delek Holdings may be required to incur significant capital expenditures to comply with new legislative and regulatory requirements relating to its operations. To the extent these capital expenditures have a material effect on Delek Holdings, they may have a material effect on our business and results of operations.

Environmental advocacy groups and regulatory agencies in the United States and other countries have focused considerable attention on the emissions of carbon dioxide, methane and other greenhouse gases ("GHGs") and their potential role in climate change. Developments in GHG initiatives that result in GHG-related requirements that disproportionately affect the cost of energy from oil in comparison to competing energy sources may affect demand for our services. Due to the uncertainties surrounding the risks and regulatory framework associated with greenhouse gas emissions, the financial impact of such developments cannot be estimated at this time.

Renewable Fuel Standard

The Energy Independence and Security Act of 2007 ("EISA") was enacted into federal law in December 2007 created the Renewable Fuel Standard - 2 ("RFS-2") rule. RFS-2 requires the amounts of renewable fuel sold or introduced in the United States to increase each year, reaching 36 billion gallons by 2022. Meeting RFS-2 requires displacing increasing amounts of petroleum-based transportation fuels with biofuels. Although Delek Holdings' refineries are obligated parties under this rule, our entities are not obligated parties and have no requirement to blend specific volumes of renewable fuels. However, the requirements may reduce future demand for petroleum products and thereby have an indirect effect on certain aspects of our business. Alternatively, it may increase demand for our ethanol and biodiesel fuel blending services at our truck loading racks.

Hazardous Substances and Waste

Many of the environmental laws and regulations affecting our operations relate to the release of hazardous substances or solid wastes into water or soils and include measures to control pollution of the environment. These laws generally regulate the generation, storage, treatment, transportation and disposal of solid and hazardous waste. They also require corrective action, including investigation and remediation, at a facility where such waste may have been released or disposed. For instance, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), which is also known as Superfund, and comparable state laws, impose liability without regard to fault or to the legality of the original conduct, on certain classes of persons that contributed to the release of a “hazardous substance” into the environment. These persons include the owner or operator of the site where the release occurred and companies that disposed of, or arranged for the disposal of, the hazardous substances found at the site. Under CERCLA, these persons may be subject to joint and several liability for the costs of cleaning up the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. CERCLA also authorizes the EPA and, in some instances, third parties to act in response to threats to the public health or the environment and to seek to recover from the responsible classes of persons the costs they incur. In the course of our ordinary operations, we generate waste that falls within CERCLA's definition of a “hazardous substance” and, as a result, may be jointly and severally liable under CERCLA for all or part of the costs required to clean up certain sites to which such substances may have been transported, treated, or disposed. However, we have not been identified as a potentially responsible party at any Superfund-regulated sites by any federal or state agency or any other person.

We also generate small quantities of solid wastes, including solid wastes that are also considered hazardous wastes, that are subject to the requirements of the federal Resource Conservation and Recovery Act ("RCRA"), and comparable state laws. From time to time, the EPA considers the adoption of stricter disposal standards for non-hazardous wastes, including crude oil and refined products wastes. We are not currently required to comply with a substantial portion of the RCRA requirements, because our operations generate minimal quantities of hazardous wastes. However, it is possible that additional solid wastes, which could include solid wastes currently generated during operations, will in the future be designated as “hazardous wastes.” Hazardous wastes are subject to more rigorous and costly disposal requirements compared to non-hazardous wastes. Any changes in these regulations could increase our, and our competitors', maintenance, capital expenditures and operating expenses.

We currently own and lease, and Delek Holdings has in the past owned and leased, properties where hydrocarbons are being or have been managed for many years. Although we have utilized operating and disposal practices that were standard in the industry at the time, hydrocarbons or other waste may have been disposed of or released on or under the properties owned or leased by us or on or under other locations where these wastes have been taken for disposal. In addition, many of these properties have been operated by third parties whose treatment and disposal or release of hydrocarbons or other wastes were not under our control. These properties and wastes disposed thereon may be subject to CERCLA, RCRA, and analogous state laws. Under these laws, we may be required to remove or remediate previously disposed wastes (including wastes disposed of or released by prior owners or operators) to clean up contaminated property (including contaminated groundwater), to perform remedial operations to prevent future contamination or to reimburse costs incurred by federal or state agencies or other persons who are allowed to seek such costs under applicable law.

Water

Our operations may result in the discharge of pollutants, including crude oil and refined products. Several of our pipelines and terminals are located near, or cross under or over, environmentally sensitive waters, such as streams, creeks, rivers, lakes and wetlands. The transportation and storage of crude oil and refined products over and adjacent to water involves risk and subjects us to the provisions of the Oil Pollution Act of 1990 (the "OPA"), the Water Pollution Control Act of 1972 (the "Clean Water Act") and related state requirements. These requirements subject owners of covered facilities to strict, joint and potentially unlimited liability for containment and removal costs, natural resource damages and certain other consequences of an oil spill where the spill is into navigable waters, along shorelines or in the exclusive economic zone of the United States. In the event of an oil spill into navigable waters, substantial liabilities could be imposed upon us. States in which we operate have also enacted similar and, in some cases, more stringent laws.

Regulations under the Clean Water Act, the OPA and state laws also impose additional regulatory burdens on our operations. Spill prevention control and countermeasure requirements of federal laws and some state laws require containment to mitigate or prevent contamination of navigable waters in the event of an oil overflow, rupture or leak. For example, the Clean Water Act requires us to maintain spill prevention control and countermeasure plans at many of our facilities. In addition, the OPA requires that most oil transport and storage companies maintain and update various oil spill prevention and oil spill contingency plans. We maintain such plans, and where required have submitted plans and received federal and state approvals necessary to comply with the OPA, the Clean Water Act and related regulations. We regularly review and modify our crude oil and refined product spill prevention plans and procedures to help prevent crude oil and refined product releases and to minimize potential impacts should a release occur.

The Clean Water Act also imposes restrictions and strict controls regarding the discharge of pollutants into navigable waters. Our facilities contract with third parties for wastewater disposal, discharge to local Publicly Owned Treatment Works, or discharge to identify receiving waters under the terms of a National Pollutant Discharge Elimination System permit for wastewater, stormwater or both. In the event regulatory requirements change, or interpretations of current requirements change, and our facilities are required to undertake different wastewater management arrangements, we could incur substantial additional costs. The Clean Water Act imposes substantial potential liability for the violation of permits or permitting requirements and for the costs of removal, remediation, and damages resulting from such discharges. In addition, some states maintain groundwater protection programs that require permits for discharges or operations that may impact groundwater conditions.

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 our assets are located. Under the Omnibus Agreement (as defined in Note 4 to our accompanying consolidated financial statements), Delek Holdings 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 Omnibus Agreement, subject to an 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.

Liens and Encumbrances

The majority of the assets described in this Annual Report on Form 10-K are pledged under and encumbered by our credit agreement. See Note 10 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 Holdings leases its corporate headquarters at 310 Seven Springs Way, Suite 500, Brentwood, Tennessee 37027. The lease is for 56,141 square feet and expires in January 2030. We pay Delek Holdings a proportionate share of the costs to operate the building pursuant to the Omnibus Agreement. Please read Items 1 and 2. "Business and Properties—Commercial Agreements—Other Agreements with Delek Holdings."

ITEM 1A. RISK FACTORS

We are subject to numerous known and unknown risks, many of which are presented below and elsewhere in this Annual Report on Form 10-K. You should carefully consider each of the following risks and all of the other information contained in this Annual Report on Form 10-K in evaluating us and our common stock. Any of the risk factors described below, or additional risks and uncertainties not presently known to us, or that we currently deem immaterial, could have a material adverse effect on our business, financial condition, cash flows and results of operations. The headings provided in this Item 1A are for convenience and reference purposes only and shall not limit or otherwise affect the extent or interpretation of the risk factors.

Risks Relating to Our Business, Financial Condition, Results of Operations, Ability to Maintain our Assets and Cash Flows

Our relationship with Delek Holdings and their financial condition subjects us to potential risks that are beyond our control.

Delek Holdings is the only or primary customer for a majority of our assets, including but not limited to our assets used to support the Tyler Refinery and the majority of our terminalling assets. In addition, Delek Holdings, through inventory intermediation agreements with its assignee, is effectively the principal customer for our Big Spring Logistics Assets used to support the Big Spring Refinery and our Lion Pipeline System, the Gathering Assets, and our El Dorado, Memphis and North Little Rock terminals. Please see Items 1 and 2. "Business and Properties—Delek Holdings' Crude Oil and Refined Products Intermediation Agreement." As we expect to continue to derive the substantial majority of our margins from Delek Holdings, either directly or indirectly, for the foreseeable future, we are subject to the risk of nonpayment, nonperformance or underperformance by Delek Holdings under our commercial agreements or its assignees. If Delek Holdings were to significantly decrease, or cause the significant decrease of, the materials 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 Holdings' 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. Likewise, the terms of Delek Holdings' obligations under its agreements with us are for initial terms ranging from five years to ten years, with options to extend at the election of Delek Holdings. If Delek Holdings fails to renew these contracts as they come up for renewal, or if Delek Holdings fails to use our assets and services after the expiration of the agreements, or should our agreements be invalidated as a result of our performance failure or for any other reason, and we are unable to generate revenue from third parties with respect to such assets, our business and results of operations could be materially and adversely affected. See Note 4 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 material commercial agreements with Delek Holdings. Additionally, any event, whether in our areas of operation or otherwise, that materially and adversely affects Delek Holdings' or its assignees' operations, 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 Holdings and its assignees, including, but not limited to, the following:

- the timing and extent of changes in the costs and availability of crude oil and other refinery feedstocks (including prolonged periods of low crude oil prices that could impact production of inland crude oil and reduce the amount of cost advantaged crude oil available and/or the discount of such crude oil as compared to other crude oil) and in the price and demand for Delek Holdings' refined products;
- the risk of contract cancellation, non-renewal or failure to perform by Delek Holdings' suppliers or customers, and Delek Holdings' inability to replace such suppliers, contracts, customers and/or revenues;
- disruptions due to equipment interruption or failure or other events at Delek Holdings' facilities, or at third-party facilities on which Delek Holdings' business is dependent;
- the effects of economic downturns on Delek Holdings' business and the business of its suppliers, customers, business partners and lenders;
- changes in global and local economic conditions, e.g., as a result of the outbreak of the COVID-19 Pandemic;
- Delek Holdings' ability to remain in compliance with its contracts;
- Delek Holdings' 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 Holdings 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 Holdings 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 Holdings 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 Holdings 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 Holdings or our general partner, and Delek Holdings may elect to pursue a business strategy or make other decisions that do not favor us or our business. See "Risks Relating to Our Partnership Structure—Our general partner and its affiliates, including Delek Holdings, 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."

Developments which impact the global oil markets have had, may continue to have, an adverse impact on our business, our results of operations and our overall financial performance.

While our operations are focused in the Permian Basin (including the Delaware sub-basin) and other select areas on the Gulf Coast region, our business is impacted by events and developments that impact the global markets for oil and other energy products. Any regional or global event or development that destabilizes worldwide economic and commercial activity, financial markets, or the demand for and prices of oil and gas products could materially adversely affect our business and operations. In recent years, the COVID-19 Pandemic, the Russia-Ukraine war, the OPEC-Russia relationship, and the conflict between Israel and Hamas have been sources of uncertainty in the global oil markets, substantial global supply chain issues, and significant disruptions in the labor market.

Global economic growth drives demand for energy from all sources, including fossil fuels. Should the U.S. or global economies experience weakness, demand for energy may decline. Should growth in global energy production outstrip demand, excess supplies may arise. Declines in demand and excess supplies may result in accompanying declines in commodity prices and deterioration of our financial position along with our ability to operate profitably and our ability to obtain financing to support operations. Conversely, should demand for energy outstrip global supply, commodity prices are likely to rise. With respect to our business, we have experienced periodic declines in demand thought to be associated with slowing economic growth in certain markets, including the effects of the COVID-19 Pandemic, coupled with new oil and gas supplies coming on line and other circumstances beyond our control that resulted in oil and gas supply exceeding global demand which, in turn, resulted in steep declines in prices of oil and natural gas. At times, we have also experienced declines in the supply of inputs thought to be associated with supply chain issues and disruptions in the labor market. There can be no assurance as to how long such uncertainty will persist or that a recurrence of price weakness will not arise in the future.

The ultimate extent of the impact of volatile conditions in the oil and gas industry on our business, financial condition, results of operation and liquidity will depend largely on future developments which are outside of our control, including the extent and duration of any price reductions, any additional decisions by OPEC and disputes between the members of OPEC+. Furthermore, developments in the global oil markets may also have the effect of heightening many of the other risks described below.

A regional or global disease outbreak could have a material adverse effect on our business, financial condition, results of operation and liquidity.

Like the COVID-19 Pandemic, a regional or global disease outbreak could result in financial and operational impacts that have a material adverse effect on our business, financial condition, results of operation and liquidity.

Any regional or global disease outbreak may result in modifications to our business practices, including limiting employee and contractor presence at certain work locations, limiting travel, and reducing capital expenditures. We may take further actions as required by government authorities or that we determine are in the best interests of our contractors, customers, suppliers and communities. However, there is no assurance that such measures will be sufficient to mitigate the risks posed by any outbreak, and our ability to successfully execute our business operations could be adversely impacted. In addition, a regional or global disease outbreak could result in impairments of long-lived or indefinite-lived assets, including goodwill, at some point in the future. Such impairment charges could be material.

It is difficult to predict how significant the impact of any regional or global disease outbreak and any responses to such events will be on the U.S. and global economies and our business or for how long disruptions are likely to continue. The extent of such impact will depend on future developments and factors outside of our control, including new information which may emerge concerning the severity or duration of such disease, the evolving governmental and private sector actions to contain the disease or treat its health, economic, and other impacts, and the timing and effectiveness of the ongoing rollout of currently available vaccines.

To the extent any regional or global disease outbreak impacts our business or the global markets for our products, it could have a material adverse effect on our business, financial condition, results of operation and liquidity.

Our operations are subject to many risks and operational hazards, some of which may result in business interruptions and shutdowns of our facilities and liability for damages. If a significant accident or event occurs that results in a business interruption or shutdown, our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to unitholders could be adversely affected.

Our 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:

- business interruption due to maintenance and repairs or mechanical or structural failures with respect to our assets, or our facilities or with respect to third-party assets or facilities on which our operations are dependent, including Delek Holdings’ assets or facilities;
- operational errors that result in a loss of physical integrity or performance in our pipelines and facilities;
- deterioration of the condition of our pipelines and facilities through age, use and disuse;
- damages to our assets and surrounding properties caused by earthquakes, floods, fires, severe weather, explosions and other natural disasters and acts of sabotage or terrorism;
- damages to and loss of availability of interconnecting third-party pipelines, terminals and other means of delivering crude oil, feedstocks and refined petroleum products;
- the inability of third-party facilities on which our operations are dependent, including Delek Holdings’ 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;
- disruption or failure of information technology systems and network infrastructure due to various causes, including unauthorized access or attacks; and
- other hazards.

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

Further, significant portions of our pipeline systems, including our gathering system, and storage and terminalling facilities have been in service for many decades, which could enhance the risks and operational hazards discussed above. 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.

We may be unsuccessful in integrating the operations of the assets we have acquired or may acquire with our 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 completed or 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 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. 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.

On June 1, 2022, we completed the Delaware Gathering Acquisition, which has required management to devote significant attention and resources to integrating the Delaware Gathering business with our business. Potential difficulties that may be encountered in the integration process include, among others:

- the inability to successfully integrate the Delaware Gathering business into our business in a manner that permits us to achieve the revenue and cost savings that we announced as anticipated from the acquisition;

- complexities associated with managing the larger, integrated business;
- potential unknown liabilities and unforeseen expenses, delays or regulatory conditions associated with the Delaware Gathering Acquisition;
- integrating personnel from the two companies while maintaining focus on providing consistent, high-quality products and services;
- loss of key employees;
- integrating relationships with customers, vendors and business partners;
- performance shortfalls at either or both of our existing businesses or the acquired business as a result of the diversion of management's attention caused by completing the acquisition and integration of Delaware Gathering's operations into the Partnership; and
- the disruption or loss in momentum in, each company's ongoing business or inconsistencies in standards, controls, procedures and policies.

Delays or difficulties in the integration process could adversely affect our business, financial results, financial condition and common unit price. Even if we are able to integrate our business operations successfully, there can be no assurance that the integration will result in the realization of the full benefits of synergies, cost savings, innovation and operational efficiencies that we currently expect or have communicated from this integration or that these benefits will be achieved within the anticipated timeframe.

Our insurance policies and contractual protections from Delek Holdings 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 Delek Holdings' insurance policies, subject to the terms, retentions and limits under those policies. To the extent Delek Holdings 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. We could suffer losses for uninsurable or uninsured risks or in amounts in excess of existing insurance coverage. In addition, because Delek Holdings' time element insurance has up to a 60 day waiting period, a significant part, or all, of a business interruption loss or additional expenses 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. Events which could result in such losses, and in some cases already have impacted our operations, include unplanned maintenance requirements, catastrophic events such as fire, mechanical breakdown, explosion, or contamination, natural disasters and orders issued by environmental authorities. Large energy industry claims could result in significant increases in the level of premium costs and deductibles for participants in the energy industry. 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 deductibles. If we experience significant claims, or 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.

Furthermore, any losses under the insurance policies experienced by Delek Holdings may impact our ability to obtain, renew or arrange for adequate alternative coverage. As a result of market conditions and our claims history, premiums and deductibles for Delek Holdings' insurance policies have increased, and some of Delek Holdings' insurers have declined to renew policies. 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.

Under the Omnibus Agreement, Delek Holdings has also agreed to reimburse us for certain losses related to certain asset failures, which provisions expire at various times depending on the asset involved. See Items 1 and 2. "Business and Properties—Commercial Agreements—Other Agreements with Delek Holdings." However, upon such expiration, or if Delek Holdings were to default under the Omnibus Agreement or otherwise fail to satisfy its obligations to us, and insurance coverage was not otherwise available or was otherwise available only at substantial retention levels or cost, we could suffer significant losses that could have a material adverse effect on our business, financial condition and results of operations.

The physical effects of climate change and severe weather present risks to our operations.

The potential physical effects of climate change and severe weather on our operations are highly uncertain and depend upon the unique geographic and environmental factors present. We have systems in place to manage potential acute physical risks, including those that may be caused by climate change, but if any such events were to occur, they could have an adverse effect on our assets and operations. Examples of potential physical risks include extreme heat, severe thunderstorms, lightning strikes, floods, hurricane-force winds, wildfires, freezing temperatures and snowstorms. As the climate changes, the frequency and severity of these physical risks may increase. We have incurred, and will continue to incur, costs to protect our assets from physical risks and to employ processes, to the extent available, to mitigate such risks.

Extreme weather events may disrupt our ability to operate and maintain our facilities or to transport crude oil, refined petroleum or petrochemical and plastics products, both within and outside affected areas. In addition, substantial weather-related conditions could impact our relationships and arrangements with our major customers and suppliers by materially affecting the normal flow of crude oil and refined products. For example, severe weather events could damage transportation infrastructures and lead to interruptions of our operations, including our ability to deliver products or increases in costs. Extended periods of such disruption could have an adverse effect on our results of operations. We have incurred, and will continue to incur, substantial costs to prevent or repair damage to our facilities as a result of severe weather events. Finally, depending on the severity and duration of any extreme weather events or climate conditions, our maintenance procedures may need to be delayed or expanded, operations may need to be modified and material costs incurred, which could materially and adversely affect our business, financial condition and results of operations.

If we are unable to generate sufficient cash flow, our ability to pay quarterly distributions to our common unitholders at all or at current levels or our ability to increase our quarterly distributions in the future could be impaired materially.

Our ability to pay quarterly distributions depends primarily on cash flow, including cash flow from operations, cash from financial reserves, cash from credit facilities and cash from potential capital markets transactions, and not solely on profitability, which is affected by non-cash items. As a result, we may pay cash distributions during periods of losses and may be unable to pay cash distributions during periods of income. Our ability to generate sufficient cash flow is largely dependent on our ability to manage our business successfully, but may also be affected by economic, financial, competitive, regulatory and other factors beyond our control. For example, we may not be able to obtain debt or equity financing on terms that are favorable to us, if at all, and we may be required to fund our working capital requirements principally with cash generated by our operations and borrowings under our credit facilities and not to increase or pay distributions.

We may not have sufficient available cash each quarter to enable us to pay distributions at current levels or at all. In addition, even if we are able to make distributions, because the cash we generate will fluctuate from quarter to quarter, quarterly distributions, or any period over period growth in such distributions, may also fluctuate, or even decrease, from quarter to quarter. Any failure to pay distributions at expected levels could result in a loss of investor confidence and a decrease in the trading price of our units.

The Russia-Ukraine War, Israel-Hamas War, events occurring in response thereto and any expansion of hostilities, may have an adverse impact on our business, our future results of operations, and our overall financial performance. The effect of the conflicts between Russia and Ukraine beginning in February 2022 and between Israel and Hamas beginning in October 2023, on our business, financial condition, and results of operations are impossible to predict. Any increase in sanctions, escalating of the conflicts, including the regional or global expansion of hostilities, and other future developments could significantly affect the global economy, lead to market volatility and supply chain disruptions, have an adverse impact on energy prices, including prices of crude oil, other feedstocks, and refined petroleum products, have an adverse impact on the margins from our petroleum product marketing operations, and have a material adverse effect on our business, financial condition, and results of operations.

The effects of the conflicts between Russia and Ukraine beginning in February 2022 and between Israel and Hamas beginning in October 2023, on our business, financial condition, and results of operations are impossible to predict. Any increase in sanctions, escalation of the conflicts, including the regional or global expansion of hostilities, and other future developments could significantly affect the global economy, lead to market volatility and supply chain disruptions, have an adverse impact on energy prices, including prices for crude oil, other feedstocks, and refined petroleum products, have an adverse impact on the margins from our petroleum product marketing operations, and have a material adverse effect on our business, financial condition, and results of operations.

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. In addition, our business involves the risks of spills, releases and emissions from our facilities, which could require us to make substantial expenditures and subject us to fines and penalties. These expenditures could have a material impact on our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to unitholders.

Our assets and operations involve the transportation and storage of crude oil and products, which are subject to increasingly stringent and extensive federal, state and local laws and regulations related to the discharge and remediation of materials in the environment, greenhouse gas emissions, waste management, species and habitat preservation, pollution prevention, pipeline integrity and other safety-related regulations, and characteristics and composition of fuels. These laws and regulations require us to comply with various safety requirements regarding the design, installation, testing, construction and operational management of certain of our assets. These requirements have raised operating costs, and compliance with such laws and regulations may cause us 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 may continue to become more stringent.

Transportation and storage of crude oil and products involves inherent risks of spills and releases and emissions into the air from our facilities, and can subject us to various federal and state laws governing spills and releases, including reporting and remediation obligations. We have historically experienced multiple releases and spills from our facilities and are subject to ongoing remediation and/or monitoring projects and enforcement actions. The costs associated with such obligations can be substantial, as can costs associated with related enforcement matters, including possible fines and penalties. Transportation of crude oil and 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 OPA, the Clean Water Act and similar state environmental laws should a spill occur from our facilities. See Items 1 and 2. "Business and Properties—Governmental Regulation and Environmental Matters—Water." Among other things, the OPA 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 assets 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, property damage and natural resource damage claims from third parties alleging contamination from spills or releases from our facilities or operations. In addition, even if we are insured against such risks, we may be responsible for costs or penalties to the extent our insurers do not fulfill their obligations to us or our insurance policies do not cover such items. Our failure to comply with these, or any other environmental, pipeline integrity or safety-related laws or 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. In addition, we could incur potentially significant additional expenses should we determine that any of our assets are not in compliance with such laws or regulations in order to bring our assets into compliance. Any such expenses, penalties or liabilities could have a material adverse effect on our business, financial condition or results of operations. While we are entitled to reimbursement or indemnification from Delek Holdings for certain environmental liabilities under the Omnibus Agreement for certain assets which we purchased from Delek Holdings, such reimbursement or indemnification may not fully cover any damages we may incur, or Delek Holdings may default on or otherwise fail to satisfy its obligations to us, which could have a material adverse effect on our business, financial condition or results of operations.

Further, certain of our pipeline facilities are subject to the pipeline safety regulations of the PHMSA. The PHMSA regulates the design, construction, testing, operation, maintenance, reporting and emergency response of crude oil, petroleum products and other hazardous liquid pipeline facilities.

The 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, although recent rulemaking is extending certain requirements beyond high consequence areas. The 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.

The PHMSA also carries out the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011 (the "2011 Pipeline Safety Act"), which 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. The Protecting our Infrastructure of Pipelines and Enhancing Safety Act (the "PIPES Act") was finalized in 2016, reauthorizing the PHMSA's pipeline safety programs through 2019 and directing PHMSA to complete unfinished mandates of the 2011 Pipeline Safety Act. The PIPES Act of 2020 was enacted on December 27, 2020 and reauthorizes the U.S. federal pipeline safety program after the PIPES Act of 2016 expired on September 30, 2019.

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.

A material decrease in wholesale fuel margins or in the quantity of barrels sold to wholesale customers could adversely affect our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distribution to unitholders.

Our wholesale fuel sales in our West Texas business are made to third party customers. The margins we earn on these sales, and the quantity of barrels we sell, are dependent on a number of factors outside our control, including the overall supply of refined products, overall market conditions, the demand for these products, competition from third parties, the price of ethanol and the value of renewable identification numbers ("RINs") we receive from blending renewable fuels. Specifically, among other circumstances, the margins we earn through these activities may be adversely impacted in the event of excess supply of refined products or decreased customer demand. Political instability and global health crises, such as the COVID-19 Pandemic, can also impact the global economy and decrease worldwide demand for oil and refined products. These supply and demand dynamics are subject to day-to-day variability and may result in volatility in the margins that we achieve. These, and other dynamics, may also result in our customers reducing their purchases of product from us in favor of purchasing more product from other refiners or suppliers. Further, decreases in the value of RINs could impact our margins in our wholesale business. In addition, our margins are affected by the price we pay for ethanol, which is blended into certain refined products. We occasionally lock in ethanol prices by committing to purchase ethanol in the future at a certain price. If the spot price for ethanol at the time we actually take delivery of such product is less than what we paid for it, our margins could be negatively impacted. Price risk management programs established to hedge price volatility may not perform as intended, which may negatively impact our margins. Extended periods of market conditions that result in us earning margins lower than anticipated or in us selling fewer barrels of product to wholesale customers, for any of the reasons set forth above or otherwise, could adversely affect our financial condition, results of operations and cash flows.

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, ability to service our indebtedness and ability to make distributions to unitholders.

Our commercial agreements with Delek Holdings and third parties provide that the counterparty may, depending on the commercial agreement, 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 Holdings, Delek Holdings 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. 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 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 being unable to utilize our assets, and Delek Holdings or its assignee or a third party, as the case may be, 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 Holdings' refineries could have a material impact on multiple of our commercial agreements with Delek Holdings 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 Holdings satisfies only its minimum obligations under, or if we are unable to renew or extend, the various commercial agreements we have with Delek Holdings, our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to unitholders could suffer.

Delek Holdings 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 maintenance and inspection turnarounds, which typically last 30 to 60 days and are performed every four to five years, and during other planned or unplanned maintenance periods, Delek Holdings is only required to satisfy its minimum volume commitments during such periods with respect to our assets that serve the refinery. In addition, the initial terms of Delek Holdings' obligations under those agreements range from five to ten years, unless earlier terminated as described above, with Delek Holdings having the option to renew. If Delek Holdings 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 Holdings 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 reduction in the volumes of crude oil or refined products that we handle for Delek Holdings could adversely affect our financial condition, results of operations, cash flows and ability to make distributions to unitholders. Our substantial dependence on Delek Holdings' Tyler, El Dorado and Big Spring refineries, as well as the lack of diversification of our assets and geographic locations, could have a material adverse effect on our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to unitholders.

If the demand for refined products, particularly in Delek Holdings' primary market areas, decreases significantly, or if there were a material increase in the price of crude oil supplied to the Tyler, El Dorado or Big Spring refineries without an increase in the value of the refined products produced by those refineries, either temporary or permanent, which caused Delek Holdings 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 Holdings. Any such reduction could adversely affect our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to our unitholders.

We believe that a substantial majority of our gross and contribution margins for the foreseeable future will be derived from the operation of our pipelines, gathering systems and terminal and storage facilities that support the Tyler, El Dorado and Big Spring refineries and are primarily located in Arkansas and Texas and, to a lesser degree, Louisiana and Tennessee. Any event that renders any Delek Holdings refinery temporarily or permanently unavailable could 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 Holdings, 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 could have a material adverse effect on our financial condition, results of operations, cash flows and ability to make distributions to unitholders" and "-If Delek Holdings satisfies only its minimum obligations under, or if we are unable to renew or extend, the various commercial agreements we have with Delek Holdings, our cash flow and results of operations could suffer."

There are certain environmental hazards and risks inherent in our operations that could adversely affect those operations and our financial results.

The operation of refineries, pipelines, terminals and vessels is inherently subject to the risks of spills, discharges or other inadvertent releases of petroleum or hazardous substances. When these events occur in connection with any of our refineries, pipelines or refined petroleum products terminals, or in connection with any facilities that receive our wastes or byproducts for treatment or disposal, we have in the past and could in the future be liable for costs and penalties associated with their remediation under federal, state, local and international environmental laws or common law, as well as for property damage to third parties caused by contamination from releases and spills.

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, ability to service our indebtedness and ability to make distributions to our unitholders.

The volumes of crude oil and refined products that we may transport on our pipelines will depend on the volumes of crude oil processed and refined products produced at Delek Holdings' refineries that we serve, as well as third parties' desire to transport crude on our systems, including our Paline Pipeline. The volumes of crude oil processed and refined products produced depend, in part, on the availability of attractively priced crude oil. For example, if a shipper on one of our pipeline systems is unable to locate or purchase attractively priced crude, which could happen due to a large number of market factors, and their shipments on our system are made in large part because of the pipeline's proximity to such attractively priced crude, then our pipeline may not be utilized. If the capacity of such pipeline is not under contract, or the pipeline is not utilized at all or to its capacity, then our results may be adversely affected. Our Paline Pipeline is such a pipeline. If we are unable to secure capacity agreements on our Paline Pipeline, our Paline Pipeline may go unused or underused for a period of time, which could affect our operating results if third parties are no longer interested in transporting crude oil along that route for economic reasons associated with the price of crude or other reasons.

Further, in order to maintain or increase production levels at Delek Holdings' refineries, Delek Holdings must continually contract for new crude oil supplies or connect 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 Holdings as a direct or indirect customer. Accordingly, in addition to risks related to accessing, gathering, 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 action by the members of the Organization of the Petroleum Exporting Countries, or OPEC, individually or in the aggregate, regarding production levels and prices;
- 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 Holdings' refineries.

If, as a result of any of these or other factors, the volumes of attractively priced crude oil available to Delek Holdings' 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.

A portion of our operations are conducted through joint ventures, over which we do not have full control and which have unique risks.

A portion of our operations are conducted through joint ventures, in which we have been making investments since 2015. We are able to appoint members to the managing boards of each of the joint ventures and maintain certain rights of approval over certain actions of our partners and/or their affiliates. However, our partners in each of our joint ventures, or their affiliates, serve as, or are responsible for, the contractor and the operator of the joint ventures' assets, and we have limited control over the same. In addition, we have limited control over the cash distribution policies of each of the joint ventures.

We share ownership in the joint ventures with partners that may not always share our goals and objectives. Differences in views among the partners may result in delayed decisions or failures to agree on major matters, such as large expenditures or contractual commitments, the construction of assets or borrowing money, among others. Delay or failure to agree may prevent action with respect to such matters, even though such action may not serve our best interest or that of the joint venture. Accordingly, delayed decisions and disagreements could adversely affect the business and operations of the joint ventures and, in turn, our business and operations. From time to time, our joint ventures may be involved in disputes or legal proceedings which may negatively affect our investments. Accordingly, any such occurrences could adversely affect our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to our unitholders.

We are exposed to direct commodity price risk and interest rate risk, both of which may increase in the future. We may incur losses as a result of our forward contract activities and derivative transactions.

We typically own and hold a certain amount of inventory of light products in our business with respect to our wholesale marketing business in West Texas. Depending on our ability to sell such inventory, and the timing in which we do so, we could be exposed to risks related to the volatility of commodity prices in West Texas. Such volatility depends on many factors, including general market conditions and prices, demand for refined products in the West Texas market, the timing of refined product deliveries and downtime at refineries in the surrounding area. In addition, our actual product acquisitions from suppliers versus the amount we nominated to acquire may result in us being effectively long or short with respect to a given product and thus subject to further commodity price risk. This exposure to the volatility of commodity prices could have a material adverse effect on our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make 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 on our floating rate debt, we selectively use derivative financial instruments, such as fuel-related derivative transactions, and may use 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 in accordance with their terms and upon termination. The maintenance of required margin accounts, and the settlement of derivative contracts, could cause us to suffer losses or limit 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 and diesel relative to the derivative instrument. We cannot assure you that the strategies underlying these transactions will be successful. If any of the strategies we utilize to manage our exposure to various types of risk is not effective, we may incur losses.

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

Part of our growth strategy depends on the growth of Delek Holdings' 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 Holdings, its assignees and third parties. Our organic growth opportunities will be limited if Delek Holdings is unable to acquire new assets for which our execution of organic projects is needed. Additionally, if Delek Holdings 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 Holdings.

We can provide no assurance that we will be able to retain or attract third-party revenues, which could limit our ability to grow and increase our dependence on Delek Holdings. 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. Further, under certain of our commercial agreements with Delek Holdings, we may not provide service to third parties with respect to certain assets without Delek Holdings' 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.

The costs, scope, timelines and benefits of any construction projects we undertake may deviate significantly from our original plans and estimates, which could have a material adverse effect on our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to unitholders.

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 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. Moreover, pipeline construction projects requiring federal approvals are generally subject to environment review requirements under the National Environmental Policy Act and must also comply with other natural resources review requirements imposed pursuant to the Endangered Species Act, the National Historic Preservation Act and other federal and state laws and regulations and potential permitting requirements. 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 financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to our unitholders.

A shortage of skilled labor or disruptions in our labor force may make it difficult for us to maintain labor productivity.

Our future success depends to a large extent on the services of our, and our general partner's senior executives and other key employees and the same is true of Delek Holdings and its senior executives and key employees. Our business depends on our continuing ability to recruit, train and retain highly qualified employees in all areas of our operations, including engineering, accounting, business operations, finance and other key back-office and mid-office personnel, or those of Delek Holdings that we rely upon. Furthermore, our operations require skilled and experienced employees with proficiency in multiple tasks. The competition for these employees is intense, and the loss of these executives or employees could harm our business. If any of these executives or other key personnel resigns or becomes unable to continue in his or her present role and is not adequately replaced, either by us or Delek Holdings, our business operations could be materially adversely affected.

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 significant 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.

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, ability to service our indebtedness 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. Our shippers often need to use such pipelines, terminals and facilities; however, the continuing operation of such third-party pipelines, terminals and other facilities is not within our control.

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 Holdings 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 could adversely affect our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to our unitholders.

An interruption or reduction 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 that we purchase from Delek Holdings and unaffiliated third parties. We purchase the majority of product we sell in West Texas from Delek Holdings. The remainder of the barrels we sell in West Texas are spot purchased from various suppliers or refiners. We could experience an interruption or reduction in the supply or delivery of refined products if our suppliers, the refineries who supply us or our suppliers, or the pipelines that deliver that product 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, regional or global disease outbreaks, 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. An interruption or reduction in the volume of refined products supplied to our wholesale business could adversely affect our sales and profitability.

We are exposed to the credit risks and certain other risks of our key customers and other contractual counterparties, including Delek Holdings and its assignees, and any material nonpayment or nonperformance by our key customers or other counterparties could adversely affect our business, which could have a material adverse effect on our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to unitholders.

We are subject to risks of loss resulting from nonpayment or nonperformance by our customers and other contractual counterparties. Any material nonpayment or nonperformance or default by our key customers or other contractual counterparties, including Delek Holdings or its assignees, could adversely affect our business, financial condition, results of operations and our ability to make distributions to our unitholders. 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 Holdings, could adversely affect our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to our unitholders.

Restrictions in our revolving credit facility and in the respective indentures governing the 2025 Notes and 2028 Notes could adversely affect our business, financial condition, results of operations and ability to make quarterly cash distributions to our unitholders.

Our revolving credit facility and the respective indentures governing the 2025 Notes and 2028 Notes (as defined in Note 11 to our consolidated financial statements in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K) contain, and any future financing agreements may contain, operating and financial restrictions and covenants that could limit our ability to finance future operations or capital needs, or to expand or pursue our business activities, which may, in turn, limit our ability to make cash distributions to our unitholders.

For example, 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 or make certain investments (including in joint ventures); and
- enter into certain transactions with affiliates.

Our revolving 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 revolving credit facility contains events of default customary for agreements of this nature, including the occurrence of certain change of control events.

Similarly, the respective indentures governing the 2025 Notes and 2028 Notes contain covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to (i) incur, assume or guarantee additional indebtedness or issue certain convertible or redeemable equity securities; (ii) create liens to secure indebtedness; (iii) pay distributions on equity interests, repurchase equity securities or redeem subordinated securities; (iv) make investments; (v) make distributions, loans or other asset transfers from our restricted subsidiaries; (vi) consolidate with or merge with or into, or sell substantially all of our properties to, another person; (vii) sell or otherwise dispose or assets, including equity interests in subsidiaries; and (viii) enter into transactions with affiliates.

The provisions of our revolving credit facility and of the respective indentures governing the 2025 Notes and 2028 Notes 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 revolving credit facility or the indentures governing the 2025 Notes and 2028 Notes 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 certain other indebtedness 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 revolving 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 revolving credit facility and the respective indentures governing the 2025 Notes and 2028 Notes also have cross-default provisions that would apply to certain other indebtedness we may have.

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

As of December 31, 2023, we had approximately $1,711.8 million in debt outstanding. We have the ability to incur additional debt; however, such ability is subject to limitations under our revolving credit facility and the respective indentures governing the 2025 Notes and 2028 Notes. 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 flows 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, many 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.

Transportation on certain of our pipelines is subject to federal or state 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. In addition, certain of our other contracts are eligible for fee increases tied to other inflationary indexes, which could adversely affect our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to unitholders.

Certain of our pipelines provide services subject to regulation by the FERC 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 annually adjusts the maximum rate for a given transportation service based on a percentage change in the producer price index for refined goods and is not based on pipeline-specific costs. If the index in a given year results in an increase in the applicable rate ceiling, pipelines are allowed to raise rate to the new ceiling. If the index in a given year results in a decrease in the applicable rate ceiling, 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 refunds 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. In addition, the FERC issued a final order on March 15, 2018 (Docket No. PL17-1-000) in which the FERC found that an impermissible double recovery results from granting a Master Limited Partnership pipeline, such as the Partnership, both an income tax allowance and a return on equity pursuant to the discounted cash flow methodology. Accordingly, the FERC revised its policy and no longer permits an MLP to recover an income tax allowance in its cost of service. These changes could require us to change our rate design and potentially lower our rates if they are challenged on a cost of service basis. 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 that is not currently subject to our FERC tariffs is within its jurisdiction. If the FERC were successful with any such assertion, we may be required to pay refunds to customers and the FERC's 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. Service on the East Texas Crude Logistics System is currently subject to a temporary waiver issued by the FERC. If the conditions to the continued effectiveness of that East Texas Waiver Order are no longer true at any point, service on that system would become fully subject to the FERC tariff filing requirements and other regulatory requirements for the provision of transportation service. If we file tariffs, we may be required to provide a cost justification for the transportation charge. We would also be required to provide service to all prospective shippers making reasonable requests for service without undue discrimination and to operate in a manner that does not provide any undue preference to shippers. The rates under such tariffs may be insufficient to allow us to recover fully our cost of providing service on the affected pipelines, which could adversely affect our business, financial condition and results of operations.

In addition, regulation by the FERC may subject us to potentially burdensome and expensive operational, reporting and other requirements. We own pipeline assets in Texas, Arkansas, Louisiana, New Mexico and Oklahoma. 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 transportation without discrimination. In Oklahoma, oil and gas companies engaged in transporting oil or gas by pipeline within the state operate as common carriers, and are not permitted to engage in unlawful 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.

The Federal Trade Commission, the FERC and the Commodity Futures Trading Commission ("CFTC") hold statutory authority to monitor certain segments of the physical and futures energy commodities markets. These agencies have imposed broad regulations prohibiting fraud and manipulation of such markets. With regard to our physical sales of oil or other energy commodities, and any related hedging activities that we undertake, we are required to observe the market-related regulations enforced by these agencies, which hold substantial enforcement authority. Failure to comply with such regulations, as interpreted and enforced, could have a material adverse effect on our business, results of operations and financial condition.

In addition, the fees we charge on certain of our other contracts not involving regulated or other pipelines are also subject to change based on inflation-based indices, such as certain sub-indices of the producer price index or the consumer price index. If the index rises, we will be able to increase our rates. However, if the index falls, we will be required to reduce our rates.

Delek Holdings' level of indebtedness, the terms of its borrowings and any 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 current and future credit ratings may also be affected by Delek Holdings' level of indebtedness and creditworthiness.

Delek Holdings 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 Holdings may increase the risk that it may default on its obligations, including commercial agreements with us. The covenants contained in the agreements governing Delek Holdings' 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 Holdings' indebtedness requires that any transactions it enters into with us must be on terms no less favorable to Delek Holdings than those that could have been obtained with an unrelated person. There is also the risk that if Delek Holdings were to default under certain of its debt obligations, Delek Holdings' creditors would attempt to assert claims against our assets during the litigation of their claims against Delek Holdings. 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 Holdings' debt under its credit arrangements, we may be indirectly affected by certain prohibitions and limitations contained therein. Due to its ownership and control of our general partner, Delek Holdings has the ability to prevent us from taking actions that would cause Delek Holdings 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 Holdings will have no fiduciary duty to us or our unitholders. Delek Holdings' 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 revolving credit facility.

Any debt instruments that Delek Holdings 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 Holdings 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.

Our current and future credit ratings may be adversely affected by any current and future credit rating of Delek Holdings, as credit rating agencies may consider the leverage and credit profile of Delek Holdings and its affiliates, because of their ownership interest in and control of us and because Delek Holdings accounts for a substantial majority of our contribution margin. Any adverse effect on our current and future credit ratings could 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 revolving credit facility, to the extent not hedged, and interest rates under 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.

Fixed rate debt, such as the 2025 Notes and 2028 Notes, exposes us to changes in the fair value of our debt due to changes in market interest rates. Fixed rate debt also exposes us to the risk that we may need to refinance maturing debt with new debt at higher rates.

If we are unable to make investments in joint ventures or acquisitions on economically acceptable terms, our future growth could be limited, and any investments or acquisitions we may make may negatively impact our financial condition, results of operations, cash flows, ability to service our indebtedness 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 or invest in joint ventures that result in an increase in cash flow. If we are unable to make acquisitions from Delek Holdings or third parties or invest in joint ventures, because we are unable to identify attractive acquisition or project candidates or negotiate acceptable purchase contracts, or if we are unable to obtain financing for these acquisitions or investments on economically acceptable terms, or if we are outbid by competitors or if 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 or investments in joint ventures that we believe will be accretive, they may in fact result in a decrease in cash flow. Any acquisition or investment 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 or investments in joint ventures, 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.

The expansion of existing assets and construction of new assets, including through joint venture investments, may not result in revenue increases and will be subject to regulatory, environmental, political, legal, economic and other risks, which could adversely affect our financial condition, results of operations, cash flows, ability to service our indebtedness and ability to make distributions to unitholders.

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, including through investments in joint ventures. 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, or joint ventures we invest in, undertake these types of projects, they may not be completed on schedule, or at all, or at the budgeted cost. Moreover, we, or the joint ventures we invest in, may not receive sufficient long-term contractual commitments from customers to provide the revenue needed to support such projects. Even if such commitments are received, an increase in revenue may not be realized for an extended period of time. For instance, if we build, or invest in a joint venture that builds, 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, or the joint ventures we invest in, 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 the 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, or a significant increase in the costs of these rights, could have a material adverse effect on our business, financial condition, results of operations, ability to maintain our assets 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, or otherwise fail to 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 or changes in applicable laws 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.

We have not obtained independent evaluations of all of the reserves connected to our gathering systems; therefore, in the future, customer volumes on our systems could be less than we anticipate.

We do not routinely obtain or update independent evaluations of the reserves connected to our systems. Moreover, even if we did obtain independent evaluations of all of the reserves connected to our systems, such evaluations may prove to be incorrect. Crude oil and natural gas reserve engineering requires subjective estimates of underground accumulations of crude oil and natural gas and assumptions concerning future crude oil and natural gas prices, future production levels and operating and development costs.

Accordingly, we may not have accurate estimates of total reserves dedicated to our systems of the anticipated life of such reserves. If the total reserves or estimated life of the reserves connected to our gathering system is less than we anticipate and we are unable to secure additional volumes, it could have a material adverse effect on our business, results of operations, financial condition and our ability to make cash distributions to our unitholders.

Certain of our gathering agreements contain provisions that can reduce that cash flow stability that the agreements were designed to achieve.

We designed those gathering agreements that contain MVC provisions to generate stable cash flows for us over the life of the MVC contract term. Under certain of these agreements, Delek Holdings agreed to ship a minimum volume on our gathering systems or over certain periods during the term of the agreement. If Delek Holdings' actual throughput volumes are less than its MVC for the contracted measurement period, it must make a shortfall payment to us at the end of the applicable measurement period. The amount of the shortfall payment is based on the difference between the actual throughput volume shipped or processed for the applicable period and the MVC for the applicable period, multiplied by the applicable fee. To the extent that Delek Holdings' actual throughput volumes are above or below its MVC for the applicable contracted measurement period, certain of our gathering agreements contain provisions that allow Delek Holdings to use the excess volumes or the shortfall payment to credit against future excess volumes or future shortfall payments, which could have a material adverse effect on our results of operations, financial condition and cash flows and our ability to make cash distributions to our unitholders.

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.

The threat of climate change continues to attract considerable attention in the United States and in foreign countries. Numerous proposals have been made and could continue to be made at the international, national, regional and state levels of government to monitor and limit existing emissions of greenhouse gases, or “GHGs” as well as to restrict or eliminate such future emissions. As a result, our operations are subject to a series of regulatory, political, litigation, and financial risks associated with the production and processing of fossil fuels and emission of GHGs.

In the United States, no comprehensive climate change legislation has been implemented at the federal level. However, following the U.S. Supreme Court finding that GHG emissions constitute a pollutant under the Clean Air Act, the EPA has adopted regulations that, among other things, establish construction and operating permit reviews for GHG emissions from certain large stationary sources, require the monitoring and annual reporting of GHG emissions from certain petroleum and natural gas system sources in the United States, implement New Source Performance Standards directing the reduction of methane from certain new, modified, or reconstructed facilities in the oil and natural gas sector, and together with the DOT, implement GHG emissions limits on vehicles manufactured for operation in the United States.

Additionally, various states and groups of states have adopted or are considering adopting legislation, regulations or other regulatory initiatives that are focused on such areas as GHG cap and trade programs, carbon taxes, reporting and tracking programs, and restriction of GHG emissions. At the international level, in April 2016, the U.S. became a signatory to the 2015 United Nations Conference on Climate Change, which led to the creation of the Paris Agreement. After beginning the process to withdraw from participation in the Paris Agreement in 2017, in 2021 the U.S. rejoined the Paris Agreement. The adoption and implementation of new or more stringent legislation or regulations could result in increased costs of compliance or costs of consuming, and thereby reduce demand for, oil and natural gas, which could reduce demand for our services and products.

Concern over the threat of climate change may also result in political action deleterious to our interests. Separately, increased attention to climate change risks has increased the possibility of claims brought by public and private entities against oil and gas companies in connection with their GHG emissions. While courts have generally declined to assign direct liability for climate change to large sources of GHG emissions, new claims for damages and increased government scrutiny, especially from state and local governments, will likely continue. Moreover, to the extent societal pressures or political or other factors are involved, it is possible that such liability could be imposed without regard to the company’s causation of or contribution to the asserted damage, or to other mitigating factors.

There are also increasing financial risks for fossil fuel producers as shareholders currently invested in fossil-fuel energy companies concerned about the potential effects of climate change may elect in the future to shift some or all of their investments into non-energy related sectors. Institutional lenders who provide financing to fossil-fuel energy companies also have become more attentive to sustainable lending practices and some of them may elect not to provide funding for fossil fuel energy companies. Additionally, the lending practices of institutional lenders have been the subject of intensive lobbying efforts in recent years, oftentimes public in nature, by environmental activists, proponents of the international Paris Agreement, and foreign citizenry concerned about climate change. Limitation of investments in and financings for fossil fuel energy companies could result in the restriction, delay or cancellation of drilling programs or development or production activities. One or more of these developments could have a material adverse effect on our business, financial condition and results of operation.

Finally, it should be noted that many scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events; if any such effects were to occur, they could have an adverse effect on our operations or our customers' exploration and production operations, which in turn could affect 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 DOT 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. During 2016, the EPA conducted a mid-term evaluation of progress in meeting vehicle GHG standards and in January 2017 the EPA issued a determination to maintain the current GHG emissions standards for model year (MY) 2022-2025 vehicles, but that action was subsequently withdrawn on April 13, 2018. In March 2017, EPA announced its decision to reopen the mid-term evaluation process and reconsider the January 2017 determination. As a result, GHG emissions standards for MY 2022-2025 vehicles remain uncertain. In August 2016, the EPA and the NHTSA jointly finalized standards for medium- and heavy-duty vehicles regulating fuel efficiency and carbon pollution. On August 10, 2021, the NHTSA proposed to amend the CAFE standards previously published in 2020 (for model years 2024-2026) to increase the stringency at a rate of 8% a year, rather than the 1.5% set previously. 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 Holdings' refineries, 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, benzene 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.

Increased regulation of hydraulic fracturing could result in reductions or delays in customer production, which could materially adversely impact our revenues.

Hydraulic fracturing is an important and increasingly common practice that is used to stimulate production of natural gas and/or crude oil from dense subsurface rock formations and is primarily regulated by state agencies. However, Congress has in the past, and may in the future consider legislation to regulate hydraulic fracturing by federal agencies. Many states have already adopted laws and/or regulations that require disclosure of the chemicals used in hydraulic fracturing. States also could elect to prohibit hydraulic fracturing altogether, as New York, Maryland, and Vermont have done. In addition, certain local governments have adopted, and additional local governments may adopt, ordinances within their jurisdictions regulating the time, place and manner of drilling activities in general or hydraulic fracturing activities in particular. These initiatives and similar efforts elsewhere could restrict oil and gas development in the future.

The EPA has also moved forward with various regulatory actions, including a proposal to issue new regulations under the New Source Performance Standards (NSPS) to expand and strengthen emissions reduction requirements under NSPS OOOOa for new, modified and reconstructed oil and natural gas sources, and require states to reduce methane emissions from existing sources nationwide. The BLM has also asserted regulatory authority over aspects of the hydraulic fracturing process and issued a final rule in March 2015 that established more stringent standards for performing hydraulic fracturing on federal and Indian lands, including requirements relating to well construction and integrity, handling of wastewater and chemical disclosure. However, in December 2017, the BLM published a final rule rescinding the 2015 rule. The U.S. District Court for the Northern District of California upheld the December 2017 rescission rule in a March 2020 decision, and the State of California and environmental plaintiffs appealed. Litigation is currently ongoing.

Further, several federal governmental agencies have conducted reviews and studies on the environmental aspects of hydraulic fracturing, including the EPA. The results of such reviews or studies could spur initiatives to further regulate hydraulic fracturing.

State and federal regulatory agencies recently have focused on a possible connection between the hydraulic fracturing related activities and the increased occurrence of seismic activity. When caused by human activity, such events are called induced seismicity. Some state regulatory agencies, including those in Colorado, Ohio, and Texas, have modified their regulations or guidance to account for induced seismicity. These developments could result in additional regulation and restrictions on the use of injection disposal wells and hydraulic fracturing. Such regulations and restrictions could cause delays and impose additional costs and restrictions on our customers.

Additionally, certain of our customers produce oil and gas on federal lands. On January 20, 2021, the Acting Secretary for the Department of the Interior signed an order effectively suspending new fossil fuel leasing and permitting on federal lands for 60 days. Then on January 27, 2021, President Biden issued an executive order indefinitely suspending new oil and natural gas leases on public lands or in offshore waters pending completion of a comprehensive review and reconsideration of federal oil and gas permitting and leasing practices. Several states filed lawsuits challenging the suspension, and on June 15, 2021, a judge in the U.S. District Court for the Western District of Louisiana issued a nationwide temporary injunction blocking the suspension. The Department of the Interior appealed the U.S. District Court's ruling, but resumed oil and gas leasing pending resolution of the appeal. In November 2021, the Department of the Interior completed its review and issued a report on the federal oil and gas leasing program. The Department of the Interior's report recommends several changes to federal leasing practices, including changes to royalty payments, bidding, and bonding requirements.

If new or more stringent federal, state or local legal restrictions relating to drilling activities or to the hydraulic fracturing process are adopted, this could result in a reduction in the supply of natural gas and/or crude oil that our customers produce and could thereby adversely affect our revenues and results of operations. Compliance with such rules could also generally result in additional costs, including increased capital expenditures and operating costs, for our customers, which could ultimately decrease end-user demand for our services and could have a material adverse effect on our business.

Increasing attention on environmental, social and governance matters may impact our business, financial results or stock price.

In recent years, increasing attention has been given to corporate activities related to environmental, social and governance ("ESG") matters in public discourse and the investment community. A number of advocacy groups, both domestically and internationally, have campaigned for governmental and private action to promote change at public companies related to ESG matters, including through the investment and voting practices of investment advisers, public pension funds, universities and other members of the investing community.

These activities include increasing attention and demands for action related to climate change, promoting the use of substitutes to fossil fuel products, and encouraging the divestment of companies in the fossil fuel industry. For example, in recent years, private litigation has been increasingly initiated against oil and gas companies by local and state agencies and private parties alleging climate change impacts arising from their operations and seeking damages and equitable relief. We have not had any climate change litigation initiated against us to date and we cannot reasonably predict whether any such litigation will be initiated against us or, if initiated, what the outcome would be. If any such litigation were to be initiated against us, at a minimum, we would incur legal and other expenses to defend such lawsuits, which amounts may be significant. If we failed to prevail in any such litigation and were required to pay significant damages and/or materially alter the manner in which we conduct our business, there could be a material adverse impact on our operations, financial condition or results of operations. The increasing attention to ESG activities and a shift by consumers to more fuel-efficient or alternative fuel vehicles could reduce demand for our products, reduce our profits, increase the potential for investigations and litigation, impair our brand and have negative impacts on our common limited partner unit price and access to capital markets. Additionally, increased attention may increase opposition to the development, permitting, construction or operation of our pipelines and facilities from environmental groups, landowners, local groups and other advocates. In addition to litigation such opposition may take the form of organized protests, attempts to block or sabotage our operations, intervention in regulatory or administrative proceedings involving our assets or other actions designed to prevent, disrupt or delay the development, operation, or maintenance of our assets and business.

In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings systems for evaluating companies on their approach to ESG matters. These ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings may lead to increased negative investor sentiment toward us and our industry and to the diversion of investment to other industries, which could have a negative impact on our stock price and our access to and costs of capital.

Acts of terror or sabotage, threats of war, armed conflict or war may hinder or prevent us from conducting our business.

Acts of sabotage or terrorist attacks (including cyber-attacks) in the U.S., as well as events occurring in response to or in connection with them, including political instability in significant oil producing regions such as the Middle East, Africa, the former Soviet Union and South America, may harm our business. Energy-related assets (which could include refineries, pipelines and terminals) may be at greater risk of future terrorist attacks than other possible targets in the U.S. In addition, the State of Israel, where Delek Holdings Group, the former parent company of Delek Holdings, is based, has suffered armed conflicts and political instability in recent years, including the Israel-Hamas War. We may be more susceptible to a direct attack as a result of our connection to Israel.

A direct attack on our assets, or the assets of others used by us, could have a material adverse effect on our business, financial condition and results of operations.

Uncertainty surrounding new or continued global hostilities or other sustained military campaigns, and the possibility that infrastructure facilities could be direct targets of, or indirect casualties of, an act of terror, armed conflict or war, may affect our operations in unpredictable ways, including disruptions of crude oil supplies and markets for refined products. In addition, any terrorist attack, armed conflict, war or political instability in the significant oil producing regions such as the Middle East, Africa, the former Soviet Union and South America could have an adverse impact on energy prices, including prices for crude oil, other feedstocks and refined petroleum products, and an adverse impact on the margins from our petroleum product marketing operations. The long-term impacts of terrorist attacks and the threat of future terrorist on energy transportation infrastructure or vandalism could result in increased costs to our business. In addition, disruption or significant increases in energy prices could result in government-imposed price controls. Any one of, or a combination of, these occurrences could have a material adverse effect on our business, financial condition and results of operations.

Further, changes in the insurance markets attributable to terrorist attacks or acts of sabotage 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, sabotage 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 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 and demand for asphalt products, which is a substantial product of Delek Holdings' El Dorado Refinery, is lower in the winter months. In addition, our refining customers, such as Delek Holdings, 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 refined 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.

Legislative and regulatory measures could have an adverse effect on our ability to use derivative instruments to reduce the effect of commodity price, interest rate and other risks associated with our business.

Provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act and certain rules and regulations promulgated by the CFTC, the SEC, and other governmental bodies may have a material adverse effect on our ability to hedge our exposure to commodity prices, interest rates and other risks to the extent that we use derivatives to do so.

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

We rely on information technology across our operations, including in the monitoring of the movement of petroleum through our pipelines and terminals and in various other processes and transactions. We also utilize information technology systems and controls throughout our operations to capture accounting, technical and regulatory data for subsequent archiving, analysis and reporting. Disruption, failure, or cyber security breaches affecting or targeting our computer or telecommunications systems, our infrastructure, or the infrastructure of our cloud-based IT service providers may materially impact our business and operations. A failure of these systems, whether due to power loss, unsuccessful transition to upgraded or replacement systems, unauthorized access or other cyber breach or attack could result in disruption to our business operations, access to or disclosure or loss of data and/or proprietary information, personal injuries and environmental damage, any of which could have an adverse effect on our business, reputation, and effectiveness. We could also be subject to resulting investigation and remediation costs, as well as regulatory enforcement, private litigation and related costs, any of which could have a material adverse impact on our cash flow and results of operations. Furthermore, public disclosure of any such event could result in negative publicity and a loss of investor confidence, which could have a negative impact on the trading price of our common units.

We rely on commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential customer information, such as payment card and personal credit information. Despite our security measures, we experience attempts by external parties to penetrate and attack our networks and systems. Although such attempts to date have not, to our knowledge, resulted in any material breaches, disruptions, or loss of business-critical information, our systems and procedures for protecting against such attacks and mitigating such risks may prove to be insufficient in the future and such attacks could have an adverse impact on our business and operations, including damage to our reputation and competitiveness, remediation costs, litigation or regulatory actions. In addition, as technologies evolve, work trends change such as the increase in remote work in the wake of the COVID-19 Pandemic, and cyber-attacks become more sophisticated, we may incur significant costs to upgrade or enhance our security measures to protect against such attacks and we may face difficulties in fully anticipating or implementing adequate preventive measures or mitigating potential harm. We could also be liable under laws that protect the privacy of personal information, subject to regulatory penalties, experience damage to our reputation or a loss of consumer confidence, or incur additional costs for remediation and modification or enhancement of our information systems to prevent future occurrences, all of which could adversely affect our reputation, business, operations or financial results.

We may be adversely affected by the effects of inflation.

Inflation has the potential to adversely affect our liquidity, business, financial condition and results of operations by increasing our overall cost structure, particularly if we are unable to achieve commensurate increases in the prices we charge our customers. The existence of inflation in the economy has the potential to result in higher interest rates and capital costs, supply shortages, increased costs of labor, weakening exchange rates and other similar effects. As a result of inflation, we have experienced and may continue to experience, cost increases. Although we may take measures to mitigate the impact of this inflation, if these measures are not effective our business, financial condition, results of operations and liquidity could be materially adversely affected. Even if such measures are effective, there could be a difference between the timing of when these beneficial actions impact our results of operations and when the cost inflation is incurred.

Our business could be adversely impacted as a result of Delek Holdings' and our general partner's failure to retain or attract key talent.

We are dependent on the services of Delek Holdings' and our general partner's employees. Their failure to retain or attract key talent with specific capabilities could interfere with our ability to execute our business strategy, and could diminish our ability to execute and integrate strategic transactions. As a result, our ability to remain competitive in our industry sector and/or to operate effectively could be adversely impacted.

Evolving employee preferences and values, inflationary pressures, shortages in the labor market, increased employee turnover, and changes in the availability of workers could make it more difficult for Delek Holdings and our general partner to retain or attract key talent and could increase their labor costs, which could have a material adverse effect on our liquidity, business, financial condition and results of operations.

Inflation, and other factors, could increase Delek Holdings' and our general partner's costs of providing employee benefits. Their failure, or any perceived failure to provide such benefits, could impact our competitive position, which could in turn negatively affect our liquidity, business, financial condition and results of operations.

Our business is subject to complex and evolving laws, regulations and security standards regarding privacy, cybersecurity and data protection ("data protection laws"). Many of these data protection laws are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations or other harm to our business.

The constantly evolving regulatory and legislative environment surrounding data privacy and protection poses increasingly complex compliance challenges, and complying with such data protection laws could increase the costs and complexity of compliance. While we do not collect significant amounts of personal information from consumers, we do have personal information from our employees, job applicants and some business partners, such as contractors and distributors.

Any failure, whether real or perceived, by us to comply with applicable data protection laws could result in proceedings or actions against us by governmental entities or others, subject us to significant fines, penalties, judgments, and negative publicity, require us to change our business practices, increase the costs and complexity of compliance, and adversely affect our business. Our compliance with emerging privacy/security laws, as well as any associated inquiries or investigations or any other government actions related to these laws, may increase our operating costs.

In the second quarter of 2021, the Department of Homeland Security's Transportation Security Administration ("TSA") announced two new security directives. These directives require critical pipeline owners to comply with mandatory reporting measures, including, among other things, to appoint personnel, report confirmed and potential cybersecurity incidents to the DHS Cybersecurity and Infrastructure Security Agency ("CISA") and provide vulnerability assessments. As legislation continues to develop and cyber incidents continue to evolve, we may be required to expend significant additional resources to respond to cyberattacks, to continue to modify or enhance our protective measures, or to detect, assess, investigate and remediate any critical infrastructure security vulnerabilities and report any cyber incidents to the applicable regulatory authorities. Any failure to remain in compliance with these government regulations may result in enforcement actions which may have a material adverse effect on our business and operations.

An impairment of our long-lived assets or goodwill could reduce our earnings or negatively impact our financial condition and results of operations.

An impairment of our long-lived assets or goodwill could reduce our earnings or negatively impact our results of operations and financial condition. We continually monitor our business, the business environment and the performance of our operations to determine if an event has occurred that indicates that a long lived asset or goodwill may be impaired. If a triggering event occurs, which is a determination that involves judgment, we may be required to utilize cash flow projections to assess our ability to recover the carrying value based on the ability to generate future cash flows. We may also conduct impairment testing based on both the guideline public company and guideline transaction methods. Our long-lived assets and goodwill impairment analyses are sensitive to changes in key assumptions used in our analysis, estimates of future tariff rates, forecasted throughput levels, operating costs and capital expenditures. If the assumptions used in our analysis are not realized, it is possible a material impairment charge may need to be recorded in the future. We cannot accurately predict the amount and timing of any additional impairments of long-lived assets or goodwill in the future.

The Partnership's ongoing study of strategic options could materially impact our strategic direction, business and results of operations.

Delek Holdings' board of directors, with the assistance of outside advisors, is evaluating a wide range of strategies for Delek Holdings to unlock and enhance stockholder value. This process, including any uncertainty created by this process, involves a number of risks which could impact our business and our unitholders, including the following: significant fluctuations in our unit price could occur in response to developments or actions relating to the process or market speculation regarding any such developments or actions; we may encounter difficulties in hiring, retaining and motivating key personnel who provide services to us during this process or as a result of uncertainties generated by this process or any developments or actions relating to it; we may incur substantial increases in general and administrative expense associated with increased legal fees and the need to retain and compensate third-party advisors; and we may experience difficulties in preserving the commercially sensitive information that may need to be disclosed to third parties during this process or in connection with an assessment of our strategic alternatives. The review process also requires significant time and attention from management, which could distract them from other tasks in operating our business or otherwise disrupt our business. Such disruptions could cause concern to our customers, strategic partners, or other constituencies and may have material impact on our business and operating results and volatility in our unit price. There can be no assurance that this process will result in the pursuit or consummation of any potential transaction or strategy, or that any such potential transactions or strategy, if implemented, will provide greater value to our unitholders than that reflected in the price of our units representing limited partner interest. Any outcome of this process would be dependent upon a number of factors that may be beyond our control, including, among other things, market conditions, industry trends, regulatory approvals, and the availability of financing on reasonable terms. The occurrence of any one or more of the above risks could have a material adverse impact on our business, financial condition, results of operations and cash flows.

If our cost efficiency measures are not successful, we may become less competitive.

We continue to focus on minimizing operating expenses through cost improvements and simplification of our corporate structure. We may experience delays or unanticipated costs in implementing our cost efficiency plans, which could prevent the timely or full achievement of expected cost efficiencies and adversely affect our competitive position.

Risks Relating to Our Partnership Structure

Our general partner and its affiliates, including Delek Holdings, 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 Holdings controls our general partner and appoints all of the officers and directors of our general partner. In addition, all of the officers and three of the directors of our general partner are also officers and/or directors of Delek Holdings. See Item 10. Directors, Executive Officers and Corporate Governance. 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 Holdings. Conflicts of interest will arise from time to time between Delek Holdings, 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 Holdings 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 Holdings 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 Holdings have a fiduciary duty to make these decisions in the best interests of the stockholders of Delek Holdings, which may be contrary to our interests. Delek Holdings may choose to shift the focus of its investment and growth to areas not served by our assets.
- Delek Holdings, 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 many of our commercial agreements with them, Delek Holdings' consent is required before we may enter into an agreement with any third party with respect to certain of our assets, including those that serve the El Dorado, Tyler and Big Spring Refineries, and Delek Holdings 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 Holdings, 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 Holdings and owe fiduciary duties to Delek Holdings. These officers will also devote significant time to the business of Delek Holdings and will be compensated by Delek Holdings accordingly.
- Delek Holdings 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 Holdings.
- 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.
- 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 their common units.
- 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.
- If at any time our general partner and its affiliates together own 85% or more of our outstanding common units, then our general partner may exercise its right to call and purchase all of the common units not owned by it and its affiliates. This 85% threshold will automatically decrease to 80% if at any time our general partner and its affiliates together own less than 77% of our outstanding common units.
- Our general partner decides whether to retain separate counsel, accountants or other advisers to perform services for us.

Our Partnership Agreement replaces the fiduciary duties that would otherwise be owed by our general partner 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; and
- whether or not to consent to any merger or consolidation of the Partnership or amendment to the Partnership Agreement.

Delek Holdings may compete with us.

Delek Holdings may compete with us. Under the Omnibus Agreement, Delek Holdings 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 Holdings. This restriction, however, does not apply to:

- any assets that were owned by Delek Holdings upon the completion of our initial public offering (including replacements or expansions of those assets);
- any asset or business that Delek Holdings acquires or constructs that has a fair market value of less than $5.0 million; and
- any asset or business that Delek Holdings 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 Holdings has the ability to construct assets which directly compete with our assets. The limitations on the ability of Delek Holdings to compete with us are terminable by either party if Delek Holdings 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 Holdings. 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 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 provide services that are subject to regulation by the 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 our revolving credit facility 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, our cash distribution policy could 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 some of their available cash to expand ongoing operations. To the extent we issue additional units in connection with any acquisitions or expansion of 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 the 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 sub bullets 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 sub bullets above. In such case, it is not entitled to the presumption of good faith discussed above.

Our Partnership Agreement designates the Court of Chancery of the State of Delaware as the exclusive forum for certain types of actions and proceedings that may be initiated by our unitholders, which limits our unitholders' ability to choose the judicial forum for disputes with us or our general partner's directors, officers or other employees.

Our Partnership Agreement provides that, with certain limited exceptions, the Court of Chancery of the State of Delaware is the exclusive forum for any claims, suits, actions or proceedings (1) arising out of or relating in any way to our Partnership Agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of our Partnership Agreement of the duties, obligations or liabilities among our partners, or obligations or liabilities of our partners to us, of the rights of powers of, or restrictions on, our partners or us), (2) brought in a derivative manner on our behalf, (3) asserting a claim of breach of a duty (including a fiduciary duty) owed by any of our, or general partner's, directors, officers, or other employees, or owed by our general partner, to us or our partners, (4) asserting a claim against us arising pursuant to any provision of the Delaware Revised Uniform Limited Partnership Act or (5) asserting a claim against us governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in our common units is deemed to have received notice of and consented to the foregoing provisions. This exclusive forum provision does not apply to a cause of action brought under federal or state securities laws. Although management believes this choice of forum provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against us and our general partner's directors and officers. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation or similar governing documents has been challenged in legal proceedings and it is possible that in connection with any action a court could find the choice of forum provision contained in our Partnership Agreement to be inapplicable or unenforceable in such action. If a court where to find this choice of forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our financial position, results of operations and ability to make cash distributions to our unitholders.

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 Holdings, for costs and expenses they incur and payments they make on our behalf. Under the Omnibus Agreement, we will pay Delek Holdings an annual fee and reimburse Delek Holdings and its subsidiaries for Delek Holdings' provision of various centralized corporate services. Additionally, we will reimburse Delek Holdings 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 the sole member of the general partner, Delek Logistics Services Company. 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 Holdings, 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 limited partner units is required to remove our general partner. As of February 21, 2024, Delek Holdings owned 78.7% of our outstanding 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 Holdings 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.

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

As of February 24, 2023, Delek Holdings held 34,311,278 common limited partner units. In addition, we have agreed to provide Delek Holdings with certain registration rights on a portion of these units. We have filed a shelf registration statement with the SEC for the re-sale or other disposition from time to time by Delek Holdings of up to 14.0 million common limited partner units. We will not receive any proceeds from the sale of these units by Delek Holdings. 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 85% 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. The ownership threshold will drop to 80% automatically if the ownership of common units by our general partner and its affiliates falls below 77% of the outstanding common units. 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 Holdings. At February 21, 2024, Delek Holdings owned 34,311,278 common limited partner units, or 78.7% of our total outstanding common limited partner units.

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 (the "NYSE"). Because we are a publicly traded limited partnership, the NYSE does not require us to have a majority of independent directors on our general partner's board of directors or to establish and maintain a compensation committee or a nominating and corporate governance committee. Accordingly, unitholders may 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

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 changes or differing interpretations 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. If successful, such a proposal could eliminate the qualifying income exception to the treatment of publicly traded partnerships as corporations upon which we rely for our treatment as a partnership for federal income tax purposes. We are unable to predict whether any changes or 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 tax treatment depends on our status as a partnership for federal income tax purposes. If the Internal Revenue Service, or 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 (the "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 21.0%, 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 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 or franchise taxes, 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 target distribution amounts may be adjusted to reflect the impact of that law on us.

Our unitholders are required to pay income taxes on their share of our taxable income even if they do not receive any cash distributions from us. A unitholder's share of our taxable income, and its relationship to any distributions we make, may be affected by a variety of factors, including our economic performance, transactions in which we engage or changes in law and may be substantially different from any estimate we make in connection with a unit offering.

A unitholder’s allocable share of our taxable income will be taxable to it, which may require it to pay federal income taxes and, in some cases, state and local income taxes, even if it receives cash distributions from us that are less than the actual tax liability that results from that income or no cash distributions at all.

A unitholder's share of our taxable income, and its relationship to any distributions we make, may be affected by a variety of factors, including our economic performance and certain transactions in which we might engage, which may be affected by numerous business, economic, regulatory, legislative, competitive and political uncertainties beyond our control. For example, we may engage in transactions that produce substantial taxable income allocations to some or all of our unitholders without a corresponding increase in cash distributions to our unitholders, such as a sale or exchange of assets, the proceeds of which are reinvested in our business or used to reduce our debt, or an actual or deemed satisfaction of our indebtedness for an amount less than the adjusted issue price of the debt. A unitholder's ratio of its share of taxable income to the cash received by it may also be affected by changes in law. For instance, under the recently enacted tax reform law known as the Tax Cuts and Jobs Act (the "Tax Reform Act"), the net interest expense deductions of certain business entities, including us, are limited to 30% of such entity's "adjusted taxable income", which is generally taxable income with certain modifications. If the limit applies, a unitholder's taxable income allocations will be more (or its net loss allocations will be less) than would have been the case absent the limitation.

From time to time, in connection with an offering of our units, we may state an estimate of the ratio of federal taxable income to cash distributions that a purchaser of units in that offering may receive in a given period. These estimates depend in part on factors that are unique to the offering with respect to which the estimate is stated, so the expected ratio applicable to other units will be different, and in many cases less favorable, than these estimates. Moreover, even in the case of units purchased in the offering to which the estimate relates, the estimate may be incorrect, due to the uncertainties described above, challenges by the IRS to tax reporting positions which we adopt, or other factors. The actual ratio of taxable income to cash distributions could be higher or lower than expected, and any differences could be material and could materially affect the value of the common units.

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. The IRS may adopt positions that differ from the conclusions of our counsel 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 material 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 sell 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 unitholder'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 to such unitholder if it 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 ("UBTI") 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. Upon the sale, exchange or other disposition of a common limited partner unit by a non-U.S. person, the transferee is generally required to withhold 10% of the amount realized on the sale, exchange or disposition of such unit if any portion of the gain would be treated as effectively connected with a trade or business within the United States. The Department of the Treasury and the IRS have recently issued final regulations providing guidance on the application of these rules for transfers of publicly traded partnership interests, including transfers of our common limited partner units.

Under these regulations, the “amount realized” on a transfer of an interest in a publicly traded partnership, such as our common limited partner units, will generally be the amount of gross proceeds paid to the broker effecting the applicable transfer on behalf of the transferor, and such broker will generally be responsible for the relevant withholding obligations. Distributions to non-U.S. persons may also be subject to additional withholding under these rules to the extent a portion of a distribution is attributable to an amount in excess of our cumulative net income that has not previously been distributed.

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 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 U.S. Department of the Treasury adopted final Treasury Regulations allowing a similar monthly simplifying convention for taxable years beginning on or after August 3, 2015. However, such final regulations do not specifically authorize the use of the proration method we have adopted. If the IRS were to challenge our proration method, we may be required to change the allocation of items of income, gain, loss and deduction among our 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.

If the IRS makes audit adjustments to our income tax returns for tax years beginning after 2017, it (and some states) may collect any resulting taxes (including any applicable penalties and interest) directly from us, in which case our cash available for distribution to our unitholders might be substantially reduced.

Pursuant to the Bipartisan Budget Act of 2015, if the IRS makes audit adjustments to our income tax returns for tax years beginning after 2017, it may collect any resulting taxes (including any applicable penalties and interest) directly from us. We will generally have the ability to shift any such tax liability to our general partner and our unitholders in accordance with their interests in us during the year under audit, but there can be no assurance that we will be able to do so (and will choose to do so) under all circumstances, or that we will be able to (or choose to) effect corresponding shifts in state income or similar tax liability resulting from the IRS adjustment in states in which we do business in the year under audit or in the adjustment year. If we make payments of taxes, penalties and interest resulting from audit adjustments, our cash available for distribution to our unitholders would be reduced, perhaps substantially.

In the event the IRS makes an audit adjustment to our income tax returns and we do not or cannot shift the liability to our unitholders in accordance with their interests in us during the year under audit, we will generally have the ability to request that the IRS reduce the determined underpayment by reducing the suspended passive loss carryovers of our unitholders (without any compensation from us to such unitholders), to the extent such underpayment is attributable to a net decrease in passive activity losses allocable to certain partners. Such reduction, if approved by the IRS, will be binding on any affected unitholders.

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 have adopted 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 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 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.

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 income, franchise, unincorporated business, 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 such unitholders do not live or otherwise do business 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 may impose personal income taxes or other state or local taxes on our unitholders.

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.

Unitholders may be subject to limitation on their ability to deduct interest expense incurred by us.

In general, we are entitled to a deduction for interest paid or accrued on indebtedness properly allocable to our trade or business during our taxable year. However, under the Tax Reform Act, for taxable years beginning after December 31, 2017, our deduction for "business interest" is limited to the sum of our business interest income and 30% of our "adjusted taxable income." For purposes of this limitation, our adjusted taxable income is computed without regard to any business interest expense or business interest income.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Related Matters

Risk Management and Strategy

We depend on information technology ("IT") and operational technology ("OT") for various operations, including refinery processes, petroleum movement monitoring in pipelines and terminals, point-of-sale processing at our retail sites, and other critical processes and transactions. We utilize IT and OT systems across our operations to capture accounting, technical and regulatory data for archiving, analysis, and reporting. Our primary business systems mostly consist of purchased and licensed software programs that integrate with our internal solutions. Additionally, our technology encompasses a company-wide network through which employees have access to key business applications.

We established a thorough, risk-based cybersecurity program aimed at safeguarding our data, along with the data of our customers and partners. The identification, assessment, and management of cyber risks fall under our Enterprise Risk Management ("ERM") program, overseen by the board of directors of our general partner. Our Chief Technology Officer & Digital Officer/Chief Information Officer holds overall responsibility for IT, OT, and cybersecurity. The Partnership follows well-organized cybersecurity frameworks with a Chief Information Security Officer dedicated to overseeing cybersecurity initiatives throughout the entire enterprise.

Our risk assessment process related to cybersecurity includes identifying threats and conducting vulnerability assessments, likelihood and impact assessments related to our own information and OT systems as well as our third-party service providers. The Partnership collaborates with third-party vendors to leverage managed security services, enhancing the Partnership's cybersecurity capabilities. The Partnership possesses monitoring capabilities for both its IT and OT infrastructure. To identify material cybersecurity risks, we use a combination of technical assessments, risk analysis, vulnerability scanning, incident and event monitoring, threat intelligence and third-party assessments along with ongoing monitoring and management.

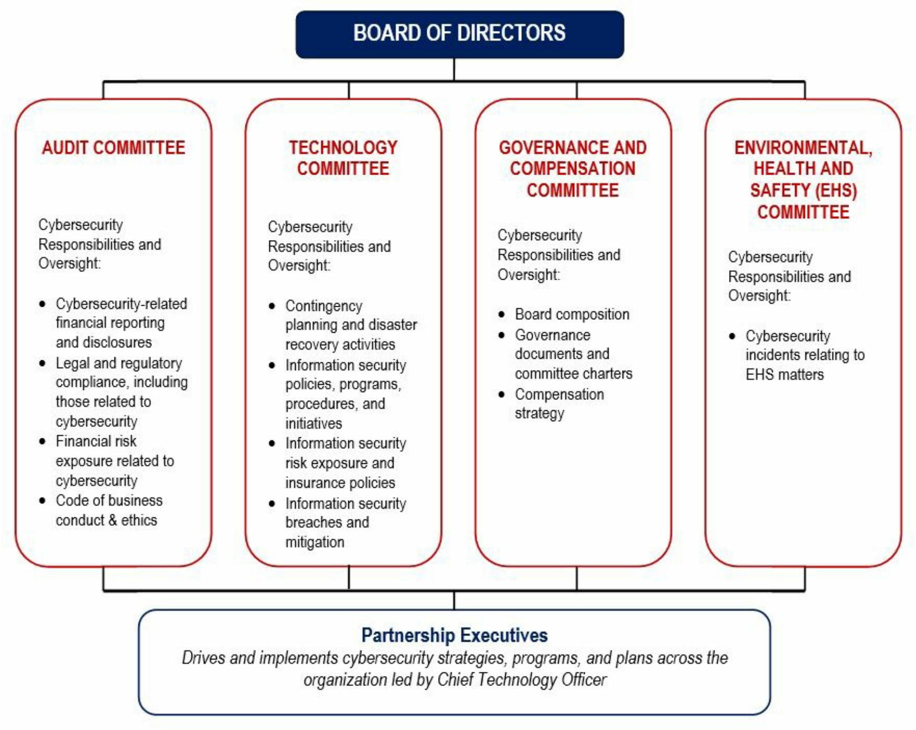
We manage our material cybersecurity risks through a combination of security measures, audits, training, planning, and testing. The Partnership has established processes for regular disaster recovery planning and response readiness testing. Our security approach also includes multiple layers of defense and testing of controls. We have implemented security measures, including segmentation, firewalls, intrusion detection systems, encryption, multi-factor authentication and data loss prevention to safeguard our systems and data. Furthermore, we have reinforced our data protection capabilities by investing in both hardware and software.

Recognizing that humans are often the most vulnerable element of even the most secure computer architectures, The Partnership has increased the frequency and sophistication of the mandatory training and phishing campaign program for our employees. The Partnership also conducts monthly reviews of global cybersecurity incidents to ensure that appropriate mitigation measures are in place to guard against similar threats. The Partnership is committed to enhancing its organizational resilience through a multiyear, comprehensive incident response tabletop drill program. Building upon the success of the two drills conducted in 2023, we are dedicated to continuous improvement and proactive readiness in addressing potential challenges and ensuring the effective management of incidents.

The Partnership has not experienced a significant cybersecurity breach or associated expenses, penalties, or settlements for years ended December 31, 2023, 2022 and 2021. The Partnership continuously assesses and enhances the confidentiality, integrity, and availability of our IT and OT assets.

Board of Directors Oversight

The board of directors of our general partner and executive leadership team at the Partnership are committed to investing the attention and resources necessary to maintain the privacy, security and integrity of our information, systems and networks and enhance the Partnership's resiliency against cyber threats. To assist in these efforts, the board of directors of our general partner has assigned a number of cybersecurity related responsibilities to its standing committees while retaining overall responsibility for the oversight of Delek's cybersecurity activities.



In overseeing cybersecurity risks, the Board of Directors follows the principles identified by the National Association of Corporate Directors in the oversight of cybersecurity risks. Cybersecurity risks and Partnership programs are discussed with the Board of Directors by the Chief Technology & Digital Officer Chief Information Officer and others. Third parties are periodically engaged in the assessment of cybersecurity, including evaluating maturity under the National Institute for Security and Technology's and the International Society of Automation/ International Electrotechnical Commission's cybersecurity frameworks, testing informational and operational cyber defenses, controls, and reviews of policies and procedures.

In 2021 the Board of Directors established the standing Technology Committee. One of the Technology Committee's responsibilities is to review, assess, manage, and mitigate risks related to technological developments, digitalization, and information security. The Technology Committee also reviews assessments of the effectiveness of the Partnership's information security and technology programs, procedures, and initiatives. The Technology Committee regularly receives reports from management regarding information security and cyber risk matters, including the Partnership's contingency planning and information security training and compliance, and reports its activities to the Board. The Technology Committee's designated focus on these areas of the Partnership's digitalization, information and operational security policies help ensure strategic alignment of the Partnership's strategies with information security and risk management.

Management Oversight

Our senior leadership team is actively involved in cybersecurity governance, ensuring the highest level of oversight of cybersecurity risks. Establishing clear lines of ownership and accountability, along with regular and transparent communication among our standing Board committees, the Board of Directors and executives, is crucial for effectively handling cybersecurity risks and opportunities. Our Chief Technology & Digital Officer/Chief Information Officer reports to the President, dedicating a substantial amount of their efforts to ensure the safety and security of our networks and systems. Our Chief Technology & Digital Officer/Chief Information Officer has nearly 20 years of IT experience including areas of technology, cybersecurity, data, analytics, and digital transformation as well as being an Adjunct Lecturer at Tel-Aviv University and the Technion for Big Data Technologies, Data Science and Data Visualization. Representing the state of Israel at MIT’s CDOIQ forum. Our Chief Technology & Digital Officer oversees a team of security professionals and regularly updates the Board of Directors on any potential risks and threats to the Partnership. Senior leadership including our Chief Technology & Digital Officer/Chief Information Officer and the Chief Information Security Officer brief the Board on information security matters multiple times throughout the year.

ITEM 3. LEGAL PROCEEDINGS

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. See Note 14 to the consolidated financial statements in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K, which is incorporated by reference in this Item 3, for additional information.

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

General

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 trade on the NYSE under the symbol "DKL." There were two holders of record of our common units held by the public as of February 21, 2024. In addition, as of February 21, 2024, Delek Holdings and its affiliates owned 34,311,278 of our common units. See Note 11 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 historic cash distributions.

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 the 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;
- *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.

ITEM 6. [RESERVED]

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

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is management's analysis of our financial performance and of significant trends that may affect our future performance. The MD&A should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K (the "Annual Report on Form 10-K"). Those statements in the MD&A 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.

Unless otherwise noted or the context requires otherwise, references in this report to "Delek Logistics Partners, LP," the "Partnership," "we," "us," or "our" or like terms, may refer to Delek Logistics Partners, LP, one or more of its consolidated subsidiaries or all of them taken as a whole. Unless otherwise noted or the context requires otherwise, references in this report to "Delek Holdings" refer collectively to Delek US Holdings, Inc. and any of its subsidiaries, other than the Partnership and its subsidiaries and its general partner.

The Partnership announces material information to the public about the Partnership, its products and services and other matters through a variety of means, including filings with the Securities and Exchange Commission, press releases, public conference calls, the Partnership's website (www.deleklogistics.com), the investor relations section of the website (ir.deleklogistics.com), the news section of its website (www.deleklogistics.com/news), and/or social media, including its X (formerly known as Twitter) account (@DelekLogistics). The Partnership encourages investors and others to review the information it makes public in these locations, as such information could be deemed to be material information. Please note that this list may be updated from time to time.

Forward-Looking Statements

This Annual Report on Form 10-K (including information incorporated by reference) contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Exchange Act. These 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, statements regarding the effect, impact, potential duration or other implications of, or expectations expressed with respect to, the actions of members of the Organization of Petroleum Exporting Countries ("OPEC") and other leading oil producing countries (together with OPEC, "OPEC+") with respect to oil production and pricing, and statements regarding our efforts and plans in response to such events, 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, the benefits and synergies to be obtained from our completed and any future acquisitions, 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," "intends," "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 Holdings or its assignees and their support of and respective ability to pay us under our commercial agreements;
- our future coverage, leverage, financial flexibility and growth, and our ability to improve performance and achieve distribution growth at any level or at all;
- Delek Holdings' future growth, strategic priorities, financial performance, share repurchases, crude oil supply pricing and flexibility and product distribution;
- industry dynamics, including Permian Basin growth, ownership concentration, efficiencies and takeaway capacity;
- 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, costs, penalties, regulatory or legal actions and other effects related to spills, releases and tank failures;
- changes in insurance markets impacting costs and the level and types of coverage available;
- the timing and extent of changes in commodity prices and demand for refined products and the impact of the COVID-19 Pandemic on such demand;
- the wholesale marketing margins we are able to obtain and the number of barrels of product we are able to purchase and sell in our West Texas wholesale business;
- the suspension, reduction or termination of Delek Holdings' or its assignees' or third-party's obligations under our commercial agreements including the duration, fees or terms thereof;
- the results of our investments in joint ventures;
- the ability to secure commercial agreements with Delek Holdings or third parties upon expiration of existing agreements;

- the possibility of inefficiencies, curtailments, or shutdowns in refinery operations or pipelines, whether due to infection in the workforce or in response to reductions in demand as a result of a public health crisis;
- disruptions due to equipment interruption or failure, or other events, including terrorism, sabotage or cyber-attacks, at our facilities, Delek Holdings' facilities or third-party facilities on which our business is dependent;
- changes in the availability and cost of capital of debt and equity financing;
- our reliance on information technology systems in our day-to-day operations;
- changes in general economic conditions, including uncertainty regarding the timing, pace and extent of economic recovery in the United States due to governmental fiscal policy or a public health crisis;
- 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") and state commissions and those relating to environmental protection, pipeline integrity and safety as well as current and future restrictions on commercial and economic activities in response to a public heal;
- significant operational, investment or other changes required by existing or future environmental statutes and regulations, including international agreements and national or regional societal, legislation; and regulatory measures to limit or reduce greenhouse gas emissions;
- competitive conditions in our industry including capacity overbuild in areas where we operate;
- 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;
- inability to complete growth projects on time and on budget;
- our ability to successfully complete acquisitions and integrate acquired businesses, and to achieve the anticipated benefits therefrom;
- disruptions due to acts of God, natural disasters, casualty losses, severe weather patterns, such as freezing conditions, cyber or other attacks on our electronic systems, and other matters beyond our control which might cause damage to our pipelines, terminal facilities and other assets and could impact our operating results through increased costs and/or loss of revenue;
- changes in the price of RINs could affect our results of operations;
- future decisions by OPEC+ regarding production and pricing and disputes between OPEC+ regarding such;
- changes or volatility in interest and inflation rates;
- labor relations;
- large customer defaults;
- changes in tax status and regulations;
- the effects of future litigation or environmental liabilities that are not covered by insurance; and
- other factors discussed elsewhere in this Annual Report on Form 10-K.

Many of the foregoing risks and uncertainties are, and will be, exacerbated by any worsening of the global business and economic environment. 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.

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.

All forward-looking statements included in this report are based on information available to us on the date of this report. We undertake no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise.

Executive Summary: Management's View of Our Business and Strategic Overview

Management's View of Our Business

The Partnership provides gathering, pipeline and other transportation services primarily for crude oil and natural gas customers, storage, wholesale marketing and terminalling services primarily for intermediate and refined product customers, and water disposal and recycling services through its owned assets and joint ventures located primarily in the Permian Basin (including the Delaware sub-basin) and other select areas in the Gulf Coast region. A majority of our existing assets are both integral to and dependent upon the success of Delek Holdings' refining operations, as many of our assets are contracted exclusively to Delek Holdings in support of its Tyler, Texas (the "Tyler Refinery"), El Dorado, Arkansas (the "El Dorado Refinery") and Big Spring, Texas (the "Big Spring Refinery").

Business and Economic Environment Overview

During much of year ended December 31, 2023, domestic markets have experienced an elevated hydrocarbon pricing environment that has resulted in a strong demand for hydrocarbons and presented an opportunity for the Partnership to leverage its extensive network of logistics assets, resulting in increased throughputs and higher utilization as compared to the prior year. Additionally, the successful integration of Delaware Gathering further diversifies our logistics customer base to include significantly more third-party customers, and it allows us to provide comprehensive logistics services in the Delaware Basin, while also serving as a funnel into our existing midstream Permian activities. As producers continue to ramp up production within the Permian Basin, the Partnership is well positioned to continue to add value through our gathering and processing services as a result of integrating our Delaware Gathering operations which complement our existing Midland Gathering System assets. Our positioning allows our customers the ability to control quality and adds optionality to place barrels in a variety of markets. Through our joint venture projects, we have increased our supply network to take advantage of growth opportunities in expanding markets and added additional flexibility which has delivered realized value through the Partnership system. While we experienced a $32.8 million decrease in net income for the year ended December 31, 2023, our EBITDA (as defined in "Non GAAP Measures" section below) increased $58.3 million in 2023 as compared to 2022. Our gathering and processing segment which had segment EBITDA of $199.5 million in 2023 compared to $175.3 million in 2022, benefited from additional EBITDA associated with the Delaware Gathering Acquisition as well as rate increases and new connections in our Midland Gathering operations. Our wholesale marketing and terminalling segment saw a $23.4 million increase in segment EBITDA. Segment EBITDA for our investments in pipeline joint ventures decreased by $0.3 million. See the “Results of Operations” section below for further discussion.

Looking forward, concerns about inflation and a possible economic downturn as well as initiatives to reduce carbon footprints through energy transition to renewables have softened the forward demand expectations for hydrocarbons and natural gas. That said, we are well positioned to manage through an economic downturn because of built-in recessionary protections which include minimum volume commitments on throughput and dedicated acreage agreements. Furthermore, the Partnership benefited from inflationary-linked rate increases effective July 1, 2023, as discussed further below. Additionally, the Partnership has embraced opportunities to enhance our environmental stewardship. It is expected that renewables, other than hydrocarbons, will continue to grow as a percentage of total energy consumption; however, a material reduction in the reliance on oil and gas for energy consumption is unlikely in the near term. Therefore, as we look forward to 2024, we expect that liquid transportation fuels will continue to be in high demand, and we expect to continue to leverage the strength of our cash flows and balance sheet in order to continue maximizing unitholder returns and the long-term prospects for return on investment.

See further discussion on macroeconomic factors and market trends, including the impact on 2023 and the outlook for 2024, in the ‘Market Trends’ section below.

Other 2023 Developments

Related Party Revolving Credit Facility

On November 6, 2023, the Partnership and certain of its subsidiaries, as guarantors, entered into a certain Promissory Note (the “Related Party Revolving Credit Facility”) with Delek Holdings. The Related Party Revolving Credit Facility provides for revolving borrowings with aggregate commitments of $70.0 million comprised of a (i) $55.0 million senior tranche and a (ii) $15.0 million subordinated tranche (the “Subordinated Tranche”), with the initial borrowings under the Subordinated Tranche conditioned upon the Partnership and Delek Holdings reaching an agreement with Fifth Third Bank, National Association, as administrative agent under the DKL Credit Facility, on subordination provisions and other material terms related to the Subordinated Tranche. The Related Party Revolving Credit Facility will bear interest at Term SOFR (as defined in the Related Party Revolving Credit Facility) plus 3.00%. The Related Party Revolving Credit Facility proceeds will be used for the Partnership’s working capital purposes and other general corporate purposes. The Related Party Revolving Credit Facility will mature on June 30, 2028. The Related Party Revolving Credit Facility contains certain affirmative covenants, mandatory prepayments and events of default that the Partnership considers to be customary for an arrangement of this sort. The obligations under the Related Party Revolving Credit Facility are unsecured.

DKL Credit Facility

On November 6, 2023, the Partnership entered into a First Amendment, a Second Amendment and a Third Amendment to the DKL Credit Facility (together, the “Amendments”) which among other things: extended the maturity of the DKL Term Loan Facility to April 15, 2025, (ii) added a maturity acceleration clause which will accelerate the maturity of the DKL Term Loan Facility to 180 days prior to the stated maturity date of the 2025 Notes if any of the 2025 Notes remain outstanding on that date, (iii) increased the U.S. Revolving Credit Commitments (as defined in the DKL Credit Facility) by an amount equal to $150.0 million, resulting in aggregate lender commitments under the DKL Revolving Credit Facility of $1.050 billion and (iv) increased the limit allowed for general unsecured debt (as defined in the DKL Credit Facility) by an amount equal to $95.0 million, resulting in an unsecured general debt limit of $150.0 million.

Contractual Rate Adjustments to Keep Pace with Inflation

On July 1, 2023, the tariffs on certain of our FERC regulated pipelines and the throughput fees and storage fees under certain of our agreements with Delek Holdings and third parties that are subject to adjustments using FERC indexing increased by approximately 13.3%, which was the amount of the change in the FERC oil pipeline index. The tariff on FERC regulated system acquired from Delaware Gathering (formerly 3 Bear) was adjusted as of January 1, 2023, but adjustments under agreements already in place will be capped at 3.0%. Under certain of our agreements with Delek Holdings and third parties, the fees that are subject to adjustments using the consumer price index increased 17.6% and the fees that are subject to adjustments using the producer price index increased approximately 18.9%. These adjustments allow us to maintain compliance with FERC regulations as well as to ensure that our results are reflective of current market conditions.

Segment Overview

We review operating results in four reportable segments: (i) gathering and processing; (ii) wholesale marketing and terminalling; (iii) storage and transportation; and (iv) investments in pipeline joint ventures. 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 EBITDA, except for the investments in pipeline joint ventures segment, which is measured based on net income. Segment reporting is discussed in more detail in Note 13 to our accompanying consolidated financial statements included in Item 8. Financial Statements and Supplementary Data, of this Annual Report on Form 10-K.

Gathering and Processing

The operational assets in our gathering and processing segment consist of Midland Gathering Assets and Delaware Gathering Assets. The Midland Gathering Assets support our crude oil gathering activities which primarily serves Delek Holdings refining needs throughout the Permian Basin. The Delaware Gathering Assets support our crude oil and natural gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, located in the Delaware Basin of New Mexico, and serving primarily third-party producers and customers. Finally, our gathering and processing assets are integrated with our pipeline assets, which we use to transport gathered crude oil as well as provide other crude oil, intermediate and refined products transportation in support of Delek Holdings' refining operations in Tyler, Texas, El Dorado, Arkansas and Big Spring, Texas, as well as to certain third parties. In providing these services, we do not take ownership of the refined products or crude oil that we transport. While we do not take ownership of gas that is gathered, we sell the processed gas at a market price which we remit to the producer, net of our fees. Therefore, we are not directly exposed to changes in commodity prices with respect to this operating segment. The combination of these operational assets provides a comprehensive, integrated midstream service offering to producers and customers.

Wholesale Marketing and Terminalling

Our wholesale marketing and terminalling segment provides wholesale marketing and terminalling services to Delek Holdings' refining operations and to independent third parties from whom we receive fees for marketing, transporting, storing and terminalling refined products and to whom we wholesale market refined products. In providing certain of these services, we take ownership of the products and are therefore exposed to market risks related to the volatility of commodity and refined product prices in our West Texas operations, which depend on many factors, including demand and supply of refined products in the West Texas market, the timing of refined product deliveries and downtime at refineries in the surrounding area.

Storage and Transportation

The operational assets in our storage and transportation segment consist of tanks, offloading facilities, trucks and ancillary assets, which provide crude oil, intermediate and refined products transportation and storage services primarily in support of Delek Holdings' refining operations in Tyler, Texas, El Dorado, Arkansas and Big Spring, Texas. Additionally, the assets in this segment provide crude oil transportation services to certain third parties. In providing these services, we do not take ownership of the products or crude oil that we transport or store. Therefore, we are not directly exposed to changes in commodity prices with respect to this operating segment.

Investments in Pipeline Joint Ventures

The Partnership owns a portion of three joint ventures (accounted for as equity method investments) that have constructed separate crude oil pipeline systems and related ancillary assets primarily in the Permian Basin and Gulf Coast regions and with strategic connections to Cushing, Midland and other key exchange points, which provide crude oil and refined product pipeline transportation to third parties and subsidiaries of Delek Holdings.

Corporate and Other

The corporate and other segment primarily consists of general and administrative expenses not allocated to a reportable segment, interest expense and depreciation and amortization. When applicable, it may also contain operating segments that are not reportable and do not meet the criteria for aggregation with any of our existing reportable segments.

Strategic Overview

Long-Term Strategic Objectives

The Partnership's **Long-Term Strategic Objectives** have been focused on maintaining stable cash flows and to grow the quarterly distributions paid to our unitholders over time. To that end, we have been focused on growing our asset base within our geographic area, through acquisitions, project development, joint ventures, enhancing our existing systems and lowering our carbon footprint, as we continue to evaluate ways to provide Delek Holdings with logistics services and look for ways to reduce our reliance on Delek Holdings as our primary customer.

2023 Strategic Focus Areas

In service to these overarching Long-Term Strategic Objectives, as we began 2023, we focused on the following **Strategic Focus Areas**:

I. **Generate Stable Cash Flow**

II. **Focus on Growing Our Business through Acquisitions and Investments in Joint Ventures**

III. **Engage in Mutually Beneficial Transactions with Delek Holdings**

IV. **Pursue Attractive Expansion and Construction Opportunities**

V. **Optimize Our Existing Assets and Expand Our Customer Base**

VI. **Expand our ESG Consciousness and Lower our Carbon Footprint**

Since acquiring Delaware Gathering in 2022, the Partnership has been dedicated to achieving organic growth in our operations. This strategy has proven to be successful, as we have seen substantial growth from new connections in our Midland Gathering operations, as well as continued growth in our Delaware Gathering operations. We continue to be focused on growth opportunities in the Permian Basin given its prime acreage and extensive production history and believe that opportunities exist in crude, natural gas and water which could enhance our gathering and process segment.

The Partnership prioritizes safe and reliable operation of its assets to maintain financial stability and growth. We have successfully avoided lost time injuries for four years, demonstrating our strong safety protocols and adherence to regulations. This commitment protects employees, assets, and operations, minimizing financial losses and maintaining stakeholder trust.

Additionally, we have prioritized reducing our leverage ratio, providing us with more financial flexibility to pursue opportunities and expand operations. By reducing our debt profile and maintaining a strong financial position, we are better equipped to navigate challenges that may arise. This financial stability also allows us to seize emerging opportunities that align with our strategic goals, ensuring that we can continue to deliver value to our unitholders.

2023 Strategic Scorecard

Description of Strategic Success	Generate Stable Cash Flow	Focus on Growing Our Business through Acquisitions and Investments in Joint Ventures	Engage in Mutually Beneficial Transactions with Delek Holdings	Pursue Attractive Expansion and Construction Opportunities	Optimize Our Existing Assets and Expand Our Customer Base	Expand our ESG Consciousness and Lower our Carbon Footprint
Integration and expansion of Delaware Gathering operations	ü	ü		ü	ü	
Implemented measures to reduce our overall debt profile		ü	ü	ü	ü	
Expansion of our Midland operations	ü			ü	ü	
Zero lost time injuries	ü					
Continue in Co-Developing our ESG Strategy with our General Partner						ü

Looking Forward: 2024 Strategic Focus Areas

As we look to 2024, we continue to believe that our strategic focus areas are the right ones. As such, we continue to refine our processes for evaluating risks and returns while maintaining a keen eye on our overarching Long-Term Strategic Objectives and our desire to create long-term operational sustainability. To that end, our **2024 Strategic Focus Areas** are as follows:

- *Generate Stable Cash Flow.* Continue to pursue opportunities to provide logistics, marketing and other services to Delek Holdings and third parties pursuant to long-term, fee-based contracts. In new service contracts, endeavor to include minimum volume throughput or other commitments, similar to those included in our current commercial agreements with Delek Holdings.
- *Focus on Growing Our Business.* Continue 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 and through investments in joint ventures. Additionally, where possible, leverage our strong relationship with Delek Holdings to enhance our opportunities to grow our business.
  - *Pursue Acquisitions.* Pursue strategic acquisitions that both complement our existing assets and provide attractive returns for our unitholders, with a focus on expanding our third-party business. Leverage our current asset base, and our knowledge of the regional markets in which we operate, to target and complete attractive third-party acquisitions, which will enhance our third-party revenues and margin, further diversifying our customer and product mix.

  - *Investments in Joint Ventures.* Continue to focus on leveraging and, when appropriate, expanding our investments in joint ventures, which have contributed to our initiative to grow our midstream business while increasing our crude oil sourcing flexibility.
- *Engage in Mutually Beneficial Transactions with Delek Holdings.* Delek Holdings is required, under certain circumstances, to offer us the opportunity to purchase additional logistics assets that Delek Holdings may acquire or construct in the future. Further, we will continue to evaluate additional growth opportunities through subsequent dropdowns of logistics assets acquired or developed by Delek Holdings, while factoring in associated impact on our capital structure and critically evaluating anticipated return on investment. As certain of our commercial agreements with Delek Holdings have expired or are set to expire soon, we are currently engaged in negotiations to renew these contracts and ensure continued value for both ourselves and our sponsor.
- *Pursue Attractive Expansion and Construction Opportunities.* Continue to evaluate, and when appropriate in the context of our return on investment and risk assessment criteria, pursue organic growth opportunities that complement our existing businesses or that provide attractive returns within or outside our current geographic footprint. Continue 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 Holdings', businesses and from increased third-party activity. These construction projects may be developed either through joint venture relationships or by us acting independently, depending on size and scale.
- *Optimize Our Existing Assets and Expand Our Customer Base.* Continue seeking to enhance the profitability of our existing assets by adding incremental throughput volumes, improving operating efficiencies and increasing system-wide utilization. Additionally, continue to seek opportunities 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.
- *Expand our ESG Consciousness and Lower Our Carbon Footprint.* Continue to look for ways to grow our business whilst staying conscious of and minimizing the negative environmental impact, while also seeking opportunities to invest in innovative technologies that will reduce our carbon emissions as we achieve our growth objectives and sustainably improve unitholder returns. We expect to achieve this objective through ESG-Conscious Investments with Clear Value Propositions and Sustainable Returns.

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:

- volumes (including pipeline throughput and terminal volumes)
- operating and maintenance expenses
- cost of materials and other
- EBITDA and distributable cash flow (as such terms are defined below)
- net income of joint ventures

Volumes

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

- Delek Holdings' 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 Holdings or third parties;
- our ability to increase throughput volumes at our refined products terminals and provide additional ancillary services at those terminals;
- our ability to identify and serve new customers in our marketing and trucking operations; and
- our ability to make connections to third-party facilities and pipelines.

Operating and Maintenance Expenses

We seek to maximize the profitability of our operations by effectively managing operating and maintenance expenses. These expenses include the costs associated with the operation of owned terminals and pipelines and terminalling expenses at third-party locations, excluding depreciation and amortization. These costs primarily include outside services, allocated employee costs, repairs and maintenance costs and energy and utility costs. Operating expenses related to the wholesale business are excluded from cost of sales because they primarily relate to costs associated with selling the products through our wholesale business. 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 said expenses. Additionally, compliance with federal, state and local laws and regulations relating to the protection of the environment, health and safety may require us to incur additional expenditures. 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.

Cost of Materials and Other

These costs include:

(i) all costs of purchased refined products in our wholesale marketing and terminalling segment, as well as additives and related transportation of such products;

(ii) costs associated with the operation of our trucking assets, which primarily include allocated employee costs and other costs related to fuel, truck leases and repairs and maintenance;

(iii) the cost of pipeline capacity leased from any third parties; and

(iv) gains and losses related to our commodity hedging activities.

Financing

The Partnership anticipates paying a cash distribution to its unitholders at a distribution rate of $1.055 per unit for the quarter ended December 31, 2023 ($4.22 per unit on an annualized basis). Our Partnership Agreement requires that the Partnership distribute all of its available cash (as defined in the Partnership Agreement) to its unitholders quarterly. As a result, the Partnership expects to fund future capital expenditures primarily from operating cash flows, borrowings under our revolving credit facility and any potential future issuances of equity and debt securities. See Note 11 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 historic cash distributions.

How We Evaluate Our Investments in Pipeline Joint Ventures

We make strategic investments in pipeline joint ventures generally when it provides an economic benefit in terms of pipeline access we can use for our existing or future customers and when we expect a rate of return that meets our internal investment criteria. Our existing investments in pipeline joint ventures all provide a combination of strategic benefit and return on investment. The strategic benefit for each is described below:

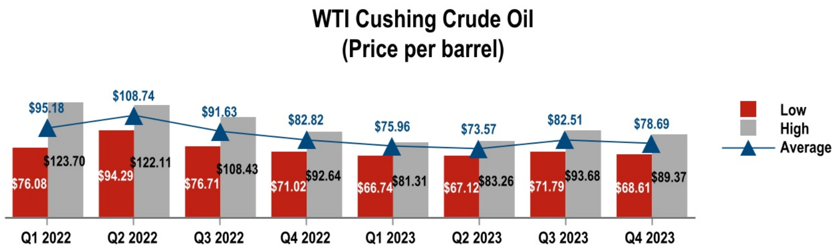
- The RIO Pipeline is positioned in the Delaware Basin and benefits from drilling activity in the area, while also offering producers and shippers connections to Midland, Texas takeaway pipelines;
- The Caddo Pipeline provides crude oil logistics connectivity for shippers from Longview, Texas area to Shreveport, Louisiana area; and
- The Red River Pipeline provides crude oil transportation and optionality from Cushing, Oklahoma to Longview, Texas area and connectivity to our Caddo JV along with the Partnership's Paline pipeline for access to Gulf Coast markets. It also has additional expansion optionality.

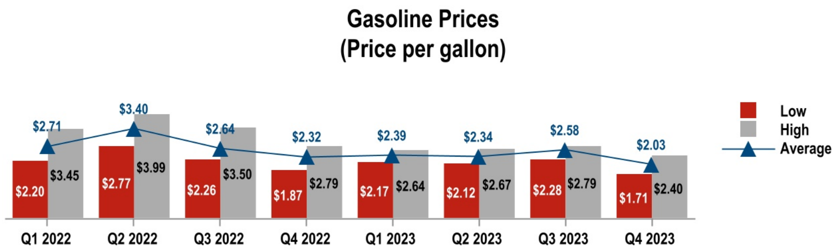
Market Trends

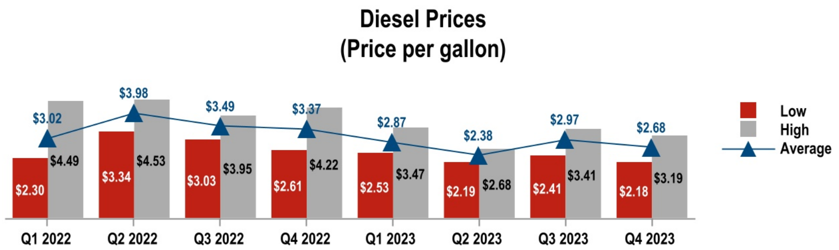
Fluctuations in crude oil, natural gas and NGL prices and the prices of related refined and other hydrocarbon products impact operations in the midstream energy sector. For example, the prices of each of these products have the ability to influence drilling activity in many basins and the amounts of capital spending that crude oil exploration and production companies incur to support future growth. Exploration and production activities have a direct impact on volumes transported through our gathering assets in the geologic basins in which we operate. Additionally, the demand for hydrocarbon-based refined products and related crack spreads significantly impact production decisions of our refining customers and likewise throughputs on our pipelines and other logistics assets. Finally, fluctuations in demand and commodity prices for refined products, as well as the value attributable to RINs, directly impacts our wholesale marketing operations, where we are subject to short-term commodity price fluctuations at the rack.

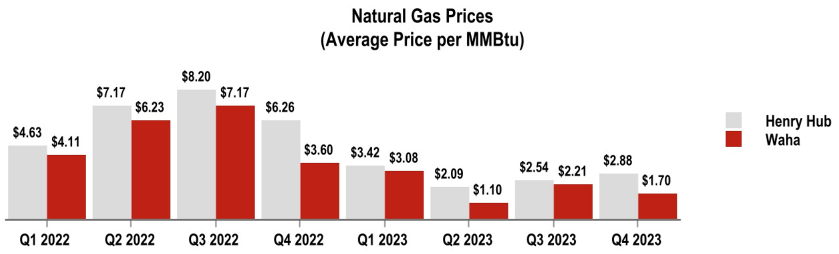
Most of the logistics services we provide (including transportation, gathering and processing services) are subject to long-term fee-based contracts with minimum volume commitments or long-term dedicated acreage agreements which mitigate most of our short-term financial risk to price and demand volatility. However, sustained depressed demand/prices over the longer term could not only curb exploration and production expansion opportunities under our agreements, it could also impact our customers' willingness or ability to renew commercial agreements or result in liquidity or credit constraints that could impact our longer term relationship with them. That said, our recent expansion of our gas processing capabilities have improved both our customer and geographic diversification which lowers concentration risk in those areas, in addition to adding service offerings to our portfolio. Furthermore, our dedicated acreage agreements provide significant growth opportunities in strong economic conditions (e.g., high demand/high commodity prices) without incremental customer acquisition cost. Given all of these factors, we believe that we continue to be strategically positioned, even in tougher market conditions, to sustain positive operating results and cash flows and to continue developing profitable growth projects that are needed to support future distribution growth.

The charts on the following page provide historical commodity pricing statistics for crude oil, refined product and natural gas.








Natural Gas Prices
(Average Price per MMBtu)
$4.63
$4.11
$7.17
$6.23
$8.20
$7.17
$6.26
$3.60
$3.42
$3.08
$2.09
$1.10
$2.54
$2.21
$2.88
$1.70
Q1 2022
Q2 2022
Q3 2022
Q4 2022
Q1 2023
Q2 2023
Q3 2023
Q4 2023
Henry Hub
Waha

Non-GAAP Measures

Our management uses certain "non-GAAP" operational measures to evaluate our operating segment performance and non-GAAP financial measures to evaluate past performance and prospects for the future to supplement our financial information presented in accordance with United States Generally Accepted Accounting Principles ("GAAP"). These financial and operational non-GAAP measures include:

- **Earnings before interest, taxes, depreciation and amortization ("EBITDA")** - calculated as net income before net interest expense, income tax expense, depreciation and amortization expense, including amortization of marketing contract intangible, which is included as a component of net revenues in our accompanying consolidated statements of income.
- **Distributable cash flow** - calculated as net cash flow from operating activities plus or minus changes in assets and liabilities, less maintenance capital expenditures net of reimbursements and other adjustments not expected to settle in cash. The Partnership believes this is an appropriate reflection of a liquidity measure by which users of its financial statements can assess its ability to generate cash.

EBITDA and distributable cash flow are non-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;
- our 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 provide information useful 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 flow from operating activities or any other measure of financial performance or liquidity presented in accordance with 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 partnerships in our industry, our definitions of EBITDA and distributable cash flow may not be comparable to similarly titled measures of other partnerships, thereby diminishing their utility. See below for a reconciliation of EBITDA and distributable cash flow to their most directly comparable GAAP financial measures.

Non-GAAP Reconciliations

The following table provides a reconciliation of EBITDA and distributable cash flow (which are defined above) to the most directly comparable GAAP measure, or net income and net cash from operating activities, respectively.

Reconciliation of net income to EBITDA (in thousands)

	Year Ended December 31,	
	2023	**2022**
Net income	$ 126,236	$ 159,052
Add:		
Income tax expense	1,205	382
Depreciation and amortization	92,384	62,988
Amortization of marketing contract intangible	7,211	7,211
Interest expense, net	143,244	82,304
EBITDA [1]	$ 370,280	$ 311,937

[1] EBITDA includes $14.8 million of goodwill impairment expense for the year ended December 31, 2023. Refer to Note 8 - Goodwill to our accompanying consolidated financial statements included in Item 8. Financial Statements and Supplementary Data, of this Annual Report on Form 10-K for further information.

Reconciliation of net cash from operating activities to distributable cash flow (in thousands)

	Year Ended December 31,	
	2023	**2022**
Net cash provided by operating activities	$ 225,319	$ 192,168
Changes in assets and liabilities	29,474	49,423
Distributions from equity method investments in investing activities	9,002	1,737
Non-cash lease expense	(9,549)	(16,254)
Regulatory and sustaining capital expenditures not distributable [1]	(7,272)	(9,684)
Reimbursement from Delek Holdings for capital expenditures [2]	1,280	1,176
Accretion of asset retirement obligations	(705)	(596)
Deferred income taxes	(638)	(5)
Gain on disposal of assets	1,266	114
Distributable cash flow	$ 248,177	$ 218,079

(1) Regulatory and sustaining capital expenditures represent cash expenditures (including 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 include 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.

(2) Reimbursement from Delek Holdings for capital expenditures represents amounts for certain capital expenditures reimbursable to us from Delek Holdings pursuant to the terms of the Omnibus Agreement (as defined in Note 4 to our accompanying consolidated financial statements).

Summary of Financial and Other Information

A discussion and analysis of the factors contributing to our results of operations is presented below. A detailed discussion of the fiscal year 2022 compared to year-over-year changes from fiscal year 2021 can be found in Part II, Item 7. Management's Discussion and Analysis, "Results of Operations", of our 2022 Annual Report on Form 10-K, filed on March 1, 2023. 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 provides summary financial data (in thousands, except unit and per unit amounts):

Summary Statement of Operations Data [1]	**Year Ended December 31,**	
	2023	**2022**
Net revenues:		
Gathering and Processing	$ 371,110	$ 305,427
Wholesale marketing and terminalling	505,701	588,884
Storage and transportation	143,598	142,096
Total	1,020,409	1,036,407
Cost of materials and other	532,627	641,363
Operating expenses (excluding depreciation and amortization presented below)	118,101	88,307
General and administrative expenses	24,766	34,181
Depreciation and amortization	92,384	62,988
Impairment of goodwill	14,848	—
Gain on disposal of assets	(1,266)	(114)
Operating income	$ 238,949	$ 209,682
Interest expense, net	143,244	82,304
Income from equity method investments	(31,433)	(31,683)
Other income, net	(303)	(373)
Total non-operating expenses, net	111,508	50,248
Income before income tax expense	127,441	159,434
Income tax expense	1,205	382
Net income attributable to partners	$ 126,236	$ 159,052
Comprehensive income attributable to partners	$ 126,236	$ 159,052
EBITDA [2] [3]	$ 370,280	$ 311,937
Net income per limited partner unit:		
Basic	$ 2.90	$ 3.66
Diluted	$ 2.89	$ 3.66
Weighted average limited partner units outstanding:		
Basic	43,583,938	43,487,910
Diluted	43,611,314	43,511,650

(1)This information is presented at a summary level for your reference. See the Consolidated Statements of Income included in Item 8. Financial Statements and Supplementary Data, of this Annual Report on Form 10-K for more detail regarding our results of operations.

(2) For a definition of EBITDA, see "Non-GAAP Measures" above.

(3) EBITDA includes $14.8 million of goodwill impairment expense for the year ended December 31, 2023. Refer to Note 8 - Goodwill to our accompanying consolidated financial statements included in Item 8. Financial Statements and Supplementary Data, of this Annual Report on Form 10-K for further information.

We report operating results in four reportable segments:

- **Gathering and Processing**
- **Wholesale Marketing and Terminalling**
- **Storage and Transportation**
- **Investments in Pipeline Joint Ventures**

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 EBITDA.

Results of Operations

Consolidated Results of Operations - Comparison of the Year Ended December 31, 2023 versus the Year Ended December 31, 2022

Net Revenues

2023 vs. 2022

Net revenues decreased by $16.0 million, or 1.5%, in the year ended December 31, 2023 compared to the year ended December 31, 2022. The decrease was primarily driven by the following:

- decreased revenue of $99.6 million in our West Texas marketing operations primarily driven by decreases in the average sales prices per gallon and the volumes of gasoline and diesel sold:
  - the average sales prices per gallon of gasoline and diesel sold decreased by $0.46 per gallon and $0.73, respectively; and
  - the volumes of diesel sold decreased by 3.6 million gallons, partially offset by a 0.6 million increase in gallons of gasoline sold.

Such decreases were partially offset by the following:

- increase in revenue as a result of our Delaware Gathering operations, which began in June 2022; and
- increase in volumes associated with Midland Gathering operations primarily due to new connections finalized during 2022.

Cost of Materials and Other

2023 vs. 2022

Cost of materials and other decreased by $108.7 million, or 17.0%, in the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily driven by the following:

- decrease in costs of materials and other of $101.9 million in our West Texas marketing operations primarily driven by decreases in the average cost per gallon and the volumes of diesel sold:
  - the average cost per gallon of gasoline and diesel sold decreased by $0.49 per gallon and $0.74 per gallon, respectively; and
  - the volumes of diesel sold decreased by 3.6 million gallons, partially offset by a 0.6 million increase in gallons of gasoline sold.

Such decreases were partially offset by the following:

- increase in cost of materials and other as a result of our Delaware Gathering operations, which began in June 2022.

Operating Expenses

2023 vs. 2022

Operating expenses increased by $29.8 million, or 33.7%, in the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily driven by incremental expenses associated with our Delaware Gathering operations which began in June 2022.

General and Administrative Expenses

2023 vs. 2022

General and administrative expenses decreased by $9.4 million, or 27.5%, in the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily driven by the following:

- higher outside services associated with the Delaware Gathering Acquisition in the prior year; and
- partially offset by lower allocated employee related expenses.

Depreciation and Amortization

2023 vs. 2022

Depreciation and amortization increased by $29.4 million, or 46.7%, in the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily driven by the following:

- the acquisition of property, plant and equipment and customer relationship intangible as part of the Delaware Gathering Acquisition; and
- depreciation associated with new projects in-serviced during the period.

Impairment of Goodwill

2023 vs. 2022

Impairment of goodwill was $14.8 million for the year ended December 31, 2023. The goodwill impairment is related to our Delaware Gathering reporting unit due to significant increases in interest rates and timing of system connections with our producer customers. The Partnership's long-term outlook of its Delaware Gathering system remains unchanged. Refer to Note 8 to our accompanying consolidated financial statements included in Item 8. Financial Statements and Supplementary Data, of this Annual Report on Form 10-K for further information.

There was no asset impairment in the year ended December 31, 2022.

Interest Expense

2023 vs. 2022

Interest expense increased by $60.9 million, or 74.0%, in the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily driven by the following:

- increased borrowings under the DKL Credit Facility to fund the Delaware Gathering Acquisition; and
- higher floating interest rates applicable to the DKL Credit Facility.

Results from Equity Method Investments

2023 vs. 2022

Income from equity method investments decreased by $0.3 million, or 0.8%, in the year ended December 31, 2023 compared to the year ended December 31, 2022.

Operating Segments

Gathering and Processing Segment

The following table and discussion present the results of operations and certain operating statistics of the gathering and processing segment for the years ended December 31, 2023 and 2022:

Gathering and Processing		
	Year Ended December 31,	
	2023	2022
Net Revenues	$ 371,110	$ 305,427
Cost of materials and other	$ 83,118	$ 81,525
Operating expenses (excluding depreciation and amortization)	$ 75,136	$ 48,211
Segment EBITDA (1)	$ 199,463	$ 175,250

(1) EBITDA includes $14.8 million of goodwill impairment expense for the year ended December 31, 2023. Refer to Note 8 - Goodwill to our accompanying consolidated financial statements included in Item 8. Financial Statements and Supplementary Data, of this Annual Report on Form 10-K for further information.

Throughputs (average bpd)		
	Year Ended December 31,	
	2023	2022
El Dorado Assets:		
Crude pipelines (non-gathered)	67,003	78,519
Refined products pipelines to Enterprise Systems	58,181	56,382
El Dorado Gathering System	13,782	15,391
East Texas Crude Logistics System	32,668	21,310
Midland Gathering System	230,471	128,725
Plains Connection System	250,140	183,827

Delaware Gathering Assets Volumes		
	Year Ended December 31,	
	2023	2022 (1)
Natural Gas Gathering and Processing ***(Mcfd(2))***	71,239	60,971
Crude Oil Gathering ***(bpd(3))***	111,335	87,519
Water Disposal and Recycling ***(bpd(3))***	102,340	72,056

(1) Volumes for the year ended December 31, 2022 are for the period from June 1, through December 31, 2022, for which we owned the Delaware Gathering Assets.
(2) Mcfd - average thousand cubic feet per day.
(3) bpd - average barrels per day.

Operational Comparison of the Year Ended December 31, 2023 versus the Year Ended December 31, 2022:

Net Revenues

2023 vs. 2022

Net revenues for the gathering and processing segment increased by $65.7 million, or 21.5%, in the year ended December 31, 2023 compared to the year ended December 31, 2022, driven primarily by the following:

- incremental revenues as a result of our Delaware Gathering operations, which began in June 2022, partially offset by lower natural gas prices; and
- increase in throughput associated with Midland Gathering operations primarily due to new connections finalized during 2022.

Cost of Materials and Other

2023 vs. 2022

Cost of materials and other for the gathering and processing segment increased by $1.6 million, or 2.0%, in the year ended December 31, 2023 compared to the year ended December 31, 2022, driven primarily by the following:

- incremental cost of materials and other as a result of our Delaware Gathering operations which began in June 2022; and
- partially offset by lower natural gas costs.

Operating Expenses

2023 vs. 2022

Operating expenses for the gathering and processing segment increased by $26.9 million, or 55.8%, in the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily driven by the following:

- increase due to additional expenses associated with our Delaware Gathering operations, which began in June 2022; and
- increase in outside services associated with Midland Gathering operations.

EBITDA

2023 vs. 2022

EBITDA increased by $24.2 million, or 13.8%, in the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily driven by the following:

- additional EBITDA associated with the Delaware Gathering operations, which began in June 2022;
- increase in throughput associated with new connections in our Midland Gathering operations; and
- partially offset by the impairment of goodwill associated the Delaware Gathering Acquisition.

Wholesale Marketing and Terminalling Segment

The table and discussion below present the results of operations and certain operating statistics of the wholesale marketing and terminalling segment for the years ended December 31, 2023 and 2022:

Wholesale Marketing and Terminalling	Year Ended December 31, 2023	2022
Net Revenues	$ 505,701	$ 588,884
Cost of materials and other	$ 388,536	$ 491,452
Operating expenses (excluding depreciation and amortization presented below)	$ 17,796	$ 19,458
Segment EBITDA	$ 106,512	$ 83,098

Operating Information	Year Ended December 31, 2023	2022
East Texas - Tyler Refinery sales volumes (average bpd) (1)	60,626	66,058
Big Spring marketing throughputs (average bpd)	77,897	71,580
West Texas marketing throughputs (average bpd)	10,032	10,206
West Texas marketing gross margin per barrel	$ 5.18	$ 4.45
Terminalling throughputs (average bpd) (2)	113,803	132,262

(1) Excludes jet fuel and petroleum coke.

(2) Consists of terminalling throughputs at our Tyler, Big Spring, Big Sandy and Mount Pleasant, Texas terminals, our El Dorado and North Little Rock, Arkansas terminals and our Memphis and Nashville, Tennessee terminals.

Operational Comparison of the Year Ended December 31, 2023 versus the Year Ended December 31, 2022:

Net Revenues

2023 vs. 2022

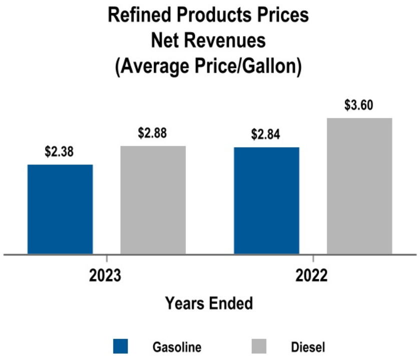
Net revenues for the wholesale marketing and terminalling segment decreased by $83.2 million, or 14.1%, in the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily driven by the following:

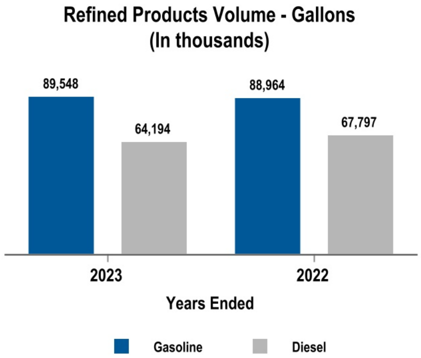
- decreased revenue of $99.6 million in our West Texas marketing operations primarily driven by decreases in the average sales prices per gallon and the volumes of diesel sold in our West Texas marketing operations:
  - the average sales prices per gallon of gasoline and diesel sold decreased by $0.46 per gallon and $0.73 per gallon, respectively; and
  - the average volumes of diesel sold decreased by 3.6 million gallons, partially offset by a 0.6 million increase in gallons of gasoline sold.

Such decreases were partially offset by the following:

- increase in terminalling and marketing revenue primarily due to increased volume and rates associated with Big Spring marketing operations.

The following charts show summaries of the average sales prices per gallon of gasoline and diesel and refined products volume impacting our West Texas operations for the years ended December 31, 2023, 2022:





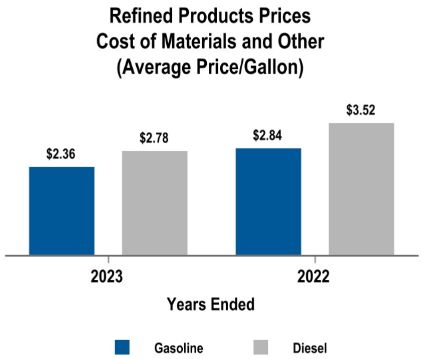
Cost of Materials and Other

2023 vs. 2022

Cost of materials and other for the wholesale marketing and terminalling segment decreased by $102.9 million, or 20.9% , in the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily driven by the following:

- decreased costs of materials and other of $101.9 million in our West Texas marketing operations primarily driven by decreases in the average cost per gallon and the volumes of gasoline and diesel sold:
    - the average cost per gallon of gasoline and diesel sold decreased by $0.49 per gallon and $0.74 per gallon, respectively; and
    - the volumes of diesel sold decreased by 3.6 million gallons, partially offset by a 0.6 million increase in gallons of gasoline sold.

The following chart shows a summary of the average prices per gallon of gasoline and diesel purchased in our West Texas operations for the years ended December 31, 2023 and 2022. Refer to the Refined Products Volume - Gallons chart above for a summary of volumes impacting our West Texas operations.



Operating Expenses

2023 vs. 2022

Operating expenses for the wholesale marketing and terminalling segment decreased by $1.7 million, or 8.5%, in the year ended December 31, 2023 compared to the year ended December 31, 2022.

EBITDA

2023 vs. 2022

EBITDA increased by $23.4 million, or 28.2%, in the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily driven by the following:

- increases in terminalling utilization and improved wholesale margins.

Storage and Transportation Segment

The table and discussion below present the results of operations and certain operating statistics of the storage and transportation segment for the years ended December 31, 2023 and 2022:

Storage and Transportation		
	Year Ended December 31,	
	2023	2022
Net revenues	$ 143,598	$ 142,096
Cost of materials and other	$ 63,710	$ 66,953
Operating expenses (excluding depreciation and amortization presented below)	$ 18,104	$ 17,843
Segment EBITDA	$ 63,850	$ 56,269

Operational Comparison of the Year Ended December 31, 2023 versus the Year Ended December 31, 2022:

Net Revenues

2023 vs. 2022

Net revenues for the storage and transportation segment increased by $1.5 million, or 1.1%, in the year ended December 31, 2023 compared to the year ended December 31, 2022.

Cost of Materials and Other

2023 vs. 2022

Cost of materials and other for the storage and transportation segment decreased by $3.2 million, or 4.8%, in the year ended December 31, 2023 compared to the year ended December 31, 2022.

Operating Expenses

2023 vs. 2022

Operating expenses for the storage and transportation segment increased by $0.3 million, or 1.5%, in the year ended December 31, 2023 compared to the year ended December 31, 2022.

EBITDA

2023 vs. 2022

EBITDA increased by $7.6 million, or 13.5%, in the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily driven by an increase in storage and transportation rates.

Investments in Pipeline Joint Ventures Segment

The Investments in Pipeline Joint Ventures segment relates to strategic Joint Venture investments, accounted for as equity method investments, to support the Delek Holdings operations in terms of offering connection to takeaway pipelines, alternative crude supply sources and flow of high quality crude oil to the Delek Holdings refining system. As a result, Delek Holdings is a major shipper and customer on certain of the Joint Venture pipelines, with minimum volume commitment ("MVC") agreements, which cushion the Joint Venture entities during periods of low activity. The other Joint Venture owners are usually major shippers on the pipelines resulting in a majority of the revenue of the Joint Venture entities coming from MVC agreements with related entities.

Investments in pipeline joint ventures segment include the Partnership's joint ventures investments described in Note 12 to our accompanying consolidated financial statements included in Item 8. Financial Statements and Supplementary Data, of this Annual Report on Form 10-K.

Refer to Consolidated Results of Operations above for details and discussion of the investments in pipeline joint ventures segment for the year ended December 31, 2023.

Liquidity and Capital Resources

Sources of Capital

We consider the following when assessing our liquidity and capital resources:

(i) cash generated from operations;

(ii) borrowings under our revolving credit facility;

(iii) potential issuance of additional equity;

(iv) potential issuance of additional debt securities; and

(v) potential sale of assets.

At December 31, 2023, our total liquidity amounted to $343.3 million comprised of $269.5 million and $70.0 million in unused credit commitments under the DKL Credit Facility and the Related Party Revolving Credit Facility, respectively, and $3.8 million in cash and cash equivalents. We have the ability to increase the DKL Credit Facility to $1.15 billion subject to receiving increased or new commitments from lenders and meeting certain requirements under the credit facility. Historically, we have generated adequate cash from operations to fund ongoing working capital requirements, pay quarterly cash distributions and operational capital expenditures, and we expect the same to continue in the foreseeable future. Other funding sources, including the issuance of additional debt securities, have been utilized to fund growth capital projects such as dropdowns and other acquisitions. In addition, we have historically been able to source funding at rates that reflect market conditions, our financial position and our credit ratings. We continue to monitor market conditions, our financial position and our credit ratings and expect future funding sources to be at rates that are sustainable and profitable for the Partnership. However, there can be no assurances regarding the availability of any future financings or additional credit facilities or whether such financings or additional credit facilities can be made available on terms that are acceptable to us.

We believe we have sufficient financial resources from the above sources to meet our funding requirements in the next 12 months, including working capital requirements, quarterly cash distributions and capital expenditures. Nevertheless, our ability to satisfy working capital requirements, to service our debt obligations, to fund planned capital expenditures, or to pay distributions will depend upon future operating performance, which will be affected by prevailing economic conditions in the oil industry and other financial and business factors, including crude oil prices, some of which are beyond our control.

At December 31, 2023, the DKL Credit Facility was classified as long-term in the accompanying consolidated balance sheets in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K as we currently have the ability and intent to refinance the 2025 Notes on a long-term basis through available capacity under the DKL Revolving Facility, Related Party Revolving Credit Facility or new funding sources.

We continuously review our liquidity and capital resources. If market conditions were to change, for instance due to a significant decline in crude oil prices, and our revenue was reduced significantly or operating costs were to increase significantly, our cash flows and liquidity could be reduced. Additionally, it could cause the rating agencies to lower our credit ratings. There are no ratings triggers that would accelerate the maturity of any borrowings under our debt agreements. Such actions include seeking alternative financing solutions and enacting cost reduction measures. Refer to the Business Overview section of this MD&A for a complete discussion of the uncertainties identified by management and the actions taken to respond to these uncertainties.

We believe we were in compliance with the covenants in all our debt facilities as of December 31, 2023.

Cash Distributions

On January 24, 2024, the board of directors of our general partner declared a distribution of 1.055 per common unit (the "Distribution"), which equates to approximately $46.0 million per quarter, or approximately $184.0 million per year, based on the number of common units outstanding as of February 5, 2024. The Distribution will be paid on February 12, 2024 to common unitholders of record on February 5, 2024 and represents a 3.4% increase over the fourth quarter 2022 distribution. This increase in the distribution is consistent with our intent to maintain an attractive distribution growth profile over the long term. Although our Partnership Agreement requires that we distribute all of our available cash each quarter, we do not otherwise have a legal obligation to distribute any particular amount per common unit.

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

Quarter Ended	Total Quarterly Distribution Per Limited Partner Unit	Total Cash Distribution (in thousands)
March 31, 2022	$0.980	$42,604
June 30, 2022	$0.985	$42,832
September 30, 2022	$0.990	$43,057
December 31, 2022	$1.020	$44,440
March 31, 2023	$1.025	$44,664
June 30, 2023	$1.035	$45,112
September 30, 2023	$1.045	$45,558
December 31, 2023	$1.055	$46,010

Cash Flows

The following table sets forth a summary of our consolidated cash flows for the year ended December 31, 2023 and 2022 (in thousands):

	Year Ended December 31,	
	2023	2022
Net cash provided by operating activities	$ 225,319	$ 192,168
Net cash used in investing activities	(89,629)	(770,437)
Net cash (used in) provided by financing activities	(139,905)	581,947
Net (decrease) increase in cash and cash equivalents	$ (4,215)	$ 3,678

Operating Activities

Net cash provided by operating activities increased by $33.2 million for the year ended December 31, 2023 compared to the year ended December 31, 2022. The cash receipts from customer activities increased by $14.7 million and cash payments to suppliers and for allocations to Delek Holdings for salaries decreased by $71.0 million. In addition, cash dividends received from equity method investments increased by $5.8 million and cash paid for debt interest increased by $58.3 million.

Investing Activities

Net cash used in investing activities decreased by $680.8 million during the year ended December 31, 2023 compared to the year ended December 31, 2022, primarily due to the Delaware Gathering Acquisition, effective June 1, 2022, which was partially financed through borrowings under the DKL Credit Facility amounting to $625.6 million. There were no acquisitions during the year ended December 31, 2023. In addition, there was a $45.0 million decrease in purchases of property, plant and equipment primarily associated with growth projects in our gathering and processing segment, and a $7.3 million increase in distributions from equity method investments.

Financing Activities

Net cash provided by financing activities decreased by $721.9 million for the year ended December 31, 2023 compared to the year ended December 31, 2022. This decrease was primarily driven by net borrowings under the revolving credit facility which decreased by $402.5 million, primarily associated with financing of the Delaware Gathering Acquisition in the prior year. Also contributing to the decrease was a decrease in net borrowings on the term loan of $317.3 million and a $8.9 million increase in cash distributions paid.

Debt Overview

As of December 31, 2023, we had total indebtedness of $1,711.8 million. The increase of $41.3 million in our long-term debt balance compared to the balance at December 31, 2022 resulted from the borrowings under the DKL Credit Facility during the year ended December 31, 2023. As of December 31, 2023, our total indebtedness consisted of:

- An aggregate principal amount of $780.5 million under the DKL Revolving Facility, due on October 13, 2027 (which will accelerate to 180 days prior to the stated maturity date of the Delek Logistics 2025 Notes if any of the Delek Logistics 2025 Notes remain outstanding on that date), with an average borrowing rate of 8.46%.
- An aggregate principal amount of $281.3 million, under the DKL Term Facility, due on April 15, 2025 (which will accelerate to 180 days prior to the stated maturity date of the Delek Logistics 2025 Notes if any of the Delek Logistics 2025 Notes remain outstanding on that date), with an average borrowing rate of 9.46%.
- An aggregate principal amount of $250.0 million, under the 2025 Notes (6.75% senior notes), due in 2025, with an effective interest rate of 7.19%.
- An aggregate principal amount of $400.0 million, under the 2028 Notes (7.125% senior notes), due in 2028, with an effective interest rate of 7.39%.

As of December 31, 2023, the DKL Revolving Facility and DKL Term Facility were classified as long-term in the accompanying consolidated balance sheets in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K as we currently have the ability and intent to refinance the 2025 Notes on a long-term basis through available capacity under the DKL Revolving Facility, Related Party Revolving Credit Facility or new funding sources.

We believe we were in compliance with the covenants in all debt facilities as of December 31, 2023. See Note 10 to our 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 indebtedness.

Agreements Governing Certain Indebtedness of Delek Holdings

Please read Item 1A. "Risk Factors—Risks Relating to Our Business—Delek Holdings' level of indebtedness, the terms of its borrowings and any 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 current and future credit ratings may also be affected by Delek Holdings' level of indebtedness and financial performance and credit ratings."

Capital Spending

A key component of our long-term strategy is our capital expenditure program, which includes strategic consideration and planning for the timing and extent of regulatory maintenance, sustaining maintenance, and growth capital projects. These categories are described below:

- Regulatory maintenance projects in the gathering and processing segment are those expenditures expected to be spent on certain of our pipelines to maintain their operational integrity pursuant to applicable environmental and other regulatory requirements. Regulatory projects in the wholesale marketing and terminalling segment relates to scheduled maintenance and improvements on our terminalling tanks and racks at certain of our terminals in order to maintain environmental and other regulatory compliance. These expenditures have historically been and will continue to be financed through cash generated from operations.
- Sustaining capital expenditures represent capitalizable 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 sustaining capital expenditures are expenditures for the repair, refurbishment and replacement of pipelines, tanks and terminals, to maintain equipment reliability, integrity and safety and to maintain compliance with environmental laws and regulations. Delek Holdings has agreed to reimburse us with respect to certain assets it has transferred to us pursuant to the terms of the Omnibus Agreement (as defined in Note 4 to our accompanying consolidated financial statements). When not provided for under reimbursement agreements, such activities are generally funded by cash generated from operations.
- Growth projects include those projects that do not fall into one of the two categories above, and could include committed expansion projects under contracts with customers as well as other incremental growth projects, but are generally expected to produce incremental cash flows in accordance with our internal return on invested capital policy. Depending on the magnitude, funding for such projects may include cash generated from operations, borrowings under existing credit facilities, or issuances of additional debt or equity securities.

The following table summarizes our actual capital expenditures, including any material capital expenditure payments made or forecasted to be made in advance of receipt of goods and materials, for the year ended December 31, 2023:

(in thousands)	Full Year 2024 Forecast	Year Ended December 31, 2023
Gathering and Processing		
Regulatory	$ 750	$ 31
Sustaining	3,900	2,016
Growth	49,500	72,636
Gathering and Processing Segment Total	$ 54,150	$ 74,683
Wholesale Marketing and Terminalling		
Regulatory	$ 3,300	$ 924
Sustaining	2,379	163
Growth	—	1,024
Wholesale Marketing and Terminalling Segment Total	$ 5,679	$ 2,111
Storage and Transportation		
Regulatory	$ 1,500	$ 2,005
Sustaining	8,500	2,543
Growth	—	—
Storage and Transportation Segment Total	$ 10,000	$ 4,548
Total Capital Spending	$ 69,829	$ 81,342

The amount of our capital expenditure forecast 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.

Long-term Cash Requirements

Information regarding our known contractual obligations of the types described below, as of December 31, 2023, is set forth in the following table (in thousands):

	<1 Year	1-3 Years	3-5 Years	>5 Years	Total
Long term debt and notes payable	$ 30,000	$ 501,250	$ 1,180,500	$ —	$ 1,711,750
Interest (1)	136,972	204,009	94,325	—	435,306
Finance Lease Obligation	583	551	417	—	1,551
Operating lease commitments (2)	7,515	6,349	2,104	1,111	17,079
Total	$ 175,070	$ 712,159	$ 1,277,346	$ 1,111	$ 2,165,686

(1) Includes expected interest payments on debt balances outstanding under the DKL Credit Facility and the 2025 and 2028 Notes at December 31, 2023. Floating interest rate debt is calculated using rates in effect on December 31, 2023.

(2) Amounts reflect future estimated lease payments under operating leases having remaining non-cancelable terms in excess of one year as of December 31, 2023.

We also have other non-current liabilities pertaining to environmental liabilities and asset retirement obligations. With the exception of amounts classified as current, there is uncertainty as to the timing of future cash flows related to these obligations. As such, we have excluded the future cash flows from the contractual commitments table above. See additional information on asset retirement obligations and environmental liabilities in Notes 2 and 14, respectively, to our consolidated financial statements in Item 8.

Other Cash Requirements

Our other cash requirements consisted of operating activities and cash distributions to unitholders. Operating activities included cash outflows related to payments to suppliers for crude and other materials and payments for services. Refer to the Cash Flow section for our operating activities spend in 2023. While many of the expenses related to the operating activities are variable in nature, some of the expenditures can be somewhat fixed in the short-term due to forward planning on our level of activity. Refer to Cash Distributions section for cash distributions made in 2023 and planned distributions for 2024. Refer to the capital spending section for our capital expenditures for 2023 and our planned capital expenditures for 2024.

Off-Balance Sheet Arrangements

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

Critical Accounting Estimates

The fundamental objective of financial reporting is to provide useful information that allows a reader to comprehend our business activities. We prepare our consolidated financial statements in conformity with 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 estimates. These estimates 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, some over which we may have little or no control.

Business Combinations

We recognize and measure the assets acquired and liabilities assumed in a business combination based on their estimated fair values at the acquisition date. Any excess or surplus of the purchase consideration when compared to the fair value of the net tangible assets acquired, if any, is recorded as goodwill or gain from a bargain purchase. The fair value of assets and liabilities as of the acquisition date are often estimated using a combination of approaches, including the income approach, which requires us to project future cash flows and apply an appropriate discount rate; the cost approach, which requires estimates of replacement costs and depreciation and obsolescence estimates; and the market approach which uses market data and adjusts for entity-specific differences. We use all available information to make these fair value determinations and engage third-party consultants for valuation assistance. The estimates used in determining fair values are based on assumptions believed to be reasonable but which are inherently uncertain. Accordingly, actual results may differ materially from the projected results used to determine fair value.

Goodwill

Goodwill in an acquisition represents the excess of the aggregate purchase price over the fair value of the identifiable net assets. Goodwill is reviewed at least annually for impairment, or more frequently if indicators of impairment exist, such as disruptions in our business, unexpected significant declines in operating results or a sustained market capitalization decline. Goodwill is evaluated for impairment by comparing the carrying amount of the reporting unit to its estimated fair value.

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 may consider inputs such as a market participant weighted average cost of capital ("WACC"), forecasted operating performance, volumes and capital expenditures, all of which are subject to significant judgment and estimates. We may also consider a market approach in determining or corroborating the fair values of the reporting units using a multiple of expected future cash flows, such as those used by third-party analysts. The market approach involves significant judgment, including selection of an appropriate peer group, selection of valuation multiples, and determination of the appropriate weighting in our valuation model. If these estimates and assumptions change in the future, due to factors such as a decline in general economic conditions, sustained decrease in the crack spreads, competitive pressures on sales and margins and other economic and industry factors beyond management's control, an impairment charge may be required. The most significant risks to our valuation and the potential future impairment of goodwill are the WACC and the volatility of volumes, which is based on internal forecasts and depend, in part, on assumptions about our customers' drilling activity which is inherently subjective and contingent upon a number of variable factors (including future or expected pricing considerations).

We may also elect to perform a qualitative impairment assessment of goodwill balances. The qualitative assessment permits companies to assess whether it is more likely than not (i.e., a likelihood of greater than 50%) that the fair value of a reporting unit is less than its carrying amount. If a company concludes that, based on the qualitative assessment, it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the company is required to perform the quantitative impairment test. Alternatively, if a company concludes based on the qualitative assessment that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it has completed its goodwill impairment test and does not need to perform the quantitative impairment test.

At December 31, 2023, we had three reporting units with goodwill totaling approximately $12.2 million. Our annual goodwill impairment testing was performed on a quantitative basis for our Delaware Gathering reporting unit during the fourth quarter of 2023. As part of our annual assessment, we recorded a $14.8 million impairment charge in the fourth quarter of 2023 related to our Delaware Gathering reporting unit within the gathering and processing segment, which brought the amount of goodwill recorded within this reporting unit to zero. The impairment was primarily driven by the significant increases in interest rates and timing of system connections with our producer customers. The estimated fair value of our Delaware Gathering reporting unit was derived using a combination of both income and market approaches. The income approach reflects expected future cash flows based on anticipated gross margins, operating costs, and capital expenditures. The market approach includes both the guideline public company and guideline transaction methods. Both market approach methods use pricing multiples derived from historical market transactions of other like-kind assets. These fair value measurements involve significant unobservable inputs (Level 3 inputs).

Significant judgment is involved in performing these fair value estimates since the results are based on forecasted assumptions. Significant assumptions include:

- *Future volumes*. Our estimates of future throughput of crude oil, natural gas, and water volumes are based on internal forecasts and depend, in part, on assumptions about our customers' drilling activity which is inherently subjective and contingent upon a number of variable factors (including future or expected pricing considerations), many of which are difficult to forecast. Management considers these volume forecasts and other factors when developing our forecasted cash flows.
- *Discount rate.* We apply a discount rate to our cash flows based on a variety of factors, including market and economic conditions, operational risk, regulatory risk and political risk. This discount rate is also compared to recent observable market transactions, if possible. A higher discount rate decreases the net present value of cash flows.
- *Future capital requirements*. These are based on authorized spending and internal forecasts.

If estimates for future cash flows, which are impacted primarily by future volumes and EBITDA projections, were to decline, the overall reporting units' fair value would decrease, resulting in potential goodwill impairment charges.

Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the impairment tests will prove to be an accurate prediction of the future.

For our other reporting units in 2023, we assessed qualitative factors such as macroeconomic conditions, industry considerations, cost factors, and reporting unit financial performance and determined it was not more likely than not that the fair value of our reporting units were less than the respective carrying value. For the 2022 annual impairment assessment, we performed a qualitative assessment on all reporting units, as we determined it was more likely than not that the fair value of the reporting units exceeded the carrying value. Therefore, in accordance with GAAP, further testing was not required.

An estimate of the sensitivity to net income resulting from impairment calculations is not practicable, given the numerous assumptions (e.g., pricing, volumes and discount rates) that can materially affect our estimates. That is, unfavorable adjustments to some of the above listed assumptions may be offset by favorable adjustments in other assumptions.

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

Impact of Changing Prices

Our revenues and cash flows, as well as estimates of future cash flows, are sensitive to changes in commodity prices. Shifts in the cost of crude oil, natural gas, NGLs, refined products and ethanol and related selling prices of these products can generate changes in our operating margins.

Interest Rate Risk

Debt that we incur under the DKL Credit Facility bears interest at floating rates and will expose us to interest rate risk. The outstanding floating rate borrowings totaled approximately $1,061.8 million as of December 31, 2023. The annualized impact of a hypothetical one percent change in interest rates on our floating rate debt outstanding as of December 31, 2023 would be to change interest expense by approximately $10.6 million.

Inflation

Inflationary factors, such as increases in the costs of our inputs, operating expenses, and interest rates may adversely affect our operating results. In addition, current or future governmental policies may increase or decrease the risk of inflation, which could further increase costs and may have an adverse effect on our ability to maintain current levels of gross margin and operating expenses as a percentage of sales if the prices at which we are able to sell our products and services do not increase in line with increases in costs.

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

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to provide reasonable assurance that the information that we are required to disclose in reports we file under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is accumulated and appropriately communicated to management. We carried out an evaluation required by Rule 13a-15(b) of the Exchange Act, under the supervision and with the participation of our management, including the Principal Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures at the end of the reporting period. Based on that evaluation, the Principal Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the reporting period.

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 Principal Executive Officer and Chief Financial Officer, and implemented by the board of directors of our general partner, 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 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 GAAP and that receipts and expenditures recorded by us are being made only in accordance with authorizations of our management and the board of directors of our general partner; 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, 2023, 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 of our general partner. Based on its assessment and review with the Audit Committee, management concluded that, as of December 31, 2023, we maintained effective internal control over financial reporting.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our 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, 2023, as stated in their report, which is included in the section beginning on page F-1.

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the quarter ended December 31, 2023, none of our directors or officers (as defined in Rule 16a-1 under the Exchange Act) adopted , modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 105b-1 trading arrangement" (as those terms are defined in Item 408 of Regulation S-K).

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our general partner, Delek Logistics GP, LLC, is an indirect subsidiary of Delek Holdings. As of December 31, 2023, three individuals (Messrs. Soreq, Spiegel, and Yemin) serve as both directors and executive officers of the general partner and as officers and, with respect to Messrs. Soreq and Yemin, directors, of Delek Holdings. 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

The directors oversee our operations. The members of the 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 Delek Logistics Services Company, its sole member, which is a subsidiary of Delek Holdings. 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 New York Stock Exchange (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 require the Board to be composed of a majority of independent directors. Despite this exemption, our Board is currently comprised of a majority of independent directors, though this composition could change in the future. 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 nine members: Ezra Uzi Yemin, Sherri A. Brillon, Charles J. Brown, III, Eric D. Gadd, Frederec Charles Green, Ron W. Haddock, Gennifer F. Kelly, Reuven Spiegel and Avigal Soreq. The Board has determined that each of Messrs. Brown, Gadd and Haddock and Mses. Brillon and Kelly 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 or her 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 and Haddock and Mses. Brillon and Kelly has no material relationship with Delek Holdings or us, either directly or as a partner, stockholder or officer of an organization that has a relationship with Delek Holdings or us, and each of them is therefore independent under the NYSE's listing standards and applicable SEC rules and regulations.

Directors' Experiences and Skills

	YEMIN	SOREQ	BRILLON	BROWN	GADD	GREEN	HADDOCK	KELLY	SPIEGEL
PUBLIC COMPANY LEADERSHIP EXPERIENCE	●	●	●			●	●	●	●
PUBLIC COMPANY BOARD EXPERIENCE	●	●	●	●	●	●	●	●	●
FINANCE	●	●	●	●	●	●	●	●	●
ACCOUNTING AND AUDITING	●	●	●	●	●	●	●	●	●
ENERGY INDUSTRY EXPERIENCE	●	●	●	●	●	●	●	●	●
OPERATIONS EXPERIENCE	●	●	●	●	●	●		●	
INTERNATIONAL BUSINESS EXPERIENCE	●	●	●	●	●		●		●
RISK MANAGEMENT	●	●	●	●	●	●		●	●
COMPENSATION	●	●	●	●	●	●	●		
ENVIRONMENTAL/SUSTAINABILITY	●	●		●	●		●	●	●
ESG/SOCIAL RESPONSIBILITY	●	●		●	●		●	●	●
CYBERSECURITY/INFORMATION TECHNOLOGY	●		●			●		●	
M&A/CAPITAL MARKETS	●	●	●		●	●	●		●
STRATEGY	●	●	●		●	●		●	●
GOVERNMENT/REGULATORY/PUBLIC POLICY	●	●	●	●	●	●	●	●	

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, the members consider such qualifications and other factors as they deem appropriate in evaluating potential Board candidates, 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. While the general partner has no policy requiring consideration of racial or ethnic classifications, gender, religion or sexual orientation, the members give consideration to the diversity of experiences and backgrounds of its directors, the degree to which the individual's qualities and attributes will complement those of other directors, the extent to which the candidate would be a desirable addition to the Board and committees thereof, and other factors.

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 Holdings. 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, except for Odely Sakazi, who devotes a majority of his time to our operations. The executive officers of our general partner intend 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 Holdings' employees to operate our business and provide us with general and administrative services. Under the Omnibus Agreement, we pay Delek Holdings an annual fee, indexed for inflation, for Delek Holdings' provision of centralized corporate services, including executive management services of Delek Holdings 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 Holdings for allocated expenses of personnel who devote 50% or more of their time performing services for our benefit.

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
Avigal Soreq	45	Director and President, Delek Logistics
Ezra Uzi Yemin	54	Executive Chairman of the Board of Directors
Sherri A. Brillon	63	Chair of Audit Committee and Member of Technology and Governance, Compensation and Conflicts Committees
Charles J. Brown, III	75	Director, Chair of Conflicts Committee and Member of Audit and Governance and Compensation Committees
Eric D. Gadd	67	Director, Chair of EHS Committee and Member of Governance and Compensation and Conflicts Committees
Frederec Charles Green	57	Director and Member of Technology Committee
Ron W. Haddock	82	Director, Chair of Governance and Compensation Committee, and Member of Audit and EHS Committee
Gennifer F. Kelly	50	Director, Chair of Technology Committee, and Member of Conflicts and EHS Committees
Reuven Spiegel	66	Director, Executive Vice President and Chief Financial Officer
Denise McWatters	63	Executive Vice President, General Counsel and Secretary
Odely Sakazi	39	Senior Vice President, Delek Logistics

Avigal Soreq rejoined the Partnership as President and as one of our directors on June 9, 2022, after serving as the Chief Executive Officer of El Al Israel Airlines, the national airline of Israel, since January 2021. Mr. Soreq also currently serves as the chief executive officer and president of Delek Holdings. Prior to that, Mr. Soreq was a member of the Delek Holdings' executive management team, including as the Chief Operating Officer from March 2020 until January 2021, its Chief Commercial Officer from November 2016 until March 2020, an Executive Vice President from August 2015 until January 2021, and a Vice President from 2012 until 2015. In addition, Mr. Soreq served as an Executive Vice President of Delek Logistics GP, LLC from 2015 until 2021, and as its Vice President from 2012 until 2015. Prior to joining Delek Holdings, Mr. Soreq worked for SunPower Corporation (NASDAQ: SPWR), and previously as a senior finance and business consultant for Trabelsy & Co., and as a consultant in the corporate finance department for KPMG's Tel-Aviv office. His past experience includes service in the Israeli Air Force in various roles between 1996 and 2004, where he reached the rank of Major. Mr. Soreq is a certified public accountant in Israel.

Ezra Uzi Yemin has served as the Executive Chairman of the Board since June 2022. Mr. Yemin has served as one of our directors since April 2001 and as the chair of the Board since April 2012. Mr. Yemin previously served as our chief executive officer and president from April 2012 and August 2019, respectively, until June 2022. Mr. Yemin also serves as the executive chairman of the board of directors of Delek Holdings, and has served as a director since April 2001 and as the chair since December 2012. He also previously served as the chief executive officer and president of Delek Holdings, from June 2004 and April 2001, respectively, until June 2022. Mr. Yemin served as the president of Alon USA Partners GP, LLC, from July 2017 until its acquisition by Delek Holdings in February 2018 and the chairman of the board of directors of Alon USA Energy, Inc. from May 2015 until its acquisition by Delek Holdings in July 2017. Mr. Yemin's duties include the formulation of our policies and strategic direction, oversight of executive officers and overall responsibility for our operations and performance. The Board believes that, because he has worked for Delek Holdings since its founding, Mr. Yemin brings to the Board a thorough and complete understanding of our business, operations and operating environment, as well as the business, operations and operating environment of Delek Holdings (the owner of over 21% 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.

Sherri A. Brillon has served as one of our directors since January 2021. She has served as a member of the Audit Committee since January 2021 and as its Chairperson since January 2022. She has also served as a member of the Governance and Compensation Committee and the Technology Committee since July 2021 and has been a member of the Conflicts Committee since May 2023. Ms. Brillon has over 35 years of experience in the oil and gas industry. From 1985 to 2019, Ms. Brillon held various positions of increasing responsibility at Encana Corporation, a leading North American hydrocarbon exploration and marketing company now known as Ovintiv Inc. (NYSE: OVV), before retiring as Executive Vice President and Chief Financial Officer in 2019. At Encana, Ms. Brillon was responsible for directing the financial operations of the organization and she also implemented Encana's business strategy through multiple strategic transactions. Ms. Brillon has served on the Board of Directors for Enerplus (NYSE: ERF) since October 2022. She is a past director of the Canadian Chamber of Commerce, Alberta Energy Regulator, Tim Hortons Inc., a Canadian multinational fast food restaurant chain, and PrairieSky Royalty Ltd. (TSX: PSK), which owns properties generating royalty revenues from petroleum and natural gas in Canada. Ms. Brillon attended the University of Calgary, where she graduated with a Bachelor of Arts degree in economics. Ms. Brillon was appointed to the Board because the board of directors believed her many years of experience in both the upstream and midstream sectors of the oil and gas industry will be important as the Board navigates rapid developments in the petroleum industry.

Charles J. Brown, III has served as a member of the Board since November 2012, as a member of the Audit Committee and Conflicts Committee (of which he is Chairperson) since November 2012, as a member of the Governance and Compensation Committee since July 2021, and as a member of the EHS Committee from its inception in October 2016 to July 2021. Mr. Brown is a licensed attorney with more than 30 years of experience in the energy industry. From July 2013 until his retirement on January 1, 2020, Mr. Brown served as the executive vice president of Apex Clean Energy, Inc., an independent renewable energy company, where he managed 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 on the international power and utility industries. From 2008 through 2011, Mr. Brown served as a partner in the energy department of 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 served as a member of the Board since October 2013 and as Chairperson of the EHS Committee since its inception in October 2016. He has also been a member of the Conflicts Committee since October 2013 and the Governance and Compensation Committee since July 2021. Mr. Gadd previously served as a member of the Audit Committee from October 2013 to July 2021. Mr. Gadd is currently principal director at Contanda LLC, which is a private company that operates bulk liquid terminals in North America. 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 40 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.

Frederec Green has served as a member of the Board since April 2012 and has served as a member of our Technology Committee since July 2021. Mr. Green served as an Executive Vice President of our general partner from May 2009 until November 2020. Mr. Green also served in numerous executive roles at Delek Holdings from January 2005 through November 2020, including serving as the primary operational officer for Delek Holdings' refineries and as Executive Vice President and Chief Operating Officer from November 2016 until March 2020. He also served on the board of directors of Alon Energy USA, Inc. from May 2015 until July 2017, and served as the Chief Executive Officer of Alon USA Partners, LP from July 2017 until December 2017. Mr. Green has 35 years of experience in the refining and midstream industries, including fourteen years at Murphy Oil USA, Inc. where he served as a senior vice president during his last six years. Mr. Green has experience in mergers and acquisitions as well as all aspects of managing a refining business, from crude oil and feedstock supply to product trading, transportation, and sales. Mr. Green is currently an independent consultant serving clients in the midstream and downstream sectors, including Delek Holdings and Delek Logistics. Mr. Green was appointed to the Board because of his extensive energy industry experience and his in-depth knowledge of our and Delek Holdings' businesses and operations.

Ron W. Haddock has served as a member of the Board since July 2017. He has served as the Chairperson of the Governance and Compensation Committee since July 2021 and as a member of the EHS Committee and Audit Committee since May 2018 and 2022, respectively. Mr. Haddock has also served as our Lead Independent Director since February 2021. Mr. Haddock is currently Chairman and Chief Executive Officer of AEI Services LLC, an international power generation/distribution and natural gas distribution company, positions he has held since 2004 and August 2003, respectively. He also served on the board of Alon Energy USA, Inc. from December 2000 until its acquisition by Delek in July 2017 and served on the board of Petron Corporation, an oil refining and marketing company in the Philippines from 2010 to 2022. From January 1989 to July 2000, Mr. Haddock served as chief executive officer of FINA, Inc., a Belgian oil company. Mr. Haddock also served on the boards of Safety-Kleen Systems, Inc., a waste management, oil recycling and refining company, from 2003 to 2012, and Trinity Industries, Inc. (NYSE: TRN), a diversified transportation, industrial and construction company, from 2007 to 2013, as well as eight other corporate boards. The Board believes that Mr. Haddock's extensive directorship experience, past executive positions within the refining and petrochemical industry, financial reporting background and expertise qualify him to serve as a member of the Board.

Gennifer Kelly has served as a director since July 2020. She has served as the Chairperson of the Technology Committee since its inception in July 2021 and as a member of the EHS Committee and Conflicts Committee since July 2020. She also serves on the board of Devon Energy Corp. (NYSE: DVN) and is a member of Audit and Reserves committees. Ms. Kelly has 25 years of oil and gas industry experience in both upstream and midstream sectors. Ms. Kelly previously held the role of Chief Operating Officer and SVP of Western Midstream Partners (NYSE: WES) and Vice President of Marketing for Anadarko Petroleum Corporation (NYSE: APC). Prior to her role at Western Midstream, Ms. Kelly led Operations Transformation efforts, as well as Strategic Planning, Portfolio Management and Asset Management teams for Anadarko. She has diverse operations experience in production, drilling and completions engineering, working extensively in East Texas, West Texas and the Gulf of Mexico. Prior to joining Anadarko Petroleum, Ms. Kelly worked as an engineer for Kerr McGee Corporation and the Louisiana Office of Conservation. Ms. Kelly holds both a Bachelor of Science in Petroleum Engineering and a Master of Business Administration from Louisiana State University. Ms. Kelly is a registered Professional Engineer in the state of Texas and a member of the Society of Petroleum Engineers. Ms. Kelly is currently the board chair of Lone Star College Foundation; a non-profit organization aiding Lone Star College students with funding their education. The Board values Ms. Kelly's years of experience in the oil and gas industry and operations experience as well as her technical background.

Reuven Spiegel has served as our Chief Financial Officer since May 2020, and as a member of the Board since July 2014. Mr. Spiegel previously served as a member of the Audit Committee from September 2014 until April 2020 and as a member of the EHS Committee from October 2016 until April 2020. Prior to joining the Board, Mr. Spiegel served as Chief Executive Officer of Israel Discount Bank Ltd. (TLV: DSCT) from 2011 through 2014 where he had previously held the position of Executive Vice President from 2001 through 2005. In 2005 and 2006, Mr. Spiegel also served as Chairperson of the board of Discount Mortgage Bank. Mr. Spiegel also served as Chief Executive Officer of IDB Bank of NY from 2006 to 2010. He also has experience as an executive in the real estate industry. The Board believes that Mr. Spiegel's financial industry experience provides the Board with valuable expertise in the Partnership's financial and accounting matters.

Denise McWatters has served as our Executive Vice President, General Counsel and Corporate Secretary since February 2021. Ms. McWatters previously served as the General Counsel, Chief Compliance Officer and Corporate Secretary of HollyFrontier Corporation, an independent petroleum refiner (NYSE: HFC), and of the general partner of Holly Energy Partners, L.P. (NYSE: HEP) from May 2008 until August 2019. Prior to joining HollyFrontier, Ms. McWatters served as the General Counsel of The Beck Group, an architecture, construction and design firm, from 2005 through October 2007.

Odely Sakazi has served as Senior Vice President, Delek Logistics since August 2019. He previously served as our Vice President of Business Strategy and corporate development from November 2017 until August 2019, as Senior Director of Business Strategy from January 2017 until November 2017, as Director of Business Strategy from June 2016 until January 2016, and as Director of Corporate Operation from August 2015 until June 2016. He formerly served in the Israeli Navy as an officer in various roles between 2010 and 2014.

Board Leadership Structure

Mr. Yemin serves as Executive Chairman of the Board. He is also the Executive Chairman of the board of directors of Delek Holdings, which provides the Board and us with important interaction with, and access to, our most important customer and majority unitholders. Mr. Yemin also brings to the Board and us the perspective of our majority unitholder and the principal executive officer and chair of the board of publicly traded company. The Board met 19 times in 2023, with each director attending at least 75% of the aggregate of all meetings of the Board and committees on which he or she served during the year.

Because the Executive Chairman of the Board is not an independent director, on February 22, 2021, the Board designated Ron W. Haddock to serve in a lead capacity (the "Lead Independent Director") to coordinate the activities of the other independent directors and to perform such other duties and responsibilities as the Board may determine from time to time. The Lead Independent Director is appointed annually by the Board and may be removed from or replaced at any time. The Lead Independent Director will chair all meeting of the Board at which the Executive Chairman is not present, including executive sessions of the independent directors, call additional meetings of the independent directors as deemed appropriate, and perform such other functions as the Board may direct.

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 Holdings. 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 generally conduct such executive sessions in connection with each quarterly meeting of the Audit Committee and otherwise as may be necessary. Mr. Haddock was appointed Lead Independent Director of the Board in February 2021. In this capacity, Mr. Haddock generally presides over these executive sessions.

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 the general partner of Delek Logistics Partners, LP at 310 Seven Springs Way, Suite 400 and 500, 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 Ms. Brillon (chair) and Messrs. Brown and Haddock. Mr. Brown joined the committee at its inception in November 2012, Mr. Haddock joined the committee in 2022 and Ms. Brillon joined the committee in January 2021. The Audit Committee met seven times in 2023, either in person or telephonically, with each member attending at least 75% of all meetings of the Audit Committee.

The Board has determined that (i) each of Messrs. Brown and Haddock and Ms. Brillon qualifies as independent and as financially literate under applicable SEC rules and regulations and the rules of the NYSE, and (ii) Ms. Brillon meets the definition of an “audit committee financial expert” within the meaning of Item 407(d)(5) of Regulation S-K.

Audit Committee Members	Independent	Financially Literate	Qualifies as an Audit Committee Financial Expert
Sherri A. Brillon (Chair)	ü	ü	ü
Charles J. Brown III	ü	ü	ü
Ron Haddock	ü	ü	

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 (chair) and Gadd and Mses. Brillon and Kelly. The Board has determined that each of Messrs. Brown and Gadd and Mses. Brillon and Kelly qualifies as independent under applicable SEC rules and regulations and the rules of the NYSE. Mr. Brown joined the committee at its inception in November 2012. Mr. Gadd joined the committee in October 2013. Ms. Brillon joined the committee in March 2023. Ms. Kelly joined the committee in July 2020. The Conflicts Committee met two times in 2023 either in person or telephonically, with each member attending all meetings of the Conflicts Committee.

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 Holdings or any other person. However, pursuant to the Partnership Agreement and our Related Party Transactions Policy adopted by the Board, the Board or 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 such related party transactions. In certain instances, the Related Party Transactions Policy effectively requires that certain related party transactions be submitted to the Conflicts Committee for review. 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 in accordance with the terms of our Partnership Agreement 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—Procedures for Review, Approval or Ratification of Transactions with Related Parties."

Environmental, Health and Safety Committee

The EHS Committee consists of Messrs. Gadd (chair) and Haddock and Ms. Kelly. Mr. Gadd joined the committee at its inception in October 2016, Mr. Haddock joined the committee in May 2018, and Ms. Kelly joined the committee in July 2020. The EHS Committee met four times in 2023, either in person or telephonically, with each member attending at least 75% of all meetings of the EHS Committee. The purpose of the EHS Committee is to assist the Board in fulfilling certain of the Board's oversight responsibilities by, among other things, overseeing management's establishment and administration of the Partnership's environmental, health and safety policies, programs, procedures and initiatives. These responsibilities are set forth in the EHS Committee's charter, which is available on our corporate website at www.DelekLogistics.com.

Governance and Compensation Committee

In July 2021 the Board established the Governance and Compensation Committee of the Board. The Governance and Compensation Committee consists of Messrs. Haddock (chair), Brown, and Gadd and Ms. Brillon. The Governance and Compensation Committee met four times in 2023, either in person or telephonically, with each member attending at least 75% of all meetings of the Governance and Compensation Committee. The purpose of the Governance and Compensation Committee is to (a) recommend to the Board director nominees for each Board committee; (b) periodically review the corporate governance policies applicable to the Partnership (the "Governance Guidelines") and recommend to the Board any changes deemed necessary or desirable; (c) monitor, oversee and review compliance of the Governance Guidelines and all other applicable policies of the Partnership as the Governance and Compensation Committee or the Board deem necessary or desirable; (d) support the Board and work with management to ensure that compensation practices properly reflect management and Partnership philosophy, competitive practice and regulatory requirements; and (e) review, provide advice on and, where appropriate, approve the following items: (1) executive and employee compensation objectives, plans, and levels; (2) culture and employee engagement; (3) diversity and inclusion; (4) leadership and talent engagement; and (5) executive succession planning. These responsibilities are set forth in the Governance and Compensation Committee's charter, which is available on our corporate website at www.DelekLogistics.com.

Technology Committee

In July 2021 the Board established the Technology Committee of the Board. The Technology Committee consists of Mses. Kelly (chair) and Brillon and Mr. Green. The Technology Committee met four times in 2023, either in person or telephonically, with each member attending at least 75% of all meetings of the Technology Committee. The purpose of the Technology Committee is to assist the Board in fulfilling certain of the Board's oversight responsibilities by, among other things, overseeing management's establishment and administration of the Partnership's policies, programs, procedures and initiatives with respect to technology and information security. These responsibilities are set forth in the Technology Committee's charter, which is available on our corporate website at www.DelekLogistics.com.

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. However, in July 2021 the Board established the Governance and Compensation Committee of the Board, which, among other responsibilities, makes recommendations to the Board regarding changes to the size and composition of the committees of the Board and makes recommendation to the Board with respect to the structure of Board committees and nominees for appointment to committees of the Board. 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

In July 2021, the Board established the Governance and Compensation Committee of the Board, which, among other responsibilities, oversees director and executive officer compensation for the Partnership.

Additionally, our Board believes it is important to promote the interests of the Partnership by providing 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 Holdings, the LTIP is administered by the Conflicts Committee with respect to those awards. 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 executive 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 charters of the standing Board committees of our general partner and our Amended and Restated 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 a 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 President, 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.

ITEM 11. EXECUTIVE COMPENSATION

All of our general partner's executive officers are employees of Delek Holdings. Neither we nor our general partner directly employ 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 2023. 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. Messrs. Soreq, Yemin, Sakazi and Spiegel and Ms. McWatters are referred to collectively herein as our "named executive officers" or "NEOs".

Overview - Compensation Decisions and Allocation of Compensation Expenses

Under the terms of the Omnibus Agreement, we pay an annual administrative fee of $4.4 million per year to Delek Holdings 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 Holdings 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 Omnibus Agreement requires us to reimburse Delek Holdings directly for a proportionate amount of the salary and employee benefits costs of Delek Holdings employees who devote more than 50% of their time to our business and affairs.

None of our NEOs other than Mr. Sakazi devoted more than 50% of their total business time to our business and affairs in 2023. Although our NEOs provide services to both Delek Holdings and us, no portion of the administrative fee is specifically allocated to services provided by our NEOs to us except with respect to Mr. Sakazi. Instead, the administrative fee covers all centralized services provided to us by our NEOs other than Mr. Sakazi, and we have not reimbursed Delek Holdings for the cost of such services. Except for awards under the LTIP, Delek Holdings has the ultimate decision-making authority with respect to the compensation of our NEOs.

In July 2021, the Board established the Governance and Compensation Committee of the Board, which, among other responsibilities, oversees director and executive officer compensation for the Partnership. While the Governance and Compensation Committee does not establish the compensation paid to our NEOs, it does monitor the compensation program applicable to our NEOs.

Additionally, 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 Holdings, the awards to these individuals under the LTIP are 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.

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 Holdings to manage our business and affairs, we did not provide traditional fixed or discretionary compensation (e.g. salary or bonus) to our NEOs in 2023. 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 our initial public 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 Holdings, 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. In 2023 our executive officers received time-vesting phantom units under the LTIP.

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 was 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

The Governance and Compensation Committee of the Board retained a compensation consultant with respect to compensation paid to our NEOs or to its non-employee directors in 2023.

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 Governance and Compensation 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 Governance and Compensation 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 Governance and Compensation Committee have submitted this Governance and Compensation Committee Report to the Board of Directors as of February 28, 2024:

- Ron W. Haddock (Chair)
- Sherri A. Brillon
- Charles J. Brown, III
- Eric D. Gadd

2023 Summary Compensation Table

The Summary Compensation Table below summarizes the compensation for the fiscal year ended December 31, 2023 (and the two prior fiscal years) for our general partner's president (Mr. Soreq), Executive Chairman (Mr. Yemin), principal financial officer (Mr. Spiegel), Executive Vice President, General Counsel, and Secretary (Ms. McWatters) and Senior Vice President (Mr. Sakazi).

Name and Principal Position (1)	Fiscal Year	Salary ($)	Bonus ($) (2)	Unit Awards ($) (3)	Option Awards ($)	Non-Equity Incentive ($) (4)	Other Compensation ($) (5)	Total ($)
Avigal Soreq, President	2023	—	—	874,992	—	—	—	874,992
	2022	—	—	499,955	—	—	—	499,955
	2021	—	—	—	—	—	—	—
Ezra Uzi Yemin, Executive Chairman	2023	—	—	749,971	—	—	—	749,971
	2022	—	—	1,233,943	—	—	—	1,233,943
	2021	—	—	1,049,979	—	—	—	1,049,979
Reuven Spiegel, Chief Financial Officer	2023	—	—	274,953	—	—	—	274,953
	2022	—	—	133,418	—	—	—	133,418
	2021	—	—	133,323	—	—	—	133,323
Denise McWatters, General Counsel	2023	—	—	174,998	—	—	—	174,998
	2022	—	—	166,705	—	—	—	166,705
	2021	—	—	116,648	—	—	—	116,648
Odely Sakazi, Senior Vice President	2023	332,000	180,000	258,739	—	314,985	16,514	1,102,238
	2022	300,000	—	250,075	—	305,100	11,871	867,046
	2021	294,231	—	246,645	—	—	4,370	545,246

(1) As noted above, no compensation other than grants of service phantom units under our LTIP is reported for the NEOs except for Mr. Sakazi, because none of our executive officers other than Mr. Sakazi received compensation from us or our general partner in 2023.

(2) The $180,000 was a discretionary award given as a result of the Delaware Gathering (formerly 3 Bear) Acquisition that was paid out in March 2023.

(3) Amounts in this column represent the grant date fair value of DK PSUs, DK RSUs, with respect to Mr. Sakazi, and DKL phantom units, with respect to all NEOs, granted under the 2016 Plan or the LTIP, as applicable. The fair value of DK PSUs is calculated using a Monte-Carlo simulation model, which assumes a risk-free rate of interest of 4.32%, an expected term of 2.81 years and expected volatility of 64.46%. Assumptions used in the calculation of these amounts for the 2023 fiscal year are included in footnote 20 to the audited financial statements of Delek Holdings for the 2023 fiscal year included in Delek Holdings' Annual Report on Form 10-K filed with the SEC on or about February 28, 2024. The fair value of DK RSUs and DKL phantom units is calculated using the closing price of Delek Holdings' Common Stock and our common limited partner units, respectively, on the date of the grant.

(4) Bonus paid under the 2023 AIP Plan for 2023 plan year.

(5) For fiscal year 2023, this amount includes matching contributions to the Partnership's 401(k) Plan in the amount of $15,028 for Mr. Sakazi and group term life insurance premiums of $486 for Mr. Sakazi. For Mr. Sakazi, this amount also includes reimbursement in the amount of $1,000 for HSA employer in 2023.

Grants of Plan Based Awards in 2023

The following table provides information regarding plan-based awards granted to our NEOs during fiscal year 2023:

Name	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards (#) (1)			All Other Stock Awards: Number of Shares of Units (#)	Grant Date Fair Value of Units and Option Awards (2)
		Threshold	Target	Maximum		
Avigal Soreq	3/10/2023				16,895 (3)	874,992
Ezra Uzi Yemin	3/10/2023				14,481 (3)	749,971
Reuven Spiegel	3/10/2023				5,309 (3)	274,953
Denise McWatters	3/10/2023				3,379 (3)	174,998
Odely Sakazi	3/10/2023				2,681 (4)	62,494
	3/10/2023				1,206 (3)	62,459
	3/10/2023	536	1,072	2,144		18,063
	3/10/2023	536	1,072	2,144		31,024
	3/10/2023	537	1,073	2,146		30,902
	3/10/2023	1,073	2,145	4,290		53,797

(1) The amounts in this column reflect the threshold, target, and maximum shares to be issued upon the vesting of PSUs. The PSUs granted to Mr. Sakazi are subject to a performance period beginning January 1, 2023 and ending December 31, 2023.

(2) The amounts in this column reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for financial statement reporting purposes over the expected term of the grant. Assumptions used in the calculation of these amounts for the 2023 fiscal year are included in footnote 20 to the audited financial statements of Delek Holdings for the 2023 fiscal year included in Delek Holdings' Annual Report on Form 10-K filed with the SEC on or about February 28, 2024. Because the fair value of PSUs is calculated differently than the fair value of RSUs, the grant date fair values for PSUs and RSUs covering identical quantities of shares may differ.

(3) The amounts in this column reflect the Partnership's common units to be issued upon the vesting of RSUs granted under the Partnership's 2012 Long-Term Incentive Plan. The RSUs vest quarterly for three years, pro rata.

(4) The amounts in this column reflect the Delek Holdings shares to be issued upon the vesting of RSUs granted under the 2016 Plan. The RSUs vest quarterly for three years, pro rata.

Outstanding Equity Awards at December 31, 2023

The following table provides information regarding the number of outstanding equity awards held by our NEOs at December 31, 2023.

	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	Market Value of Units That Have Not Vested
Avigal Soreq President	—	—	n/a	n/a	17,340	$748,568
Ezra Uzi Yemin Executive Chairman	—	—	n/a	n/a	22,091	$953,668
Reuven Spiegel Chief Financial Officer	—	—	n/a	n/a	3,035	$131,021
Denise McWatters General Counsel	—	—	n/a	n/a	3,980	$171,817
Odely Sakazi Senior Vice President	—	—	n/a	n/a	44,129	$507,409

Option Exercises and Stock Vested in 2023

The following table provides information about the vesting of phantom units for our NEOs during fiscal year 2023.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
Avigal Soreq, President	—	$—	7,331	$338,136
Ezra Uzi Yemin, Executive Chairman	—	$—	26,857	$1,272,902
Reuven Spiegel, Chief Financial Officer	—	$—	5,655	$263,686
Denise McWatters, General Counsel	—	$—	2,860	$135,860
Odely Sakazi, Senior Vice President	—	$—	4,711	$140,449

Potential Payments Upon Termination or Change-In-Control

The following table discloses the estimated payments and benefits that would be provided by us 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 with Delek Holdings and the LTIP took place on December 31, 2023 and their last day of employment with our general partner or its affiliates was December 31, 2023. Due to a number of factors that affect the nature and amount of any benefits provided upon the events discussed below, actual amounts paid or distributed may differ. Factors that could affect these amounts include the timing during the year of such event and our stock price.

	Termination of Employment	Change-In-Control
ent	—	$—
cutive Chairman	—	$—
ef Financial Officer	—	$—
eneral Counsel	—	$—
Vice President	$1,085,573 [1]	$1,860,371 [2]

(1) Assumes acceleration of 1,178 unvested DK RSUs, 411 unvested DKL RSUs, and 8,856 unvested PSUs.

(2) Assumes acceleration of 3,506 unvested DK RSUs, 1,319 unvested DKL RSUs, and 13,954 unvested PSUs.

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.

Compensation of Directors in 2023

Officers and employees of Delek Holdings or its subsidiaries do not receive additional compensation for services on the Board or its committees. The compensation framework for the Board's other directors during 2023 (Messrs. Brown, Gadd, Green and Haddock and Mses. Brillon and Kelly) (the "Compensated Directors") was determined by the Board. In setting compensation for the Compensated Directors, the Board considers various factors and objectives, including aligning the interests of Compensated Directors with the interests of unitholders and attracting and retaining qualified directors to serve on the Board. From time to time, the Board also engages an independent compensation consultant to provide an analysis of compensation paid to directors of entities considered by the Board to be peers of the Partnership at the time.

In November 2022, the Board voted to approve a new compensation structure for non-employee directors, which was effective for fiscal year 2023. This compensation includes a cash retainer for services on the Board and its Committees (and a lead director fee), payable quarterly, and an annual equity award of phantom units under the LTIP that vests semi-annually over a one-year period. The following table shows our non-employee director compensation for 2023, the cash portions of which is paid ratably each quarter:

Board of Directors Retainer (Per Year)	$85,000
Lead Director Fee (Per Year)	$15,000
Target Value for Equity Awards (Per Year)	$120,000

Committee Retainers (Per Year):	*Chair*
Audit Committee	$10,000
Conflicts Committee	$7,500
EHS Committee	$5,000
Technology Committee	$5,000
Governance and Compensation Committee	$7,500

In addition, each 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 following table sets forth a summary of the compensation we paid to the Compensated Directors for service during 2023.

Director Compensation

Name [(1)]	Fees Earned or Paid in Cash ($) [(2)]	Stock Awards ($) [(3)]	Option Awards ($)	All Other Compensation ($)	Total ($)
Sherri A. Brillon	95,000	119,995	—	—	214,995
Charles J. Brown, III	92,500	119,995	—	—	212,495
Eric D. Gadd	90,000	119,995	—	—	209,995
Frederec C. Green [(4)]	85,000	119,995	—	—	204,995
Ron W. Haddock	107,500	119,995	—	—	227,495
Gennifer Kelly	90,000	119,995	—	—	209,995

(1) Because they are officers and employees of Delek Holdings or its subsidiaries, Messrs. Soreq, Yemin and Spiegel do not receive any compensation for their service as directors.

(2) This column reports the amount of cash compensation earned in 2023 for Board and committee service and the Lead Director Fee.

(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 these amounts for the 2023 fiscal year are included in footnote 20 to the audited financial statements of Delek Holdings for the 2023 fiscal year included in Delek Holdings' Annual Report on Form 10-K filed with the SEC on or about February 28, 2024. The grant date fair value of $53.26 per unit is equal to the NYSE closing price of our common units as of June 10, 2023. Each of Messrs. Brown, Gadd, Haddock and Green and Mses. Kelly and Brillon held 2,253 outstanding phantom units at December 31, 2023.

(4) During 2023, Mr. Green also received $171,999 in fees from Delek Holdings for consulting work.

Compensation Committee Interlocks and Insider Participation

Messrs. Brown, Gadd and Haddock and Ms. Brillon served on the Governance and Compensation Committee during 2023, and Messrs. Soreq and Spiegel, as well as the Board, 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.

Principal Executive Officer Pay Ratio

As discussed above, as a master limited partnership, we have no employees. Rather, all of the employees that conduct our business are employed by our general partner and its non-Partnership affiliates. Moreover, as disclosed above, we did not pay any compensation amounts to our principal executive officer in 2023. As a result, we are unable to provide an estimate of the relationship of the median of the annual total compensation of employees that conduct our business and the annual total compensation of our principal executive officer.

We expect the principal executive officer pay ratio disclosure with respect to employees of Delek Holdings, including our NEOs, to be set forth in Delek Holdings' annual proxy statement.

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 21, 2024 (the "Measurement Date"), (i) the beneficial ownership of our units representing limited partnership interests and Common Stock of Delek Holdings 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 310 Seven Springs Way, Suite 400 and 500, Brentwood, Tennessee 37027.

Name of Beneficial Owner [1]	Amount, Nature and Percentage of Beneficial Ownership of Common Units [2]		Amount and Nature of Beneficial Ownership of Common Stock [2]	
	Delek Logistics Partners, LP		Delek US Holdings, Inc.	
	(#)	(%)	(#) [3]	(%)
Beneficial Owners of More Than 5% of Units:				
Delek US Holdings, Inc. [4]	34,311,278	78.7	n/a	n/a
Directors, Director Nominees and NEOs:				
Avigal Soreq [5]	10,372	*	50,254	*
Ezra Uzi Yemin [6]	198,670	*	957,837	1.5
Sherri A. Brillon	5,260	*	—	*
Charles J. Brown, III	11,879	*	—	*
Eric D. Gadd	26,704	*	—	*
Frederec Charles Green	74,946	*	120,931	*
Ron W. Haddock	18,610	*	17,517	*
Gennifer F. Kelly	8,074	*	9,199	*
Reuven Spiegel [7]	8,088	*	20,473	*
Denise McWatters [8]	4,514	*	14,965	*
Joseph Israel [9]	1,069	*	2,250	*
Odely Sakazi [10]	2,486	*	6,444	*
All directors, all director nominees, all NEOs and all executive officers as a group (12 persons)	370,672	*	1,199,870	1.9

* Less than 1% of our issued and outstanding common units of Delek Logistics Partners, LP 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 310 Seven Springs Way, Suite 400 and 500, 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 43,616,811 common units representing limited partner interests issued and outstanding on the Measurement Date. The percentage ownership of Delek US Holdings, Inc. Common Stock is based on a total of 64,019,267 shares issued and outstanding 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. 2016 Long-Term Incentive Plan, we report shares equal to the number of RSUs that are vested or that will vest within 60 days of the Measurement Date.

(4) Subsidiaries of Delek US Holdings, Inc. hold the common limited partner units. Delek US Energy, Inc. and Delek Logistics Services Company directly held 20,745,868 and 13,565,410 common limited 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 SEC pursuant to the information requirements of the Exchange Act, as amended.

(5) The number of our common units owned includes 2,186 phantom units that will vest within 60 days of the Measurement Date. the number of shares of Delek US Holdings, Inc. Common Stock includes 5,624 RSUs that will vest within 60 days of the Measurement Date.

(6) 158,467 of our units and 691,945 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. The number of our common units owned includes 4,906 phantom units that will vest within 60 days of the Measurement Date. The number of shares of Delek US Holdings, Inc. Common Stock includes 16,435 RSUs that will vest within 60 days of the Measurement Date.

(7) The number of our common units owned includes 758 phantom units that will vest within 60 days of the Measurement Date. the number of shares of Delek US Holdings, Inc. Common Stock includes 1,685 RSUs that will vest within 60 days of the Measurement Date.

(8) The number of our common units owned includes 785 phantom units that will vest within 60 days of the Measurement Date. The number of shares of Delek US Holdings, Inc. Common Stock includes 2,297 RSUs that will vest within 60 days of the Measurement Date.

(9) The number of our common units owned includes 425 phantom units that will vest within 60 days of the Measurement Date. the number of shares of Delek US Holdings, Inc. Common Stock includes 895 RSUs that will vest within 60 days of the Measurement Date.

(10) The number of our common units owned includes 244 phantom units that will vest within 60 days of the Measurement Date. The number of shares of Delek US Holdings, Inc. Common Stock includes 701 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, 2023 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	842,271	N/A	144,750
Equity compensation plans not approved by security holders	—	N/A	—
TOTAL	842,271	N/A	144,750

(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 over one- to five-year service periods 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 our general partner in connection with the closing of the initial public offering and provides for the making of certain awards, including common units, restricted units, phantom units, unit appreciation rights and distribution equivalent rights. The LTIP did not require approval by our limited partners. Additionally, On June 9, 2021, the LTIP was amended to increase the number of units representing limited partner interest in the Partnership (the "Common Units") authorized for issuance by 300,000 Common Units to 912,207 Common Units. Additionally, the term of the LTIP was extended to June 9, 2031.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Transactions

As of February 21, 2024, Delek Holdings and its affiliates owned 34,311,278 of our common limited partner units, which represents a 78.7% ownership interest in the Partnership. Certain transactions with Delek Holdings and its affiliated entities are considered to be related party transactions under Item 404 of Regulation S-K because Delek Holdings and its affiliates own more than five percent of our equity interests. In addition, Messrs. Soreq, Spiegel, and Yemin and Ms. McWatters serve as executive officers of both Delek Holdings and our general partner.

Distributions and Payments to Delek Holdings

Pursuant to our Partnership Agreement, we are required to make quarterly cash distributions of 100% of our "available cash" to limited partners, including Delek Holdings. During 2023, we made cash distributions totaling $180.0 million to our unitholders, of which $141.5 million was paid to Delek Holdings and our general partner.

Commercial Agreements, Omnibus Agreement and Operations and Management Services Agreement

The Partnership has a number of long-term, fee-based commercial agreements with Delek Holdings under which we provide various services, including crude oil gathering and crude oil, intermediate and refined products transportation and storage services, and marketing, terminalling and offloading services to Delek Holdings. In return, Delek Holdings commits to minimum monthly throughput volumes of crude oil, intermediate and refined products. See Note 4 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 our material commercial agreements and other non-contractual arrangements with Delek Holdings during 2023.

For a discussion of a third party's involvement in certain of our agreements, see Items 1 and 2. "Business and Properties—Commercial Agreements—Delek Holdings' Crude Oil and Refined Products Intermediation Agreement."

Omnibus Agreement

The Omnibus Agreement (as defined in Note 4 to our consolidated financial statements) governs a number of important aspects of the Partnership’s business relationship with Delek Holdings. For a more extensive summary of this agreement and its amendment history, see Items 1 and 2. “Business and Properties—Commercial Agreements—Other Agreements with Delek Holdings.” The Omnibus Agreement addresses, among other things, the following matters:

- an agreement whereby Delek Holdings will not compete with us under certain circumstances;
- our right of first offer to acquire certain of Delek Holdings' logistics assets, including certain terminals, storage facilities and other related assets located at the Tyler and El Dorado Refineries and, under specified circumstances, logistics and marketing assets that Delek Holdings may acquire or construct in the future;
- Delek Holdings' right of first refusal to purchase our assets that serve its refineries;
- our obligation to pay an annual fee to Delek Holdings for Delek Holdings' provision of centralized corporate services, including executive management services of Delek Holdings 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;
- Delek Holdings' reimbursement to us for certain operating expenses and certain maintenance capital expenditures and Delek Holdings' indemnification of us for certain matters, including environmental, title and tax matters;
- reimbursement to us for certain designated periods of time related to the date of acquisition of the relevant asset for any operating expenses in excess of certain thresholds per year that we incur for inspections, maintenance and repairs to any of the storage tanks contributed to us by Delek Holdings that are necessary to comply with the DOT pipeline integrity rules and certain API storage tank standards; and
- reimbursement to us for certain designated periods of time related to the date of acquisition of the relevant asset for all non-discretionary maintenance capital expenditures, other than those required to comply with applicable environmental laws and regulations, in excess of certain thresholds per year that we make with respect to the assets contributed to us by Delek Holdings for which we have not been reimbursed as described above.

See Note 4 and Note 14 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 and the amounts paid under the Omnibus Agreement during 2023.

Other Related Party Transactions

In addition to the agreements described above, we purchased refined products from Delek Holdings, totaling $396.3 million during the year ended December 31, 2023. We sold RINs in the amount of approximately $12.8 million to Delek Holdings during the year ended December 31, 2023.

Related Party Revolving Credit Facility

On November 6, 2023, the Partnership and certain of its subsidiaries, as guarantors, entered into a certain Promissory Note (the “Related Party Revolving Credit Facility”) with Delek Holdings. The Related Party Revolving Credit Facility provides for revolving borrowings with aggregate commitments of $70.0 million comprised of a (i) $55.0 million senior tranche and a (ii) $15.0 million subordinated tranche (the “Subordinated Tranche”), with the initial borrowings under the Subordinated Tranche conditioned upon the Partnership and Delek Holdings reaching an agreement with Fifth Third Bank, National Association, as administrative agent under the DKL Credit Facility, on subordination provisions and other material terms related to the Subordinated Tranche. The Related Party Revolving Credit Facility will bear interest at Term SOFR (as defined in the Related Party Revolving Credit Facility) plus 3.00% and matures on June 30, 2028. The Related Party Revolving Credit Facility contains certain affirmative covenants, mandatory prepayments and events of default that the Partnership considers to be customary for an arrangement of this sort. The obligations under the Related Party Revolving Credit Facility are unsecured.

DPG Management Agreement

The Partnership manages long-term capital projects on behalf of Delek Holdings pursuant to a construction management and operating agreement (the "DPG Management Agreement") for the construction of gathering systems in the Permian Basin. The majority of the gathering systems has been constructed, however, additional costs pertaining to a pipeline connection that was not acquired by the Partnership continue to be incurred and are still subject to the terms of the DPG Management Agreement. The Partnership is also considered the operator for the project and is responsible for the oversight of the project design, procurement and construction of project segments and for providing other related services. See Note 4 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 and the amounts paid under the DPG Management Agreement during 2023.

Procedures for Review, Approval or Ratification of Transactions with Related Party

Our Board has adopted a formal written related party transactions policy to establish procedures for the notification, review, approval, ratification and disclosure of related party transactions. The Board reviews this policy annually. For the purposes of this policy, a related party is defined as follows:

I. any director or executive officer of our general partner;

II. any unitholder owning in excess of 5% of our common units or an affiliate of our general partner;

III. any immediate family member of an individual of any such person;

IV. any entity in which we have an investment that is accounted for under the equity method of accounting; and

V. any entity that is owned or controlled by someone listed in I - IV above or any entity in which someone listed in I - IV above has a substantial ownership interest or control of such entity.

Other transactions that are undertaken pursuant to existing agreements and the ongoing performance of which meet criteria prior to filing or approval requirements, a related party transaction under the policy is generally expected to be a transaction in which we are a participant with a related party and which requires disclosure under Item 404 of Regulation S-K. Transactions that are otherwise resolved under Section 7.9 of the Partnership Agreement are not required to be reviewed or approved under the policy.

Subject to certain exceptions, the policy requires that related party transactions, as defined by the policy, be approved by the Board or an authorized committee of the Board, subject to the guidelines of the policy. Pursuant to the policy, the Conflicts Committee of the Board is generally considered the best suited to review related party transactions and has been authorized by the Board to do so. If a related party transaction, that would otherwise require approval under the policy, is not approved prior to entry into such transaction, management may enter into such transaction, subject to ratification by the Board or an authorized committee of the Board.

The policy further sets forth certain categories of transactions between the Partnership and its subsidiaries on one hand and Delek Holdings and its subsidiaries on the other hand that are deemed to be approved by the Board and are therefore able to be effected by management of the general partner under the relevant general authorization policies and procedures and after taking into account all relevant facts and circumstances. Additionally, the policy effectively requires that all related party transactions that:

I. involve the purchase and sale of products or services that are effected at either (x) cost (including, when relevant, a nominal fee for services) or (y) the then-prevailing market prices that we would pay or charge to third parties ("Market Based Transactions") undertaken outside the ordinary course of business and involve an aggregate amount of more than $2.5 million annually; or

II. are not Market Based Transactions and are undertaken outside the ordinary course of business; or

III. are not Market Based Transactions and are undertaken within the ordinary course of business and involve an aggregate amount of more than $2.5 million annually be approved by the Board of Directors or an authorized committee thereof. Pursuant to the policy, the Conflicts Committee is generally the best suited to review these transactions and it is expected they will be the committee that does so.

The Board has also adopted a written code of business conduct and ethics, under which a director or officer of the general partner or of any of our subsidiaries would be expected to bring to the attention of the Audit Committee or the Board or the general partner's General Counsel, any conflict or potential conflict of interest that may arise between such party, on the one hand, and us, on the other hand.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit fees

Audit fees of $968,600 and $1,141,600 paid for the services of Ernst & Young LLP during fiscal years 2023 and 2022, respectively, include services related to the audits of our consolidated financial statements and internal controls over financial reporting, reviews of our quarterly condensed consolidated financial statements and audit services provided in connection with acquisitions, investments and regulatory filings. Fees and expenses are for services in connection with the audit of our fiscal years ended 2023 and 2022, regardless of when the fees and expenses were paid.

Audit-related fees

No audit-related fees were paid for the services of Ernst & Young LLP during fiscal years 2023 and 2022.

Tax Fees and All Other Fees

No tax fees or other fees were paid for the services of Ernst & Young LLP during fiscal years 2023 and 2022.

All of the fees described above were approved in accordance with the Audit Committee pre-approval policy described below.

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. The Audit Committee has adopted a pre-approval policy that provides guidelines for the audit, audit-related, tax and other non-audit services that may be provided by the independent registered public accounting firm to the Partnership. The policy (a) identifies the guiding principles that must be considered by the Audit Committee in approving services to ensure that the independent registered public accounting firm's independence is not impaired; (b) describes the audit, audit-related, tax and other services that may be provided and the non-audit services that are prohibited; and (c) sets forth pre-approval requirements for all permitted services. During the years ended 2023 and 2022, 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 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.

EXHIBITS

Exhibit No.		Description
1.1		Equity Distribution Agreement, dated as of November 14, 2022, by and among the Partnership, Delek Logistics GP, LLC, and RBC Capital Markets, LLC (incorporated by reference to Exhibit 1.1 of the Partnership's Form 8-K filed on November 14, 2022).
2.1		Contribution and Subscription Agreement, dated as of May 24, 2019, by and among Plains Pipeline, L.P., DKL Pipeline, LLC, and Red River Pipeline Company LLC (incorporated by reference to Exhibit 2.1 to the Partnership's Current Report on Form 8-K filed on May 28, 2019).
2.2		Contribution, Conveyance, and Assumption Agreement, dated as of March 31, 2020, between several Delek subsidiaries (incorporated by reference to Exhibit 2.1 of the Partnership's Form 8-K filed April 6, 2020).
2.3		Throughput and Deficiency Agreement, dated as of March 31, 2020, by and between Lion Oil Trading & Transportation, LLC and DKL Permian Gathering, LLC (incorporated by reference to Exhibit 10.1 of the Partnership's Form 8-K filed on April 6, 2020).
2.4		Exchange Agreement, dated August 13, 2020, between the Partnership and Delek Logistics GP, LLC (incorporated by reference to Exhibit 10.2 of the Partnership's Form 8-K filed on August 14, 2020).
2.5		Membership Interest Purchase Agreement, dated as of April 8, 2022, by and between 3 Bear Energy - New Mexico LLC and DKL Delaware Gathering, LLC (incorporated by reference to Exhibit 2.1 to the Partnership's Current Report on Form 8-K filed on April 11, 2022).
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		Second Amended and Restated Agreement of Limited Partnership of Delek Logistics Partners, LP, dated August 13, 2020 (incorporated by reference to Exhibit 3.1 of the Partnership's Form 8-K filed on August 14, 2020).
3.3		Amendment No. 1 to the Second Amended and Restated Agreement of Limited Partnership of Delek Logistics Partners, LP, dated February 26, 2023 (incorporated by reference to Exhibit 3.3 of the Partnership's Form 10-K filed on March 1, 2023).
3.4		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).
3.5		Fourth Amended and Restated Limited Liability Company Agreement of Delek Logistics GP, LLC, dated August 13, 2020 (incorporated by reference to Exhibit 3.2 of the Partnership's Form 8-K filed on August 14, 2020).
4.1	#	Description of the Common Units.
4.2		Indenture, dated as of May 23, 2017, among Delek Logistics Partners, LP, Delek Logistics Finance Corp., the Guarantors named therein and U.S. Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Partnership's Form 8-K filed on May 24, 2017).
4.3		Form of 6.750% Senior Notes due 2025 (incorporated by reference to Exhibit A to Exhibit 4.1 to the Partnership's Form 8-K filed on May 24, 2017).
4.4		Supplemental Indenture, dated March 22, 2018, among DKL Big Spring, LLC, Delek Logistics Partners, LP, Delek Logistics Finance Corp., the other guarantors and U.S. Bank, National Association (incorporated by reference to Exhibit 4.1 to the Partnership's Form 8-K filed on March 26, 2018).
4.5		Second Supplemental Indenture, dated February 28, 2020, among DKL Pipeline, LLC, Delek Logistics Partners, LP, Delek Logistics Finance Corp., the other guarantors and U.S. Bank, N.A. (incorporated by reference to Exhibit 4.1 of the Partnership's Form 8-K filed on April 6, 2020).
4.6		Third Supplemental Indenture, dated March 26, 2020, among DKL Permian Gathering, LLC, Delek Logistics Partners, LP, Delek Logistics Finance Corp., the other guarantors and U.S. Bank, N.A. (incorporated by reference to Exhibit 4.2 of the Partnership's Form 8-K filed on April 6, 2020).
4.7		Indenture, dated as of May 24, 2021, among Delek Logistics Partners, LP, Delek Logistics Finance Corp., the other guarantors, and U.S. Bank, N.A. (incorporated by reference to Exhibit 4.1 of the Partnership's Form 8-K filed on May 25, 2021).
4.8		Form of 7.125% Senior Note due 2028 (incorporated by reference to Exhibit A to Exhibit 4.1 to the Partnership's Form 8-K filed on May 25, 2021).
4.9		Supplemental Indenture, dated as of May 27, 2022, among DKL Delaware Gathering, the Partnership, Delek Logistics Finance Corp., the other guarantors, and U.S. Bank Trust Company, National Association (incorporated by reference to Exhibit 4.9 of the Partnership's Form 10-K filed on March 1, 2023).
4.10		Fourth Supplemental Indenture, dated as of May 27, 2022, among DKL Delaware Gathering, the Partnership, Delek Logistics Finance Corp., the other guarantors, and U.S. Bank Trust Company, National Association (incorporated by reference to Exhibit 4.10 of the Partnership's Form 10-K filed on March 1, 2023).
4.11		Second Supplemental Indenture, dated as of July 8, 2022, among the Partnership, Delek Logistics Finance Corp., the other guarantors, and U.S. Bank Trust Company, National Association (incorporated by reference to Exhibit 4.11 of the Partnership's Form 10-K filed on March 1, 2023).
4.12		Fifth Supplemental Indenture, dated as of July 8, 2022, among the Partnership, Delek Logistics Finance Corp., the other guarantors, and U.S. Bank Trust Company, National Association (incorporated by reference to Exhibit 4.12 of the Partnership's Form 10-K filed on March 1, 2023).
10.1	++	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, SEC File No. 001-35721).
10.2		First Amendment to Marketing Agreement, dated July 26, 2013, by and between Delek Refining, Ltd. and Delek Marketing & Supply, LP (incorporated by reference to Exhibit 10.1 to the Partnership's Form 10-Q filed on November 3, 2016).

10.3	Second Amendment to Marketing Agreement, dated as of December 19, 2016, but effective as of October 1, 2016, by and between Delek Refining, Ltd. and Delek Marketing & Supply, LP (incorporated by reference to Exhibit 10.1 to the Partnership's Form 10-K filed on February 28, 2017).
10.4	Marketing Agreement, dated as of March 20, 2018 and effective as of March 1, 2018, by and among Alon USA, LP, DKL Big Spring, LLC, and for the limited purposes specified therein, Delek US Holdings, Inc. (incorporated by reference to Exhibit 10.3 to the Partnership's Form 8-K filed on March 26, 2018).
10.5	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).
10.6	Amendment to Throughput and Tankage Agreement (El Dorado Terminal and Tankage), dated as of July 22, 2016, but effective as of February 11, 2014, by and between Lion Oil Company and Delek Logistics Operating, LLC (incorporated by reference to Exhibit 10.1 to the Partnership's Form 10-Q filed on August 5, 2016).
10.7	First Amendment to Throughput and Tankage Agreement (El Dorado Terminal and Tankage), dated as of December 14, 2018, by and between Lion Oil Company and Delek Logistics Operating, LLC (incorporated by reference to Exhibit 10.10 to the Partnership's Form 10-K filed on March 1, 2019).
10.8	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).
10.9	First Amendment to Throughput and Tankage Agreement (Tyler Terminal and Tankage), dated as of December 14, 2018, by and between Delek Refining, Ltd. and Delek Marketing & Supply, LP (incorporated by reference to Exhibit 10.29 to the Partnership's Form 10-K filed on March 1, 2019).
10.10	Throughput Agreement (El Dorado Rail Offloading Facility), dated as of March 31, 2015, among Lion Oil Company, Lion Oil Trading & Transportation, LLC and Delek Logistics Operating, LLC (incorporated by reference to Exhibit 10.2 to the Partnership's Form 8-K filed on April 6, 2015).
10.11	Pipelines, Storage and Throughput Facilities Agreement (Big Spring Refinery Logistics Assets and Duncan Terminal), dated March 20, 2018 and effective as of March 1, 2018, by and among Alon USA, LP, DKL Big Spring, LLC, for the limited purposes specified therein, Delek US Holdings, Inc., and for the limited purposes specified therein, J. Aron & Company LLC (incorporated by reference to Exhibit 10.1 to the Partnership's Form 8-K filed on March 26, 2018).
10.12	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, SEC File No. 001-35721).
10.13	First Amendment to Pipelines and Tankage Agreement (East Texas Crude Logistics System), dated as of December 14, 2018, by and between Delek Refining, Ltd. and Delek Crude Logistics, LLC (incorporated by reference to Exhibit 10.19 to the Partnership's Form 10-K filed on March 1, 2019).
10.14	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).
10.15	First Amendment to Amended and Restated Services Agreement (Big Sandy Terminal and Pipeline), dated as of December 14, 2018, by and between Delek Refining, Ltd. and Delek Marketing-Big Sandy, LLC (incorporated by reference to Exhibit 10.21 to the Partnership's Form 10-K filed on March 1, 2019).
10.16	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, SEC File No. 001-35721).
10.17	First Amendment to Pipelines and Storage Facilities Agreement, dated as of December 14, 2018, 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 10.23 to the Partnership's Form 10-K filed on March 1, 2019).
10.18	Amended and Restated Site Services Agreement (Tyler Terminal and Tankage), dated March 31, 2015, by and between Delek Marketing & Supply, LP and Delek Refining, Ltd. (incorporated by reference to Exhibit 10.4 to the Partnership's Form 10-Q filed on May 8, 2015).
10.19	Amended and Restated Site Services Agreement (El Dorado Terminal and Tankage), dated as of March 31, 2015, by and between Lion Oil Company and Delek Logistics Operating, LLC (incorporated by reference to Exhibit 10.5 to the Partnership's Form 10-Q filed on May 8, 2015).
10.20	Big Spring Asphalt Services Agreement, dated March 20, 2018 and effective as of March 1, 2018, by and among Alon USA, LP, DKL Big Spring, LLC, for the limited purposes specified therein, Delek US Holdings, Inc., and for the limited purposes specified therein, J. Aron & Company LLC (incorporated by reference to Exhibit 10.2 to the Partnership's Form 8-K filed on March 26, 2018).
10.21	Third Amended and Restated Omnibus Agreement, dated as of March 31, 2015, 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, DKL Transportation, LLC and Delek Logistics GP, LLC (incorporated by reference to Exhibit 10.3 to the Partnership's Form 8-K filed on April 6, 2015).

10.22		First Amendment to Third Amended and Restated Omnibus Agreement, dated as of August 3, 2015, 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, DKL Transportation, LLC and Delek Logistics GP, LLC (incorporated by reference to Exhibit 10.2 to the Partnership's Form 10-Q filed on August 6, 2015).
10.23		Third Amendment and Restatement to Schedules to Third Amended and Restated Omnibus Agreement, dated and effective as of May 15, 2020 (incorporated by reference to Exhibit 10.2 of the Partnership's Form 8-K filed on May 18, 2020).
10.24	++	First Amended and Restated Limited Liability Company Agreement of Rangeland RIO Pipeline, LLC, dated March 20, 2015, by and between Rangeland Energy II, LLC and DKL RIO, LLC (incorporated by reference to Exhibit 10.6 to the Partnership's Form 10-Q filed on May 8, 2015).
10.25	++	Amended and Restated Limited Liability Company Agreement of Caddo Pipeline LLC, dated March 20, 2015, by and between Plains Pipeline, L.P. and DKL Caddo, LLC (incorporated by reference to Exhibit 10.7 to the Partnership's Form 10-Q filed on May 8, 2015).
10.26		Transportation Services Agreement dated May 15, 2020 and effective May 1, 2020, between Delek Refining, Ltd., Lion Oil Company and DKL Transportation, LLC (incorporated by reference to Exhibit 10.1 of the Partnership's Form 8-K filed on May 18, 2020).
10.27		Third Amended and Restated Credit Agreement, dated as of September 28, 2018, among Delek Logistics Partners, LP and each other borrower referenced therein, as borrowers; Fifth Third Bank, as administrative agent; a syndicate of lenders; Bank of America, N.A., BBVA Compass, MUFG Bank, Ltd. And Royal Bank of Canada as co-syndication agents; and Barclays Bank PLC, Citizens Bank, N.A., PNC Bank, National Association, U.S. Bank National Association, Bank Hapoalim B.M., Regions Bank and SunTrust Bank as co-documentation agents (incorporated by reference to Exhibit 10.1 to the Partnership's Form 8-K filed on October 4, 2018).
10.28		First Amendment to Third Amended and Restated Credit Agreement, dated August 12, 2020, by and among Delek Logistics Partners, LP and each other borrower referenced therein, as borrowers, Fifth Third Bank, N.A., as Administrative Agent, and the Lenders party thereto (incorporated by reference to Exhibit 10.1 of the Partnership's Form 8-K filed on August 14, 2020).
10.29		Second Amendment and Restatement of Schedules to Third Amended and Restated Omnibus Agreement, dated and effective as of May 31, 2020 (incorporated by reference to the Exhibit 10.2 of the Partnership's Form 8-K filed on April 6, 2020).
10.30		Third Amendment to Third Amended and Restated Credit Agreement, dated as of May 26, 2022, by and among the Partnership and each other borrower referenced therein, as borrowers, Fifth Third Bank, National Association, as Administrative Agent, and the Lenders party thereto (incorporated by reference to Exhibit 10.2 of the Partnership's Form 10-Q filed on August 5, 2022).
10.31		Fourth Amendment to Third Amended and Restated Credit Agreement, dated as of May 26, 2022, by and among the Partnership and each other borrower referenced therein, as borrowers, Fifth Third Bank, National Association, as Administrative Agent, and the Lenders party thereto (incorporated by reference to Exhibit 10.3 of the Partnership's Form 10-Q filed on August 5, 2022).
10.32		Fourth Amended and Restated Senior Secured Revolving Credit Facility, dated October 13, 2022, by and among the Partnership, Fifth Third Bank, National Association, as administrative agent; a syndicate of lenders; Fifth Third, BofA Securities Inc., PNC Bank Capital Markets LLC, MUFG Bank, Ltd., Wells Fargo Bank, N.A., Citizens Bank, N.A. and Royal Bank of Canada, as co-syndication agents; and Barclays Bank PLC, U.S. Bank National Association, Regions Bank and Truist Bank as co-documentation agents (incorporated by reference to Exhibit 10.1 of the Partnership's Form 8-K filed on October 17, 2022).
10.33		Assignment and Assumption Agreement and Guaranty, dated as of March 22, 2022, by and among Lion Oil Trading & Transportation, LLC, DK Trading & Supply, LLC, Delek Logistics Operating, LLC, Lion Oil Company, LLC, and Delek US Energy, Inc. (incorporated by reference to Exhibit 10.1 of the Partnership's Form 10-Q filed on November 8, 2022).
10.34		Partial Assignment and Assumption Agreement, dated as of March 23, 2022, by and among Lion Oil Company, LLC, DK Trading & Supply, LLC, and the Partnership (incorporated by reference to Exhibit 10.2 of the Partnership's Form 10-Q filed on November 8, 2022).
10.35		Omnibus Assignment and Assumption Agreement, dated as of September 12, 2022, by and among Alon USA, LP, DK Trading & Supply, LLC, and the parties set forth on Schedule 1 thereto (incorporated by reference to Exhibit 10.3 of the Partnership's Form 10-Q filed on November 8, 2022).
10.36		Omnibus Assignment and Assumption Agreement, dated as of September 12, 2022, by and among Lion Oil Company, LLC, DK Trading & Supply, LLC, and the parties set forth on Schedule 1 thereto (incorporated by reference to Exhibit 10.4 of the Partnership's Form 10-Q filed on November 8, 2022).
10.37		Omnibus Assignment and Assumption Agreement, dated as of September 13, 2022, by and among Delek Refining Ltd., DK Trading & Supply, LLC, and the parties set forth on Schedule 1 thereto (incorporated by reference to Exhibit 10.5 of the Partnership's Form 10-Q filed on November 8, 2022).
10.38		Omnibus Assignment and Assumption Agreement, dated as of September 13, 2022, by and among Lion Oil Trading & Transportation, LLC, DK Trading & Supply, LLC, and the parties set forth on Schedule 1 thereto (incorporated by reference to Exhibit 10.6 of the Partnership's Form 10 Q filed on November 8, 2022).
10.39	*	General Terms and Conditions for Phantom Unit Awards under the Delek Logistics GP, LLC 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2 to the Partnership's Form 10-Q filed on August 5, 2016).
10.40	*	Form of Phantom Unit Agreement for Directors under the Delek Logistics GP, LLC 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Partnership's Form 10-Q filed on August 6, 2015).
10.41	*	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).
10.42	*	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).

10.43	*	Delek Logistics GP, LLC Amended and Restated 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Partnership's Registration Statement on Form S-8 (Registration No. 333-256954) filed on June 10, 2021).
10.44		Form of Indemnification Agreement for Directors and Officers of Delek Logistics GP, LLC (incorporated by reference to Exhibit 10.36 to the Partnership's Form 10-K filed on February 25, 2022).
10.45	#	Delek Logistics GP, LLC 2012 Long-Term Incentive Plan Terms and Conditions.
10.46		First Amendment to the Fourth Amended and Restated Senior Secured Revolving Credit Facility, dated November 6, 2023, by and among the Partnership, Fifth Third Bank, National Association, as administrative agent; a syndicate of lenders; Fifth Third, BofA Securities Inc., PNC Bank Capital Markets LLC, MUFG Bank, Ltd., Wells Fargo Bank, N.A., Citizens Bank, N.A. and Royal Bank of Canada, as co-syndication agents; and Barclays Bank PLC, U.S. Bank National Association, Regions Bank and Truist Bank as co-documentation agents (incorporated by reference to Exhibit 10.1 to the Partnership's Form 10-Q filed on November 8, 2023).
10.47		Second Amendment to the Fourth Amended and Restated Senior Secured Revolving Credit Facility, dated November 6, 2023, by and among the Partnership, Fifth Third Bank, National Association, as administrative agent; a syndicate of lenders; Fifth Third, BofA Securities Inc., PNC Bank Capital Markets LLC, MUFG Bank, Ltd., Wells Fargo Bank, N.A., Citizens Bank, N.A. and Royal Bank of Canada, as co-syndication agents; and Barclays Bank PLC, U.S. Bank National Association, Regions Bank and Truist Bank as co-documentation agents (incorporated by reference to Exhibit 10.2 to the Partnership's Form 10-Q filed on November 8, 2023).
10.48		Third Amendment to the Fourth Amended and Restated Senior Secured Revolving Credit Facility, dated November 6, 2023, by and among the Partnership, Fifth Third Bank, National Association, as administrative agent; a syndicate of lenders; Fifth Third, BofA Securities Inc., PNC Bank Capital Markets LLC, MUFG Bank, Ltd., Wells Fargo Bank, N.A., Citizens Bank, N.A. and Royal Bank of Canada, as co-syndication agents; and Barclays Bank PLC, U.S. Bank National Association, Regions Bank and Truist Bank as co-documentation agents (incorporated by reference to Exhibit 10.3 to the Partnership's Form 10-Q filed on November 8, 2023).
10.49		Promissory Note dated November 6, 2023 by and among the Partnership and Delek US Holdings, Inc. (incorporated by reference to Exhibit 10.4 to the Partnership's Form 10-Q filed on November 8, 2023).
21.1	#	Subsidiaries of Registrant.
22.1	#	Subsidiary Guarantors of Delek Logistics Partners LP.
23.1	#	Consent of Independent Registered Public Accounting Firm (Ernst & Young LLP).
23.2	#	Consent of Independent Public Accounting Firm (Weaver and Tidwell, L.L.P.).
31.1	#	Certification of Delek Logistics GP, LLC's Principal 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 Principal 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.
97	#	Delek Logistics Partners, LP Clawback Policy.
99.1	#	Report of Independent Public Accounting Firm - Red River Pipeline Company LLC.
		Weaver and Tidwell, L.L.P. (PCAOB ID: 410) - Houston, Texas
101	<	The following materials from Delek Logistics Partners, LP's Annual Report on Form 10-K for the annual period ended December 31, 2023, formatted in XBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2023 and 2022; (ii) Consolidated Statements of Income and Comprehensive Income for the years ended December 31, 2023, 2022 and 2021; (iii) Consolidated Statements of Changes in Partners' Equity for the years ended December 31, 2023, 2022 and 2021; (iv) Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021; and (v) Notes to Consolidated Financial Statements.
104		The cover page from Delek Logistics Partners, LP's Annual Report on Form 10-K for the annual period ended December 31, 2023, has been formatted in Inline XBRL.

*	Management contract or compensatory plan or arrangement.
#	Filed herewith.
##	Furnished 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.

Delek Logistics Partners, LP

Consolidated Financial Statements
As of December 31, 2023 and 2022 and
For Each of the Three Years Ended December 31, 2023, 2022 and 2021

INDEX TO FINANCIAL STATEMENTS

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

To the Unitholders of Delek Logistics Partners, LP and

the Board of Directors of Delek Logistics GP, LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Delek Logistics Partners, LP (the Partnership) as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, partners' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, based on our audits and the report of other auditors, the consolidated financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We did not audit the financial statements of Red River Pipeline Company LLC, an entity in which the Partnership has a 33% interest. In the consolidated financial statements, the Partnership's investment in Red River Pipeline Company LLC is stated at $141.1 million and $149.6 million as of December 31, 2023 and 2022, respectively, and the Partnership's equity in the net income of Red River Pipeline Company LLC is stated at $18.7 million in 2023, $20.5 million in 2022 and $14.4 million in 2021. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Red River Pipeline Company LLC, is based solely on the report of other auditors.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Partnership's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 28, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

Critical Audit Matter

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

	Evaluation of goodwill for impairment
Description of the Matter	At December 31, 2023, the Partnership's goodwill was $12.2 million. As discussed in Notes 2 and 8 of the consolidated financial statements, goodwill is reviewed at the reporting unit level for impairment at least annually or more frequently if events or changes in circumstances indicate the goodwill might be impaired. The Partnership performs its annual goodwill impairment assessment in the fourth quarter of each year. The Partnership evaluates the recoverability of goodwill by comparing the carrying amount of each reporting unit to its estimated fair value. For the Delaware Gathering reporting unit, management performed a quantitative assessment which estimated fair value using primarily a discounted cash flow analysis based upon projected financial information. Auditing management's annual goodwill impairment analysis for the Delaware Gathering reporting unit required significant judgment, as the valuation includes subjective estimates and assumptions in determining the estimated fair value. In particular, the discounted cash flow analysis is sensitive to significant assumptions such as the weighted average cost of capital and the estimate of future cash flows, including the related EBITDA projections.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls relating to the valuation of the Delaware Gathering reporting unit in the goodwill impairment analysis process. For example, we tested controls over management's review of the significant inputs and assumptions, discussed above, used in determining the reporting unit fair value. To test the estimated fair value of the Company's Delaware Gathering reporting unit, our audit procedures included, among others, assessing valuation methodologies, performing recalculations, and testing the significant assumptions discussed above. We compared the significant assumptions in the prospective financial data used by management to current industry trends, historical performance, prior forecasted amounts and other relevant factors. We performed sensitivity analyses of significant assumptions to evaluate the change in the fair value of the reporting unit resulting from changes in the significant assumptions. We also involved our valuation specialists to assist in evaluating the fair value methodologies used and testing certain assumptions used, including the determination of the weighted average cost of capital.

/s/ Ernst & Young LLP

We have served as the Partnership's auditor since 2012.

Nashville, Tennessee

February 28, 2024

Report of Independent Registered Public Accounting Firm

To the Unitholders of Delek Logistics Partners, LP and

the Board of Directors of Delek Logistics GP, LLC

Opinion on Internal Control over Financial Reporting

We have audited Delek Logistics Partners, LP's internal control over financial reporting as of December 31, 2023, 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). In our opinion, Delek Logistics Partners, LP (the Partnership) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Delek Logistics Partners, LP as of December 31, 2023 and 2022, the related consolidated statements of income and comprehensive income, partners' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2023, and the related notes, and our report dated February 28, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Partnership's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's 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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit 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.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Ernst & Young LLP

Nashville, Tennessee

February 28, 2024

Delek Logistics Partners, LP

Consolidated Balance Sheets
(in thousands, except unit and per unit data)

	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,755	$ 7,970
Accounts receivable	41,131	53,314
Accounts receivable from related parties	28,443	—
Inventory	2,264	1,483
Other current assets	676	2,463
Total current assets	76,269	65,230
Property, plant and equipment:		
Property, plant and equipment	1,320,510	1,240,684
Less: accumulated depreciation	(384,359)	(316,680)
Property, plant and equipment, net	936,151	924,004
Equity method investments	241,337	257,022
Customer relationship intangible, net	181,336	199,440
Marketing contract intangible, net	102,155	109,366
Rights-of-way, net	59,536	55,990
Goodwill	12,203	27,051
Operating lease right-of-use assets	19,043	24,788
Other non-current assets	14,216	16,408
Total assets	$ 1,642,246	$ 1,679,299
LIABILITIES AND DEFICIT		
Current liabilities:		
Accounts payable	$ 26,290	$ 57,403
Accounts payable to related parties	—	6,055
Current portion of long-term debt	30,000	15,000
Interest payable	5,805	5,308
Excise and other taxes payable	10,321	8,230
Current portion of operating lease liabilities	6,697	8,020
Accrued expenses and other current liabilities	11,477	6,202
Total current liabilities	90,590	106,218
Non-current liabilities:		
Long-term debt, net of current portion	1,673,789	1,646,567
Operating lease liabilities, net of current portion	8,335	12,114
Asset retirement obligations	10,038	9,333
Other non-current liabilities	21,363	15,767
Total non-current liabilities	1,713,525	1,683,781
Equity (Deficit):		
Common unitholders - public; 9,299,763 units issued and outstanding at December 31, 2023 (9,257,305 at December 31, 2022)	160,402	172,119
Common unitholders - Delek Holdings; 34,311,278 units issued and outstanding at December 31, 2023 (34,311,278 at December 31, 2022)	(322,271)	(282,819)
Total deficit	(161,869)	(110,700)
Total liabilities and deficit	$ 1,642,246	$ 1,679,299

See accompanying notes to the consolidated financial statements

Delek Logistics Partners, LP

Consolidated Statements of Income and Comprehensive Income
(In thousands, except unit and per unit data)

	Year Ended December 31, 2023	2022	2021
Net revenues			
Affiliate [1]	$ 563,803	$ 479,411	$ 418,826
Third Party	456,606	556,996	282,076
Net revenues	1,020,409	1,036,407	700,902
Cost of sales:			
Cost of materials and other - affiliate [1]	396,333	496,184	321,939
Cost of materials and other - third party	136,294	145,179	62,470
Operating expenses (excluding depreciation and amortization presented below)	115,682	85,438	59,483
Depreciation and amortization	87,136	60,210	40,945
Total cost of sales	735,445	787,011	484,837
Operating expenses related to wholesale business (excluding depreciation and amortization presented below)	2,419	2,869	2,337
General and administrative expenses	24,766	34,181	21,460
Depreciation and amortization	5,248	2,778	1,825
Impairment of goodwill	14,848	—	—
Gain on disposal of assets	(1,266)	(114)	(59)
Total operating costs and expenses	781,460	826,725	510,400
Operating income	238,949	209,682	190,502
Interest expense, net	143,244	82,304	50,221
Income from equity method investments	(31,433)	(31,683)	(24,575)
Other income, net	(303)	(373)	(119)
Total non-operating expenses, net	111,508	50,248	25,527
Income before income tax expense	127,441	159,434	164,975
Income tax expense	1,205	382	153
Net income attributable to partners	$ 126,236	$ 159,052	$ 164,822
Comprehensive income attributable to partners	$ 126,236	$ 159,052	$ 164,822
Net income per limited partner unit:			
Basic	$ 2.90	$ 3.66	$ 3.79
Diluted	$ 2.89	$ 3.66	$ 3.79
Weighted average limited partner units outstanding:			
Basic	43,583,938	43,487,910	43,447,739
Diluted	43,611,314	43,511,650	43,460,470
Cash distributions per common limited partner unit	$ 4.160	$ 3.975	$ 3.785

(1) See Note 4 for a description of our material affiliate revenue and purchases transactions.

See accompanying notes to the consolidated financial statements

Delek Logistics Partners, LP

Consolidated Statements of Partners' Equity (Deficit)
(in thousands)

	Partnership		
	Common - Public	Common - Delek Holdings	Total
Balance at December 31, 2020	**$ 164,614**	**$ (272,915)**	**(108,301)**
Cash distributions	(32,462)	(129,255)	(161,717)
Net income attributable to partners	33,086	131,736	164,822
Delek Holdings unit sale to public	650	(650)	—
Other	179	1,025	1,204
Balance at December 31, 2021	**$ 166,067**	**$ (270,059)**	**$ (103,992)**
Cash distributions	(35,868)	(135,219)	(171,087)
Net income attributable to partners	33,617	125,435	159,052
Delek Holdings unit sale to public	5,110	(5,110)	—
Issuance of units pursuant to the Equity Distribution Agreement	3,096	—	3,096
Other	97	2,134	2,231
Balance at December 31, 2022	**$ 172,119**	**$ (282,819)**	**$ (110,700)**
Cash distributions	(38,491)	(141,534)	(180,025)
Net income attributable to partners	26,857	99,379	126,236
Other	(83)	2,703	2,620
Balance at December 31, 2023	**$ 160,402**	**$ (322,271)**	**$ (161,869)**

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See accompanying notes to the consolidated financial statements

Delek Logistics Partners, LP

Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31, 2023	2022	2021
Cash flows from operating activities:			
Net income	$ 126,236	$ 159,052	$ 164,822
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	92,384	62,988	42,770
Non-cash lease expense	9,549	16,254	9,652
Amortization of marketing contract intangible	7,211	7,211	7,211
Amortization of deferred revenue	(1,755)	(1,775)	(1,953)
Amortization of deferred financing costs and debt discount	6,327	3,872	3,016
Impairment of Goodwill	14,848	—	—
Income from equity method investments	(31,433)	(31,683)	(24,575)
Dividends from equity method investments	28,729	22,954	20,831
Other non-cash adjustments	2,697	2,718	1,959
Changes in assets and liabilities:			
Accounts receivable	21,570	(9,071)	292
Inventories and other current assets	(131)	2,233	55
Accounts payable and other current liabilities	(20,729)	18,564	(1,913)
Accounts receivable/payable to related parties	(34,498)	(58,368)	67,161
Non-current assets and liabilities, net	4,314	(2,781)	(14,166)
Net cash provided by operating activities	225,319	192,168	275,162
Cash flows from investing activities:			
Purchases of property, plant and equipment	(96,101)	(141,098)	(23,052)
Proceeds from sales of property, plant and equipment	1,717	143	275
Purchases of intangible assets	(4,247)	(5,597)	(964)
Business Combination, net of cash acquired	—	(625,622)	—
Distributions from equity method investments	9,002	1,737	8,774
Equity method investment contributions	—	—	(1,393)
Net cash used in investing activities	(89,629)	(770,437)	(16,360)
Cash flows from financing activities:			
Proceeds from issuance of common units, net of underwriters' discount	—	3,096	—
Distributions to common unitholders - public	(38,491)	(35,868)	(32,462)
Distributions to common unitholders - Delek Holdings	(141,534)	(135,219)	(129,255)
Proceeds from term facility	—	298,511	—
Proceeds from revolving facility	431,800	1,752,300	341,000
Payments on revolving facility	(371,800)	(1,289,800)	(829,601)
Payments on term loan debt	(18,750)	—	—
Proceeds from issuance of senior notes	—	—	400,000
Proceeds from other financing agreements	6,214	—	—
Deferred financing costs paid	(4,468)	(8,206)	(6,216)
Payments on financing lease liabilities	(2,876)	(2,867)	(2,219)
Net cash (used in) provided by financing activities	(139,905)	581,947	(258,753)
Net (decrease) increase in cash and cash equivalents	(4,215)	3,678	49
Cash and cash equivalents at the beginning of the period	7,970	4,292	4,243
Cash and cash equivalents at the end of the period	$ 3,755	$ 7,970	$ 4,292

	Year Ended December 31, 2023	2022	2021
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	$ 136,420	$ 78,148	$ 44,633
Income taxes	$ 20	$ 43	$ 34
Non-cash investing activities:			
(Decrease) increase in accrued capital expenditures and other	$ (14,765)	$ (10,428)	$ 3,850
Non-cash financing activities:			
Non-cash lease liability arising from obtaining right of use assets during the period	$ 4,966	$ 12,717	$ 9,457

See accompanying notes to the consolidated financial statements

Delek Logistics Partners, LP

Notes to the 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. The Partnership is a Delaware limited partnership formed in April 2012 by Delek US Holdings, Inc. ("Delek Holdings") and its subsidiary Delek Logistics GP, LLC, our general partner (our "general partner").

Description of Business

The Partnership provides gathering, pipeline and other transportation services primarily for crude oil and natural gas customers, storage, wholesale marketing and terminalling services primarily for intermediate and refined product customers, and water disposal and recycling services through its owned assets and joint ventures located primarily in the Permian Basin (including the Delaware sub-basin) and other select areas in the Gulf Coast region. A majority of our existing assets are both integral to and dependent upon the success of Delek Holdings' refining operations, as many of our assets are contracted exclusively to Delek Holdings in support of its Tyler, Texas (the "Tyler Refinery"), El Dorado, Arkansas (the "El Dorado Refinery") and Big Spring, Texas (the "Big Spring Refinery").

2. Accounting Policies

Basis of Presentation

Our consolidated financial statements include the accounts of the Partnership and its subsidiaries. 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.

Use of Estimates

The preparation of our financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) and in accordance with the rules and regulations of the Securities and Exchange Commission (the “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 period presentation.

Segment Reporting

We are an energy business focused on crude oil, natural gas, intermediate and refined products pipeline and storage activities and wholesale marketing, terminalling and offloading activities as well as water disposal and recycling. Management reviews operating results in four reportable segments: **(i)** gathering and processing; **(ii)** wholesale marketing and terminalling; **(iii)** storage and transportation; and **(iv)** investments in pipeline joint ventures.

- The assets and investments reported in the gathering and processing segment provide crude oil gathering and crude oil, intermediate and refined products transportation services to Delek Holdings' refining operations and independent third parties.
- The wholesale marketing and terminalling segment provides marketing services for the refined products output of the Delek Holdings' refineries, engages in wholesale activity at our terminals and terminals owned by third parties, whereby we purchase light product for sale and exchange to third parties, and provides terminalling services at our refined products terminals to independent third parties and Delek Holdings.
- The storage and transportation segment provides crude oil, intermediate and refined products transportation and storage services to Delek Holdings' refining operations and independent third parties.
- The investments in pipeline joint ventures segment include the Partnership's joint ventures investments discussed in Note 12.

Segment reporting is discussed in more detail in Note 13.

Cash and Cash Equivalents

We maintain cash and cash equivalents in accounts with large U.S. financial institutions. Any 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. Allowance for doubtful accounts is based on a combination of historical experience and specific identification methods. Delek Holdings accounted for more than 10 % of our consolidated accounts receivable balance as of December 31, 2023 and 2022. One third-party customer accounted for more than 10 % of our consolidated account receivable balance as of December 31, 2022.

Inventory

Inventory consists of refined products, which are stated at the lower of cost or net realizable value, with cost determined on a first-in, first-out ("FIFO") basis. We are not subject to concentration risk with specific suppliers, since our refined products inventory purchases are commodities that are readily available from a large selection of suppliers.

Property, Plant and Equipment

Property, plant and equipment primarily consists of crude oil pipelines, tanks, terminals and gathering systems, and trucking assets. We also capitalize interest on capital projects. Property and equipment is stated at the lower of historical cost less accumulated depreciation, or fair value, if impaired. Assets acquired in conjunction with business acquisitions are recorded at estimated fair market value in accordance with the purchase method of accounting as prescribed in Accounting Standards Codification ("ASC") 805, *Business Combinations* ("ASC 805"). Acquisitions of net assets that do not constitute a business are accounted for by allocating the cost of the acquisition to individual assets acquired and liabilities assumed on a relative fair value basis and shall not give rise to goodwill as prescribed in ASC 805.

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. The estimated useful lives are as follows:

	Years
Buildings and building improvements	15 - 40
Pipelines, tanks and terminals	10 - 40
Asset retirement obligation assets	15 - 50
Other equipment	3 - 15

Other Intangible Assets

Other intangible assets acquired in a business combination and determined to be finite-lived are amortized over their respective estimated useful lives. The finite-lived intangible assets are amortized on straight-line basis over the estimated useful lives of 8 to 35 years. The amortization expense, with the exception of the marketing contract intangible, is included in depreciation and amortization in the accompanying consolidated statements of income. The marketing contract intangible is amortized on a straight-line basis over a 20 -year period as a component of net revenues from affiliates. Acquired intangible assets determined to have an indefinite useful life are not amortized, but are instead tested for impairment in connection with our evaluation of long-lived assets as events and circumstances indicate that the asset might be impaired.

Property, Plant and Equipment and Intangibles Impairment

Property, plant and equipment and 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 recoverable by estimating the sum of the future cash flows expected to result from the use of 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. Goodwill is reviewed at least annually during the fourth quarter for impairment, or more frequently if indicators of impairment exist, such as disruptions in our business, unexpected significant declines in operating results or a sustained market capitalization decline. Goodwill is evaluated for impairment by comparing the carrying amount of the reporting unit to its estimated fair value. In accordance with Accounting Standards Updates ("ASU") 2017-04, *Goodwill and Other (Topic 350); Simplifying the Test for Goodwill Impairment, g* oodwill impairment charge is recognized for the amount that the carrying amount of a reporting unit, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that 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 may consider inputs such as a market participant weighted average cost of capital, gross margin, capital expenditures and long-term growth rates based on historical information and our best estimate of future forecasts, all of which are subject to significant judgment and estimates. We may also consider a market approach in determining or corroborating the fair values of the reporting units using a multiple of expected future cash flows, such as those used by third-party analysts, which is also subject to significant judgment and estimates. If these estimates and assumptions change in the future, due to factors such 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. A significant risk to our future results and the potential future impairment of goodwill is the volatility of the crude oil and the refined product markets which is often unpredictable and may negatively impact our results of operations in ways that cannot be anticipated and that are beyond management's control.

We may also elect to perform a qualitative impairment assessment of goodwill balances. The qualitative assessment permits companies to assess whether it is more likely than not (i.e., a likelihood of greater than 50%) that the fair value of a reporting unit is less than its carrying amount. If a company concludes that, based on the qualitative assessment, it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the company is required to perform the quantitative impairment test. Alternatively, if a company concludes based on the qualitative assessment that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it has completed its goodwill impairment test and does not need to perform the quantitative impairment test.

Our annual assessment of goodwill resulted in an impairment of $ 14.8 million during the year ended December 31, 2023. There was no impairment during the years ended December 31, 2022 and 2021. Details of remaining goodwill balances by segment are included in Note 8.

Business Combinations

We recognize and measure the assets acquired and liabilities assumed in a business combination based on their estimated fair values at the acquisition date in accordance with the provisions of ASC 805. Any excess or surplus of the purchase consideration when compared to the fair value of the net tangible assets acquired, if any, is recorded as goodwill or gain from a bargain purchase. The fair value of assets and liabilities as of the acquisition date are often estimated using a combination of approaches, including the income approach, which requires us to project future cash flows and apply an appropriate discount rate; the cost approach, which requires estimates of replacement costs and depreciation and obsolescence estimates; and the market approach which uses market data and adjusts for entity-specific differences. We use all available information to make these fair value determinations and engage third-party consultants for valuation assistance. The estimates used in determining fair values are based on assumptions believed to be reasonable but which are inherently uncertain. Accordingly, actual results may differ materially from the projected results used to determine fair value.

Equity Method Investments

For equity investments that are not required to be consolidated under the variable or voting interest model, we evaluate the level of influence we are able to exercise over an entity's operations to determine whether to use the equity method of accounting. Our judgment regarding the level of influence over an equity method investment includes considering key factors such as our ownership interest, participation in policy-making and other significant decisions and material intercompany transactions. Equity investments for which we determine we have significant influence are accounted for as equity method investments. Amounts recognized for equity method investments are included in equity method investments in our consolidated balance sheets and adjusted for our share of the net earnings and losses of the investee, dividends received and cash distributions from the investee, which are separately stated in our consolidated statements of income and comprehensive income and our consolidated statements of cash flows. The carrying value of each equity method investment is evaluated for impairment when conditions exist that indicate it is more likely than not that an impairment may have occurred, which may include the loss of a key contract, lack of sustained earnings or a deterioration of market conditions, among others. When impairment triggers are present, the fair value of the equity method investment is estimated using the income approach and the market approach. The income approach utilizes a discounted cash flow model incorporating management's expectations of the investee's future revenue (including the throughput barrel per day sold and related reduced tariff rates), operating expenses and earnings before interest, taxes, depreciation and amortization, capital expenditures and an anticipated tax rate ("EBITDA"), the estimated long term growth rate and weighted average cost of capital ("WACC") as the discount rate. The market approach uses estimated EBITDA multiples for guideline comparable companies to estimate the fair value of the equity method investment. An impairment loss is recorded in earnings in the current period if a decline in the value of an equity method investment is determined to be other than temporary. There were no impairment losses recorded on equity method investments for the years ended December 31, 2023, 2022 or 2021. Equity method investments are reported as part of the investments in pipeline joint ventures segment. See Note 12 for further information on our equity method investments.

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"), with the exception of our fixed rate debt.

Environmental Expenditures

It is our policy to accrue 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 sites where we have environmental exposure. This estimate is based on assessments of the extent of the contamination, the selected remediation technology and review of applicable environmental regulations, typically considering estimated activities and costs for 15 years, and up to 30 years if a longer period is believed reasonably necessary. Such estimates may require judgment with respect to costs, time frame and extent of required remedial and clean-up activities. 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 do 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 or reliably 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. See Note 14 for further information on crude oil releases impacting our properties and related accruals.

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, 2023 and 2022 is as follows (in thousands):

	December 31,	
	2023	2022
Beginning balance	$ 9,333	$ 6,476
Liabilities acquired	—	2,261
Accretion expense	705	596
Ending balance	$ 10,038	$ 9,333

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

Revenue is measured based on consideration specified in a contract with a customer. The Partnership recognizes revenue when it satisfies a performance obligation by transferring control over a product or by providing services to a customer.

Service, Product and Lease Revenues. Revenues for products sold are generally recognized upon delivery of product, which is when title and control of the product is transferred. Transaction prices for these products are typically at market rates for the product at the time of delivery. Service revenues are recognized as crude oil, intermediate 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 revenues for these services, as the product does not represent a promised good in the context of ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). All service revenues are based on regulated tariff rates or contractual rates. Payment terms require customers to pay shortly after delivery and do not contain significant financing components. We exclude from revenue all taxes assessed by a governmental authority, including sales, use and excise taxes, that are both imposed on and concurrent with a specific revenue-producing transaction and collected on behalf of a customer.

Certain agreements for gathering, transportation, storage, terminalling, and offloading with Delek Holdings were considered operating leases under ASC 840, *Leases* ("ASC 840"). As part of the adoption of ASC 842, we applied the permitted practical expedient to not separate lease and non-lease components under the predominance principle to designated asset classes associated with the provision of logistics services. We have determined that the predominant component of the related agreements currently in effect is the lease component. Therefore, the combined component is accounted for under the applicable lease accounting guidance. Refer to Note 5 for further information.

Up-Front payments to Customers. We record up-front payments to customers in accordance with ASC 606. We evaluate the nature of each payment, the rights and obligations under the related contract, and whether the payment meets the definition of an asset. When an asset is recognized for an up-front payment to a customer, the asset is amortized, as a reduction of revenue, in a manner that reflects the pattern and period over which the asset is expected to provide benefit.

Revenues Related to Reimbursements. In addition to the agreements noted above, we have cost reimbursement provisions in certain of our agreements with Delek Holdings and third-parties that provide for reimbursement to the Partnership for certain costs, including certain capital expenditures. Such reimbursements are recorded in other long-term liabilities and are amortized to revenue over the life of the underlying revenue agreement corresponding to the asset.

Cost of Materials and Other and Operating Expenses

Cost of materials and other includes **(i)** all costs of purchased refined products, additives and related transportation of such products, **(ii)** costs associated with the operation of our trucking assets, which primarily include allocated employee costs and other costs related to fuel, truck leases and repairs and maintenance, **(iii)** the cost of pipeline capacity leased from a third-party, and **(iv)** gains and losses related to our commodity hedging activities.

Operating expenses include the costs associated with the operation of owned terminals and pipelines and terminalling expense at third-party locations, excluding depreciation and amortization. These costs primarily include outside services, allocated employee costs, repairs and maintenance costs and energy and utility costs. Operating expenses related to the wholesale business are excluded from cost of sales because they primarily relate to costs associated with selling the products through our wholesale business.

Depreciation and amortization is separately presented in our consolidated statement of income and disclosed by reportable segment in Note 13.

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. Deferred financing costs associated with our term loan facilities are included as a reduction to the associated debt balance in the accompanying consolidated balance sheets. These costs represent expenses related to issuing our long-term debt and obtaining our lines of credit. These amounts are amortized ratably over the remaining term of the respective financing and are included in interest expense in the accompanying consolidated statements of income and comprehensive income.

Leases

In accordance with ASC 842-20, *Leases - Lessee* ("ASC 842-20"), we evaluate if a contract is or contains a lease at the inception of the contract. We classify leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that are highly specialized or allow us to substantially utilize or pay for the entire asset over its useful life. All other leases are classified as operating leases.

We have noncancellable operating leases primarily associated with certain pipeline and transportation equipment. Our leases do not have any outstanding renewal options. Certain leases also include options to purchase the leased equipment. Certain of our lease agreements include rates based on equipment usage. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. Leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term.

For all leases that include fixed rental rate increases, these are included in our fixed lease payments. Our leases may include variable payments, based on changes on price or other indices, which are expensed as incurred.

We calculate the total lease expense for the entire noncancelable lease period, considering renewals for all periods for which it is reasonably certain to be exercised, and record lease expense on a straight-line basis in the accompanying consolidated statements of income. Accordingly, a lease liability is recognized for these leases and is calculated to be the present value of the fixed lease payments, as defined by ASC 842-20, using a discount rate based on our incremental borrowing rate. A corresponding right-of-use asset is recognized based on the lease liability and adjusted for certain costs and prepayments. For substantially all classes of underlying assets, we have elected the practical expedient not to separate lease and non-lease components, which allows us to combine the components if certain criteria are met.

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 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 fair market value of our assets and financial reporting basis of assets and liabilities, the acquisition price of such partner's units and the taxable income allocation requirements under the Partnership's Second Amended and Restated Agreement of Limited Partnership, as amended (the "Partnership Agreement").

We are subject to income taxes in certain states that do not follow the federal tax treatment of partnerships. These taxes are accounted for under the provisions of ASC 740, *Income Taxes* ("ASC 740"). This statement generally requires the Partnership 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.

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 .

Allocations of Net Income

Our Partnership Agreement contains provisions for the allocation of net income and loss to the unitholders. 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.

Net Income per Limited Partner Unit

Basic net income per unit applicable to limited partners is computed by dividing limited partners' interest in net income by the weighted-average number of outstanding common units. Refer to Notes 6 and 11 for further discussion. Diluted net income per unit applicable to common limited partners includes the effects of potentially dilutive units on our common units. As of December 31, 2023, the only potentially dilutive units outstanding consist of unvested phantom units.

Comprehensive Income

Comprehensive income for the years ended December 31, 2023, 2022 and 2021 was equivalent to net income.

New Accounting Pronouncements Adopted During 2023

ASU 2023-03 , Presentation of Financial Statements (Topic 205), Income Statement - Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation - Stock Compensation (Topic 718)

In July 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-03, Presentation of Financial Statements (Topic 205), Income Statement-Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation-Stock Compensation (Topic 718) ("ASU 2023-03"). This ASU amends or supersedes various SEC paragraphs within the FASB Accounting Standards Codification to conform to past SEC announcements and guidance issued by the SEC. ASU 2023-03 does not provide any new guidance, so there is no transition or effective date. We adopted ASU 2023-03 in July 2023. There was no material impact on our consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

ASU 2023-06, Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative

In October 2023, the FASB issued ASU 2023-06 Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative ("ASU 2023-06"). The main provision of ASU 2023-06 is to clarify or improve disclosure and presentation requirements of a variety of topics, which will allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the FASB accounting standard codification with the SEC's regulations. The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The Partnership is currently evaluating the provisions of the amendments and the impact on its future consolidated statements, but does not currently expect adopting this new guidance will have a material impact on its consolidated financial statements and related disclosures.

ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"). ASU 2023-07 expands reportable segment disclosure requirements by requiring disclosures of significant reportable segment expenses that are regularly provided to the chief decision maker ("CODM") and included within each reported measure of a segment's profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. The ASU also requires disclosure of the title and position of the individual identified as the CODM and an explanation of how the CODM uses the reported measures of a segment's profit or loss in assessing segment performance and deciding how to allocate resources. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, and should be applied retrospectively to all prior periods presented in the financial statements. The adoption of ASU 2023-07 should not have a material impact on our consolidated financial statements. See Note 13 for further information.

3. Acquisitions

Delaware Gathering (formerly 3 Bear)

On April 8, 2022, DKL Delaware Gathering, LLC, a subsidiary of the Partnership ("Delaware Gathering"), entered into a Membership Interest Purchase Agreement (the “3 Bear Purchase Agreement”) with 3 Bear Energy – New Mexico LLC (the “Seller”) to purchase 100 % of the limited liability company interests in 3 Bear Delaware Holding – NM, LLC (“3 Bear”) (subsequently renamed to DKL Delaware Holding - NM, LLC), related to the Seller’s crude oil and natural gas gathering, processing and transportation businesses, as well as water disposal and recycling operations, in the Delaware Basin of New Mexico (the “Delaware Gathering Acquisition”). We completed the Delaware Gathering Acquisition on June 1, 2022. The purchase price for the Delaware Gathering Acquisition was $ 628.3 million. The Delaware Gathering Acquisition was financed through a combination of cash on hand and borrowings under the DKL Credit Facility.

The Delaware Gathering Acquisition was accounted for using the acquisition method of accounting, whereby the purchase price was allocated to the tangible and intangible assets acquired and the liabilities assumed based on their fair values. The excess of the consideration paid over the fair value of the net assets acquired was recorded as goodwill.

Determination of Purchase Price

The table below presents the purchase price (in thousands):

Base purchase price:	$	624,700
Add: closing net working capital (as defined in the 3 Bear Purchase Agreement)		3,600
Less: closing indebtedness (as defined in the 3 Bear Purchase Agreement)		(80,618)
Cash paid for the adjusted purchase price		547,682
Cash paid to payoff 3 Bear credit agreement (as defined in the 3 Bear Purchase Agreement)		80,618
Purchase price	$	628,300

Purchase Price Allocation

The following table summarizes the final fair values of assets acquired and liabilities assumed in the Delaware Gathering Acquisition as of June 1, 2022 (in thousands):

Assets acquired:	
Cash and cash equivalents	$ 2,678
Accounts receivables, net	28,859
Inventories	1,836
Other current assets	986
Property, plant and equipment	382,799
Operating lease right-of-use assets	7,427
Goodwill	14,848
Customer relationship intangible, net	210,000
Rights-of-way	13,490
Other non-current assets	500
Total assets acquired	663,423
Liabilities assumed:	
Accounts payable	8,020
Accrued expenses and other current liabilities	22,382
Current portion of operating lease liabilities	1,029
Asset retirement obligations	2,261
Operating lease liabilities, net of current portion	1,431
Total liabilities assumed	35,123
Fair value of net assets acquired	$ 628,300

4. Related Party Transactions

Commercial Agreements

The Partnership has a number of long-term, fee-based commercial agreements with Delek Holdings under which we provide various services, including crude oil gathering and crude oil, intermediate and refined products transportation and storage services, and marketing, terminalling and offloading services to Delek Holdings. Most of these agreements have an initial term ranging from five to ten years , which may be extended for various renewal terms at the option of Delek Holdings. The fees under each agreement are payable to us monthly by Delek Holdings or certain third parties to whom Delek Holdings has assigned certain of its rights and are generally subject to increase or decrease on July 1 of each year, by the amount of any change in various inflation-based indices, however, in no event will the fees be adjusted below the amount initially set forth in the applicable agreement. Under each of these agreements, we are required to maintain the capabilities of our pipelines and terminals, such that Delek Holdings may throughput and/or store, as the case may be, specified volumes of crude oil, intermediate and refined products.

Material commercial agreements with Delek Holdings:

Asset/Operation	Contract End Date [1]	Service
Pipelines and Storage Facilities Agreement (El Dorado Assets and El Dorado Gathering System):		
Crude Oil Pipelines (non-gathered)		Crude oil and refined products transportation
Refined Products Pipelines	March 31, 2024	
El Dorado Gathering System		Crude oil gathering
Pipeline and Tankage Agreement (East Texas Crude Logistics System):		
Crude Oil Pipelines	March 31, 2024	Crude oil transportation and storage
Storage		
Marketing Agreement (East Texas Marketing):		
East Texas Marketing	October 1, 2026	Marketing products for Tyler Refinery
Throughput and Tankage Agreement (Tyler Throughput and Tankage):		
Refined Products Throughput	March 31, 2024	Dedicated Terminalling and storage
Storage		
Throughput and Tankage Agreement (El Dorado Throughput and Tankage):		
Refined Products Throughput	March 31, 2024	Dedicated terminalling and storage
Storage		
Throughput and Tankage Agreement - El Dorado Rail Offloading Facility (El Dorado Assets Throughput):		
Light Crude and Heavy Crude Throughput	March 31, 2024	Dedicated Offloading Services
Pipelines, Storage and Throughput Facilities Agreement (Big Spring Logistics Assets):		
Crude Oil and Refined Products Throughput		Pipeline throughput
Rail Offloading	February 28, 2028	Offloading services
Terminalling		Dedicated Terminalling
Storage		Storage
Asphalt Services Agreement (Big Spring Logistics Assets):		
Terminalling	February 28, 2028	Dedicated Asphalt Terminalling and Storage
Storage		
Marketing Agreement (Big Spring Logistics Assets):		
Marketing Services	February 28, 2028	Dedicated Marketing and Selling
Throughput and Deficiency Agreement (Midland Gathering Assets)		
Gathering System	March 31, 2030	Gathering and Transportation Services
Re-delivery System		
Pipelines, Throughput and Offloading Facilities Agreement (Big Spring Logistics Assets)		
Fintex / Magellen Pipeline	April 1, 2030	Refined Products
Crude Oil Offloading	January 1, 2030	Crude Oil Offloading
Storage	April 1, 2030	Storage
LPG Rack	January 1, 2030	Truck Unloading Facility
Transportation Services Agreement		
Trucking Services	December 31, 2030	Transportation Services

(1) Expired contracts and contracts that will expire in the next 12 months will continue to operate on a month-to-month basis until new contracts are negotiated.

Other Agreements with Delek Holdings

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

Omnibus Agreement

The Partnership entered into an omnibus agreement with Delek Holdings, our general partner, Delek Logistics Operating, LLC, Lion Oil Company, LLC and certain of the Partnership's and Delek Holdings' other subsidiaries on November 7, 2012, which has been amended and restated from time to time in connection with acquisitions from Delek Holdings (collectively, as amended, the "Omnibus Agreement"). The Omnibus Agreement governs the provision of certain operational services and reimbursement obligations, among other matters, between the Partnership and Delek Holdings, and obligates us to pay an annual fee of $ 4.4 million to Delek Holdings for its provision of centralized corporate services to the Partnership.

Pursuant to the terms of the Omnibus Agreement, we were reimbursed by Delek Holdings for certain capital expenditures. These amounts are recorded in other long-term liabilities and are amortized to revenue over the life of the underlying revenue agreement corresponding to the asset. We were reimbursed a nominal amount during the years ended December 31, 2023 and 2021. There were no reimbursements by Delek Holdings during the year ended December 31, 2022. Additionally, we are reimbursed or indemnified, as the case may be, for costs incurred in excess of certain amounts related to certain asset failures, pursuant to the terms of the Omnibus Agreement. As of December 31, 2023 and 2022, there was no receivable from related parties for these matters. These reimbursements are recorded as reductions to operating expenses. There were no reimbursements for these matters during the years ended December 31, 2023 and 2022. We were reimbursed a nominal amount for these matters during the year ended December 31, 2021.

Other Agreements

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, which include certain labor related costs. We and our subsidiaries paid Delek Holdings approximately $ 31.0 million, $ 34.6 million and $ 21.8 million pursuant to the Partnership Agreement during the years ended December 31, 2023, 2022 and 2021, respectively. These amounts are included in operating expenses in the accompanying consolidated statements of income and comprehensive income.

Other Transactions

The Partnership manages long-term capital projects on behalf of Delek Holdings pursuant to a construction management and operating agreement (the "DPG Management Agreement") for the construction of gathering systems in the Permian Basin. The majority of the gathering systems have been constructed, however, additional costs pertaining to a pipeline connection that was not acquired by the Partnership continue to be incurred and are still subject to the terms of the DPG Management Agreement. The Partnership is also considered the operator for the project and is responsible for oversight of the project design, procurement and construction of project segments and provides other related services. Pursuant to the terms of the DPG Management Agreement, the Partnership receives a monthly operating services fee and a construction services fee, which includes the Partnership's direct costs of managing the project plus an additional percentage fee of the construction costs of each project segment. The agreement extends through December 2024. Total fees paid to the Partnership were $ 1.6 million, $ 1.5 million and $ 1.6 million for the years ended December 31, 2023, 2022 and 2021, respectively, which are recorded in affiliate revenue in our consolidated statements of income. Additionally, the Partnership incurs the costs in connection with the construction of the assets and is subsequently reimbursed by Delek Holdings. Amounts reimbursable by Delek Holdings are recorded in accounts receivable from related parties.

We executed a series of agreements, effective January 1, 2022, with DK Trading & Supply, LLC (“DKT&S”) and Alon Refining Krotz Springs, Inc. whereby the Partnership will operate and maintain a facility, located within the Krotz Springs, Louisiana refinery, to process slurry for DKT&S. Using a process that incorporates horizontal and vertical centrifuges, we remove metals, ash, and other solids from the slurry. The clarified product can then be sold to DKT&S or one of its affiliates. As consideration for the processing services, we will receive a fixed rate per barrel processing fee in addition to a margin-based payment. The Partnership and DKT&S have agreed to a minimum delivery commitment volume to be processed in the facility. The initial term of the agreement is for a period of three years , and thereafter, will continue a year-to-year basis unless canceled by either party.

Delek Holdings Unit Sale to Public

On December 22, 2021, Delek Holdings issued a press release regarding a program to sell up to 434,590 common limited partner units representing limited partner interests in the Partnership. We will not sell any securities under this program and we will not receive any proceeds from the sale of the securities by Delek Holdings. For the years ended December 31, 2022 and 2021, Delek Holdings sold 385,522 and 49,068 units, respectively, for gross proceeds of $ 16.4 million ($ 13.6 million, net of taxes) and $ 2.1 million ($ 1.7 million, net of taxes).

Summary of Transactions

Revenues from affiliates consist primarily of revenues from gathering, transportation, storage, offloading, Renewable Identification Numbers, wholesale marketing and products terminalling services provided primarily to Delek Holdings based on regulated tariff rates or contractually based fees and product sales. Affiliate operating expenses are primarily comprised of amounts we reimburse Delek Holdings, or our general partner, as the case may be, for the services provided to us under the Partnership Agreement. These expenses could also include reimbursement and indemnification amounts from Delek Holdings, as provided under the Omnibus Agreement. Additionally, the Partnership is required to reimburse Delek Holdings for direct or allocated costs and expenses incurred by Delek Holdings on behalf of the Partnership and for charges Delek Holdings incurred for the management and operation of our logistics assets, including an annual fee for various centralized corporate services, which are included in general and administrative expenses. In addition to these transactions, we purchase refined products and bulk biofuels from Delek Holdings, the costs of which are included in cost of materials and other.

A summary of revenue, purchases from affiliates and expense transactions with Delek Holdings and its affiliates are as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Revenues	$ 563,803	$ 479,411	$ 418,826
Purchases from Affiliates	$ 396,333	$ 496,184	$ 321,939
Operating and maintenance expenses	$ 64,636	$ 53,803	$ 40,854
General and administrative expenses	$ 14,908	$ 13,565	$ 9,330

Quarterly Cash Distribution

Date of Distribution	Distributions paid to Delek Holdings (in thousands)
February 9, 2023	$ 34,998
May 15, 2023	$ 35,169
August 14, 2023	$ 35,512
November 13, 2023	$ 35,855
Total	$ 141,534
February 8, 2022	$ 33,829
May 12, 2022	$ 33,625
August 11, 2022	$ 33,797
November 10, 2022	$ 33,968
Total	$ 135,219
February 9, 2021	$ 31,619
May 14, 2021	$ 31,966
August 11, 2021	$ 32,661
November 10, 2021	$ 33,009
Total	$ 129,255

5. Revenues

We generate revenue by charging fees for gathering, transporting, offloading and storing crude oil and natural gas; for storing intermediate products and feed stocks; for recycling and disposal of wastewater; for distributing, transporting and storing refined products; for marketing refined products output of Delek Holdings' Tyler and Big Spring refineries; for wholesale marketing in the West Texas area. A significant portion of our revenue is derived from long-term commercial agreements with Delek Holdings, which provide for annual fee adjustments for increases or decreases in the CPI, PPI or the FERC index (refer to Note 4 for a more detailed description of these agreements). In addition to the services we provide to Delek Holdings, we also generate substantial revenue from crude oil, intermediate and refined products transportation services for, and terminalling and marketing services to, third parties primarily in Texas, New Mexico, Tennessee and Arkansas. Certain of these services are provided pursuant to contractual agreements with third parties. Payment terms require customers to pay shortly after delivery and do not contain significant financing components. Delek Holdings, directly or indirectly, accounted for 55.3 %, 46.3 % and 59.8 % of our total revenues for the years ended December 31, 2023, 2022 and 2021, respectively.

The majority of our commercial agreements with Delek Holdings meet the definition of a lease because: (1) performance of the contracts is dependent on specified property, plant or equipment and (2) it is remote that one or more parties other than Delek Holdings will take more than a minor amount of the output associated with the specified property, plant or equipment.

The following table represents a disaggregation of revenue for the gathering and processing, wholesale marketing and terminalling, and storage and transportation segments for the periods indicated (in thousands):

	Year Ended December 31, 2023			
	Gathering and Processing	Wholesale Marketing and Terminalling	Storage and Transportation	Consolidated
Service Revenue - Third Party	$ 60,471	$ —	$ 11,329	$ 71,800
Service Revenue - Affiliate (1)	9,730	48,618	55,691	114,039
Product Revenue - Third Party	98,102	286,704	—	384,806
Product Revenue - Affiliate	15,699	122,969	—	138,668
Lease Revenue - Affiliate	187,108	47,410	76,578	311,096
Total Revenue	$ 371,110	$ 505,701	$ 143,598	$ 1,020,409

	Year Ended December 31, 2022			
	Gathering and Processing	Wholesale Marketing and Terminalling	Storage and Transportation	Consolidated
Service Revenue - Third Party	$ 29,199	$ —	$ 21,614	$ 50,813
Service Revenue - Affiliate (1)	16,458	32,593	—	49,051
Product Revenue - Third Party	90,383	415,800	—	506,183
Product Revenue - Affiliate	52,692	90,298	—	142,990
Lease Revenue - Affiliate	116,695	50,193	120,482	287,370
Total Revenue	$ 305,427	$ 588,884	$ 142,096	$ 1,036,407

	Year ended December 31, 2021			
	Gathering and Processing	Wholesale Marketing and Terminalling	Storage and Transportation	Consolidated
Service Revenue - Third Party	$ 4,670	$ 490	$ 11,942	$ 17,102
Service Revenue - Affiliate (1)	13,723	34,033	—	47,756
Product Revenue - Third Party	—	264,974	—	264,974
Product Revenue - Affiliate	—	76,074	—	76,074
Lease Revenue - Affiliate	143,459	37,686	113,851	294,996
Total Revenue	$ 161,852	$ 413,257	$ 125,793	$ 700,902

(1) Net of $ 7.2 million of amortization expense for each of the years ended December 31, 2023, 2022 and 2021, related to the marketing contract intangible recorded in the wholesale marketing and terminalling segment.

As of December 31, 2023, we expect to recognize approximately $ 1.1 billion in lease revenues related to our unfulfilled performance obligations pertaining to the minimum volume commitments and capacity utilization under the non-cancelable terms of our commercial agreements with Delek Holdings. Most of these agreements have an initial term ranging from five to ten years , which may be extended for various renewal terms. We disclose information about remaining performance obligations that have original expected durations of greater than one year.

Our unfulfilled performance obligations as of December 31, 2023 were as follows (in thousands):

2024	$ 238,152
2025	208,949
2026	199,857
2027	183,694
2028 and thereafter	315,253
Total expected revenue on remaining performance obligations	$ 1,145,905

6. Net Income per Unit

Basic net income per unit attributable to limited partners is computed by dividing limited partners' interest in net income by the weighted-average number of outstanding common units. Diluted net income per unit attributable to common limited partners includes the effects of potentially dilutive units on our common units. For the years ended December 31, 2023, 2022 and 2021, potentially dilutive units outstanding consist of unvested phantom units.

The calculation of net income per unit is as follows (in thousands, except unit and per unit amounts):

	Year Ended December 31,		
	2023	**2022**	**2021**
Net income attributable to limited partners	$ 126,236	$ 159,052	164,822
Weighted average limited partner units outstanding, basic	43,583,938	43,487,910	43,447,739
Dilutive effect of unvested phantom units	27,376	23,740	12,731
Weighted average limited partner units outstanding, diluted	43,611,314	43,511,650	43,460,470
Net income per limited partner unit:			
Basic	$ 2.90	$ 3.66	$ 3.79
Diluted (1)	$ 2.89	$ 3.66	$ 3.79

(1) There were 41,790 , 7,511 and 4,458 anti-dilutive common unit equivalents excluded from the diluted earnings per unit calculation during the years ended December 31, 2023, 2022 and 2021, respectively.

7. Property, Plant and Equipment

Property, plant and equipment, at cost, consist of the following (in thousands):

	December 31,	
	2023	**2022**
Land	$ 17,367	$ 17,367
Building and building improvements	5,072	5,072
Pipelines, tanks and terminals	1,228,676	1,103,857
Asset retirement obligation assets	2,073	2,073
Other equipment	27,604	30,849
Construction in process	39,718	81,466
Property, plant and equipment	1,320,510	1,240,684
Less: accumulated depreciation	(384,359)	(316,680)
Property, plant and equipment, net	$ 936,151	$ 924,004

8. Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of the identifiable net assets acquired and is not amortized. 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 2023, 2022, and 2021.

For the year ended December 31, 2023, we performed a quantitative assessment for our Delaware Gathering reporting unit and a qualitative assessment for our other reporting units. Our 2023 testing of goodwill did not identify any impairments other than our Delaware Gathering reporting unit, which reported a goodwill impairment charge of $ 14.8 million. The impairment was primarily driven by the significant increases in interest rates and timing of system connections with our producer customers.

For the quantitative assessment, the discounted cash flow fair value estimate is based on known or knowable information at the measurement date. The significant assumptions that were used to develop the estimates of the fair values under the discounted cash flow method included management's best estimates of the discount rate of 16 % as well as estimates of future cash flows, which are impacted primarily by future volumes and EBITDA projections. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the interim goodwill impairment test will prove to be an accurate prediction of the future. The fair value measurements for the individual reporting units represent Level 3 measurements.

We performed a qualitative assessment for the years ended December 31, 2022, and December 31, 2021. In 2022 and 2021, the annual impairment review resulted in the determination that no indicators of impairment of goodwill were present. Accumulated goodwill impairment was $ 14.8 million as of December 31, 2023. There was n o accumulated goodwill impairment at December 31, 2022.

A summary of our goodwill by segment is as follows (in thousands):

		Gathering and Processing	Wholesale Marketing and Terminalling	Storage and Transportation	Total
Balance,	**December 31, 2021**	$ 4,155	$ 7,499	$ 549	$ 12,203
Acquisition		14,848	—	—	14,848
Balance,	**December 31, 2022**	19,003	7,499	549	27,051
Goodwill Impairment		(14,848)	—	—	(14,848)
Balance,	**December 31, 2023**	$ 4,155	$ 7,499	$ 549	$ 12,203

9. Other Intangible Assets

Our identifiable intangible assets are as follows (in thousands):

		As of December 31, 2023			As of December 31, 2022		
	Useful Life	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization:							
Customer relationships	11.6 years	$ 210,000	$ (28,664)	$ 181,336	$ 210,000	$ (10,560)	$ 199,440
Marketing contract	20 years	144,219	(42,064)	102,155	144,219	(34,853)	109,366
Rights-of-way assets	8 - 35 years	14,892	(1,078)	13,814	13,490	(377)	13,113
Intangible assets not subject to amortization:							
Rights-of-way assets	Indefinite	45,722		45,722	42,877		42,877
Total		$ 414,833	$ (71,806)	$ 343,027	$ 410,586	$ (45,790)	$ 364,796

Amortization of the rights-of-way assets and customer relationships intangible asset was $ 18.7 million for the year ended December 31, 2023, and is included in depreciation and amortization on the accompanying consolidated statements of income and comprehensive income. Amortization of the marketing contract was $ 7.2 million during the years ended December 31, 2023, 2022 and 2021, and is included as a reduction of net revenue on the accompanying consolidated statements of income and comprehensive income.

Amortization expense is estimated to be $ 0.6 million $ 7.2 million and $ 18.1 million for the rights-of-way assets, marketing contract intangible and the customer relationship intangible, respectively, for each of the years ended December 31, 2024 through 2028.

10. Long-Term Obligations

Outstanding borrowings under the Partnership's debt instruments are as follows (in thousands):

	December 31, 2023	December 31, 2022
DKL Revolving Facility	$ 780,500	$ 720,500
DKL Term Facility	281,250	300,000
2028 Notes	400,000	400,000
2025 Notes	250,000	250,000
Principal amount of long-term debt	1,711,750	1,670,500
Less: Unamortized discount and deferred financing costs	7,961	8,933
Total debt, net of unamortized discount and deferred financing costs	1,703,789	1,661,567
Less: Current portion of long-term debt and notes payable	30,000	15,000
Long-term debt, net of current portion	$ 1,673,789	$ 1,646,567

DKL Credit Facility

On October 13, 2022, the Partnership entered into a fourth amended and restated DKL Credit Facility (the "2022 DKL Credit Facility") with Fifth Third, as administrative agent and a syndicate of lenders. The 2022 DKL Credit Facility, among other things, (i) increased total aggregate commitments to $ 1.20 billion, comprised of (A) senior secured revolving commitments of $ 900.0 million in aggregate (eliminating the Canadian dollar tranche), with sublimit of up to $ 115.0 million for letters of credit and $ 25.0 million for swing line loans (the "DKL Revolving Facility") with an extended maturity date of October 13, 2027, which will accelerate to 180 days prior to the stated maturity date of the 2025 Notes if any of the 2025 Notes remain outstanding on that date, and (B) a new senior secured term loan in the original principal amount of $ 300.0 million (the "DKL Term Facility"), (ii) reset the accordion feature under the DKL Revolving Facility, such that aggregate revolving commitments can be increased to up to $ 1.15 billion upon the agreement of the Partnership and one or more existing or new lenders and (iii) provided for the DKL Term Facility be drawn in full on October 13, 2022, with a maturity date of April 15, 2025 and with a prepayment requirement for the proceeds obtained from certain senior unsecured notes issuances. As of December 31, 2023, the DKL Revolving Facility was classified as long-term in the accompanying consolidated balance sheets as the Partnership currently has the ability and intent to refinance the 2025 Notes on a long-term basis through available capacity under the DKL Revolving Facility and Related Party Revolving Credit Facility (as defined below). The DKL Term Facility requires four quarterly amortization payments of $ 3.8 million in 2023 and four quarterly amortization payments of $ 7.5 million in 2024.

Borrowings under the DKL Revolving Facility bear interest at the election of the Partnership at either a U.S. dollar prime rate, plus an applicable margin ranging from 1.00 % to 2.00 % depending on the Partnership's Total Leverage Ratio (as defined in the DKL Credit Agreement), or a SOFR rate plus a credit spread adjustment of 0.10 % for one-month interest periods and 0.25 % for three-month interest periods plus an applicable margin ranging from 2.00 % to 3.00 % depending on the Partnership's Total Leverage Ratio. Unused revolving commitments under the DKL Revolving Facility incur a commitment fee that ranges from 0.30 % to 0.50 % depending on the Partnership's Total Leverage Ratio. As of December 31, 2023 and December 31, 2022, the weighted average interest rate was 8.46 % and 7.55 %, respectively.

Borrowings under the DKL Term Facility bear interest at the election of the Partnership at either a U.S. dollar prime rate, plus an applicable margin of 2.50 % for the first year of the DKL Term Facility and 3.00 % for the second year of the DKL Term Facility, or a SOFR rate plus a credit spread adjustment of 0.10 % for one-month interest periods and 0.25 % for three-month interest periods plus an applicable margin of 3.50 % for the first year of the Term Facility and 4.00 % for the second year of the DKL Term Facility. At December 31, 2023 and December 31, 2022, the weighted average borrowing rate was approximately 9.46 % and 7.92 %, respectively. The effective interest rate was 9.93 % as of December 31, 2023.

The 2022 DKL Credit Facility contains affirmative and negative covenants and events of default, which the Partnership considers customary and are similar to those in our predecessor DKL Credit Facility. We believe we were in compliance with all covenant requirements as of December 31, 2023. Under the financial covenants in the 2022 DKL Credit Facility, the Partnership cannot:

- permit, as of the last day of each fiscal quarter, the Total Leverage Ratio (as defined in the DKL Credit Facility) to be greater than 5.25 to 1.00; provided, that during any Temporary Increase Period (as defined in the DKL Credit Facility, the Partnership cannot permit the foregoing ratio to be greater than 5.50 to 1.00 (a Temporary Increase Period with respect to the 3 Bear Acquisition (as defined in the DKL Credit Facility) is in effect through March 31, 2023);
- permit, as of the last day of each fiscal quarter, the Senior Leverage Ratio (as defined in the DKL Credit Facility) to be greater than 3.75 to 1.00; and
- permit, as of the last day of each fiscal quarter, the interest coverage ratio to be equal to or less than 2.00 to 1.00.

On November 6, 2023, the Partnership entered into a First Amendment, a Second Amendment and a Third Amendment to the 2022 DKL Credit Facility (together, the “Amendments”) to extend the maturity of the DKL Term Facility to April 15, 2025. In addition, the Amendments added a maturity acceleration clause which will accelerate the maturity of the DKL Term Facility to 180 days prior to the stated maturity date of the 2025 Notes if any of the 2025 Notes remain outstanding on that date. As of December 31, 2023, the DKL Term Facility was classified as long-term in the accompanying consolidated balance sheets as the Partnership currently has the ability and intent to refinance the 2025 Notes on a long-term basis through available capacity under the DKL Revolving Facility and Related Party Revolving Credit Facility. The DKL Term Facility requires four quarterly amortization payments of $ 3.8 million in 2023, four quarterly amortization payments of $ 7.5 million in 2024 and one quarterly amortization payment of $ 7.5 million in 2025 with final maturity and principal due on April 15, 2025.

The DKL Revolving Facility has a total capacity of $ 1.05 billion, including up to $ 115.0 million for letters of credit and $ 25.0 million in swing line loans. This facility has a maturity date of October 13, 2027 which will accelerate to 180 days prior to the stated maturity date of the Delek Logistics 2025 Notes if any of the Delek Logistics 2025 Notes remain outstanding on that date. On November 6, 2023, the Partnership entered into the Amendments which among other things: (i) increased the U.S. Revolving Credit Commitments (as defined in the DKL Credit Facility) by an amount equal to $ 150.0 million, resulting in aggregate lender commitments under the DKL Revolving Credit Facility in an amount of $ 1.05 billion and (ii) increased the limit allowed for general unsecured debt (as defined in the DKL Credit Facility) by an amount equal to $ 95.0 million, resulting in an unsecured general debt limit of $ 150.0 million. There were no letters of credit outstanding as of December 31, 2023 or December 31, 2022.

The obligations under the 2022 DKL Credit Facility are secured by first priority liens on substantially all of the Partnership’s and its subsidiaries’ tangible and intangible assets. The carrying values of outstanding borrowings under the 2022 DKL Credit Facility as of December 31, 2023 and December 31, 2022 approximate their fair values.

Related Party Revolving Credit Facility

On November 6, 2023, the Partnership and certain of its subsidiaries, as guarantors, entered into a certain Promissory Note (the “Related Party Revolving Credit Facility”) with Delek Holdings. The Related Party Revolving Credit Facility provides for revolving borrowings with aggregate commitments of $ 70.0 million comprised of a (i) $ 55.0 million senior tranche and a (ii) $ 15.0 million subordinated tranche (the “Subordinated Tranche”), with the initial borrowings under the Subordinated Tranche conditioned upon the Partnership and Delek Holdings reaching an agreement with Fifth Third Bank, National Association, as administrative agent under the DKL Credit Facility, on subordination provisions and other material terms related to the Subordinated Tranche. The Related Party Revolving Credit Facility will bear interest at Term SOFR (as defined in the Related Party Revolving Credit Facility) plus 3.00 %. The Related Party Revolving Credit Facility proceeds will be used for the Partnership’s working capital purposes and other general corporate purposes. The Related Party Revolving Credit Facility will mature on June 30, 2028. The Related Party Revolving Credit Facility contains certain affirmative covenants, mandatory prepayments and events of default that the Partnership considers to be customary for an arrangement of this sort. The obligations under the Related Party Revolving Credit Facility are unsecured. There were no borrowings outstanding under the Related Party Revolving Credit Facility as of December 31, 2023.

2028 Notes

On May 24, 2021, the Partnership and our wholly owned subsidiary Delek Logistics Finance Corp. ("Finance Corp." and together with the Partnership, the "Issuers") issued $ 400.0 million in aggregate principal amount of 7.125 % senior notes due 2028 (the "2028 Notes") at par, pursuant to an indenture with U.S. Bank, National Association as trustee. The 2028 Notes are general unsecured senior obligations of the Issuers and are unconditionally guaranteed jointly and severally on a senior unsecured basis by the Partnership's subsidiaries other than Finance Corp., and will be unconditionally guaranteed on the same basis by certain of the Partnership’s future subsidiaries. The 2028 Notes rank equal in right of payment with all existing and future senior indebtedness of the Issuers, and senior in right payment to any future subordinated indebtedness of the Issuers. The 2028 Notes will mature on June 1, 2028, and interest on the 2028 Notes is payable semi-annually in arrears on each June 1 and December 1, commencing December 1, 2021.

At any time prior to June 1, 2024, the Issuers may redeem up to 35 % of the aggregate principal amount of the 2028 Notes with the net cash proceeds of one or more equity offerings by the Partnership at a redemption price of 107.13 % of the redeemed principal amount, plus accrued and unpaid interest, if any, subject to certain conditions and limitations. Prior to June 1, 2024, the Issuers may also redeem all or part of the 2028 Notes at a redemption price of the principal amount plus accrued and unpaid interest, if any, plus a "make whole" premium, subject to certain conditions and limitations. In addition, beginning on June 1, 2024, the Issuers may, subject to certain conditions and limitations, redeem all or part of the 2028 Notes, at a redemption price of 103.56 % of the redeemed principal for the twelve-month period beginning on June 1, 2024, 101.78 % for the twelve-month period beginning on June 1, 2025, and 100.00 % beginning on June 1, 2026 and thereafter, plus accrued and unpaid interest, if any.

In the event of a change of control, accompanied or followed by a ratings downgrade within a certain period of time, subject to certain conditions and limitations, the Issuers will be obligated to make an offer for the purchase of the 2028 Notes from holders at a price equal to 101.00 % of the principal amount thereof, plus accrued and unpaid interest.

As of December 31, 2023, the effective interest rate was 7.39 %. The estimated fair value of the 2028 Notes was $ 380.4 million and $ 359.7 million as of December 31, 2023 and December 31, 2022, respectively, measured based upon quoted market prices in an active market, defined as Level 1 in the fair value hierarchy.

2025 Notes

On May 23, 2017, the Partnership and Delek Logistics Finance Corp., a Delaware corporation and a wholly owned subsidiary of the Partnership ("Finance Corp." and together with the Partnership, the "Issuers"), issued $ 250.0 million in aggregate principal amount of 6.75 % senior notes due 2025 (the "2025 Notes") at a discount. The 2025 Notes are general unsecured senior obligations of the Issuers. The 2025 Notes are unconditionally guaranteed jointly and severally on a senior unsecured basis by the Partnership's existing subsidiaries (other than Finance Corp., the "Guarantors") and will be unconditionally guaranteed on the same basis by certain of the Partnership's future subsidiaries. The 2025 Notes rank equal in right of payment with all existing and future senior indebtedness of the Issuers, and senior in right of payment to any future subordinated indebtedness of the Issuers. The 2025 Notes will mature on May 15, 2025, and Interest on the 2025 Notes is payable semi-annually in arrears on each May 15 and November 15.

The Issuers may, subject to certain conditions and limitations, redeem all of the 2025 Notes at a redemption price of 100.00 % of the redeemed principal during the twelve-month period beginning on May 15, 2023 and thereafter, plus accrued and unpaid interest, if any. In the event of a change of control, accompanied or followed by a ratings downgrade within a certain period of time, subject to certain conditions and limitations, the Issuers will be obligated to make an offer for the purchase of the 2025 Notes from holders at a price equal to 101.00 % of the principal amount thereof, plus accrued and unpaid interest.

As of December 31, 2023, the effective interest rate was 7.19 %. The estimated fair value of the 2025 Notes was $ 248.7 million and $ 243.4 million as of December 31, 2023 and December 31, 2022, respectively, measured based upon quoted market prices in an active market, defined as Level 1 in the fair value hierarchy.

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, 2023 (in thousands):

Year Ended December 31,	Total
2024	$ 30,000
2025	501,250
2026	—
2027	780,500
2028	400,000
Thereafter	—
Total	$ 1,711,750

11. Equity

We had 9,299,763 common limited partner units held by the public outstanding as of December 31, 2023. Additionally, as of December 31, 2023, Delek Holdings owned an 78.7 % limited partner interest in us, consisting of 34,311,278 common limited partner units.

On November 14, 2022, we entered into an Equity Distribution Agreement with RBC Capital Markets, LLC (the "Manager") under which we may issue and sell, from time to time, to or through the Manager, as sales agent and/or principal, as applicable, common units representing limited partner interests, having an aggregate offering price of up to $ 100.0 million. The Equity Distribution Agreement provides us the right, but not the obligation, to sell common units in the future, at prices we deem appropriate. The net proceeds from any sales under this agreement will be used for general partnership purposes. For the year ended December 31, 2022, we sold 59,192 common units under the Equity Distribution Agreement for net proceeds of $ 3.1 million. Underwriting discounts were immaterial.

On April 14, 2022, we filed a shelf registration statement with the SEC, which was declared effective on April 29, 2022, which provides the Partnership the ability to offer up to $ 200.0 million of our common limited partner units from time to time and through one or more methods of distribution, subject to market conditions and our capital needs.

Equity Activity

The table below summarizes the changes in the number of units outstanding from December 31, 2021 through December 31, 2023.

	Common - Public	Common - Delek Holdings	Total
Balance at December 31, 2020	8,697,468	34,745,868	43,443,336
Delek Holdings resale of units	49,068	(49,068)	—
Unit-based compensation awards [(1)]	27,517	—	27,517
Balance at December 31, 2021	8,774,053	34,696,800	43,470,853
Delek Holdings resale of units	385,522	(385,522)	—
Unit-based compensation awards [(1)]	38,538	—	38,538
Issuance of units pursuant to the Equity Distribution Agreement	59,192	—	59,192
Balance at December 31, 2022	9,257,305	34,311,278	43,568,583
Unit-based compensation awards [(1)]	42,458	—	42,458
Balance at December 31, 2023	9,299,763	34,311,278	43,611,041

(1) Unit-based compensation awards are presented net of 18,694 , 12,224 and 5,315 units withheld for taxes as of December 31, 2023, 2022 and 2021, respectively.

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.

Cash Distributions

Our Partnership Agreement sets forth the calculation to be used to determine the amount and priority of available cash distributions that our limited partner unitholders 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 Cash Distribution (in thousands)
March 31, 2021	$ 0.920	$ 39,968
June 30, 2021	$ 0.940	$ 40,846
September 30, 2021	$ 0.950	$ 41,286
December 31, 2021	$ 0.975	$ 42,384
March 31, 2022	$ 0.980	$ 42,604
June 30, 2022	$ 0.985	$ 42,832
September 30, 2022	$ 0.990	$ 43,057
December 31, 2022	$ 1.020	$ 44,440
March 31, 2023	$ 1.025	$ 44,664
June 30, 2023	$ 1.035	$ 45,112
September 30, 2023	$ 1.045	$ 45,558
December 31, 2023	$ 1.055	$ 46,010

12. Equity Method Investments

The Partnership owns a 33 % membership interest in Red River Pipeline Company LLC ("Red River"), a joint venture operated with Plains Pipeline, L.P. Red River owns a 16-inch crude oil pipeline running from Cushing, Oklahoma to Longview, Texas with capacity of 235,000 bpd. During the years ended December 31, 2023 and 2022, we made no additional capital contributions. During the year ended December 31, 2021, we made capital contributions of $ 1.4 million based on capital calls received.

We have two additional pipeline joint ventures, in which we own a 50 % membership interest in the entity formed with an affiliate of Plains All American Pipeline, L.P. ("CP LLC") to operate one of these pipeline systems and a 33 % membership interest in the entity formed with Andeavor Logistics RIO Pipeline LLC ("Andeavor Logistics") to operate the other pipeline system.

Combined summarized financial information on a 100% basis is shown below (in thousands):

	As of December 31, 2023	As of December 31, 2022
Current Assets	$ 55,948	$ 52,253
Non-current Assets	$ 607,002	$ 626,165
Current liabilities	$ 8,994	$ 7,117
Non-current liabilities	$ 63	$ —

	Years Ended December 31,		
	2023	2022	2021
Revenues	$ 139,699	$ 140,634	$ 114,392
Gross profit	$ 89,132	$ 88,575	$ 67,809
Operating income	$ 84,349	$ 85,096	$ 65,023
Net income	$ 85,636	$ 85,311	$ 64,979

The Partnership's investment balances in these joint ventures were as follows (in thousands):

	As of December 31, 2023	As of December 31, 2022
Red River	$ 141,091	$ 149,635
CP LLC	61,273	64,056
Andeavor Logistics	38,973	43,331
Total Equity Method Investments	$ 241,337	$ 257,022

13. Segment Data

We aggregate our operating segments into four reportable segments: **(i)** gathering and processing; **(ii)** wholesale marketing and terminalling; **(iii)** storage and transportation; and **(iv)** investment in pipeline joint ventures. Operations that are not specifically included in the reportable segments are included in Corporate and other segment.

The CODM evaluates performance based on EBITDA for planning and forecasting purposes. EBITDA is an important measure used by management to evaluate the financial performance of our core operations. EBITDA is not a GAAP measure, but the components of EBITDA are computed using amounts that are determined in accordance with GAAP. A reconciliation of EBITDA to Net Income is included in the tables below. We define EBITDA as net income (loss) before net interest expense, income tax expense, depreciation and amortization expense, including amortization of marketing contract intangible, which is included as a component of net revenues in our accompanying consolidated statements of income.

Assets by segment are not a measure used to assess the performance of the Partnership by the CODM and thus is not disclosed.

The following is a summary of business segment operating performance as measured by EBITDA for the periods indicated (in thousands):

	Year Ended December 31, 2023					
(In thousands)	**Gathering and Processing [1]**	**Wholesale Marketing and Terminalling**	**Storage and Transportation**	**Investments in Pipeline Joint Ventures**	**Corporate and Other**	**Consolidated**
Net revenues:						
Affiliate [2]	$ 212,537	$ 218,997	$ 132,269	$ —	$ —	$ 563,803
Third party	158,573	286,704	11,329	—	—	456,606
Total revenue	$ 371,110	$ 505,701	$ 143,598	$ —	$ —	$ 1,020,409
Segment EBITDA	$ 199,463	$ 106,512	$ 63,850	$ 31,424	$ (30,969)	$ 370,280
Depreciation and amortization	72,181	7,055	9,839	—	3,309	92,384
Amortization of marketing contract intangible	—	7,211	—	—	—	7,211
Interest expense, net	—	—	—	—	143,244	143,244
Income tax expense						1,205
Net income						$ 126,236
Capital spending [3]	$ 74,683	$ 2,111	$ 4,548	$ —	$ —	$ 81,342

(In thousands)	Gathering and Processing	Wholesale Marketing and Terminalling	Storage and Transportation	Investments in Pipeline Joint Ventures	Corporate and Other	Consolidated
	Year Ended December 31, 2022					
Net revenues:						
Affiliate [2]	$ 185,845	$ 173,084	$ 120,482	$ —	$ —	$ 479,411
Third party	119,582	415,800	21,614	—	—	556,996
Total revenue	$ 305,427	$ 588,884	$ 142,096	$ —	$ —	$ 1,036,407
Segment EBITDA	$ 175,250	$ 83,098	$ 56,269	$ 31,683	$ (34,363)	$ 311,937
Depreciation and amortization	47,206	6,308	8,591	—	883	62,988
Amortization of marketing contract intangible	—	7,211	—	—	—	7,211
Interest expense, net	—	—	—	—	82,304	82,304
Income tax expense						382
Net income						$ 159,052
Capital spending [3]	$ 122,594	$ 1,548	$ 6,528	$ —	$ —	$ 130,670

(In thousands)	Gathering and Processing	Wholesale Marketing and Terminalling	Storage and Transportation	Investments in Pipeline Joint Ventures	Corporate and Other	Consolidated
	Year ended December 31, 2021					
Net revenues:						
Affiliate [2]	$ 157,182	$ 147,793	$ 113,851	$ —	$ —	$ 418,826
Third party	4,670	265,464	11,942	—	—	282,076
Total revenue	$ 161,852	$ 413,257	$ 125,793	$ —	$ —	$ 700,902
Segment EBITDA	$ 126,818	$ 79,597	$ 56,929	$ 24,575	$ (22,742)	$ 265,177
Depreciation and amortization	22,394	5,547	8,588	—	6,241	42,770
Amortization of marketing contract intangible	—	7,211	—	—	—	7,211
Interest expense, net	—	—	—	—	50,221	50,221
Income tax expense						153
Net income						$ 164,822
Capital spending [3]	$ 22,262	$ 3,622	$ 1,567	$ —	$ —	$ 27,451

(1) EBITDA includes $ 14.8 million of goodwill impairment expense for the year ended December 31, 2023. Refer to Note 8 - Goodwill for further information.

(2) Affiliate revenue for the wholesale marketing and terminalling segment is presented net of amortization expense pertaining to the marketing contract intangible.

(3) Capital spending includes additions on an accrual basis. Capital spending for the year ended December 31, 2021 excludes contributions to equity method investments amounting to $ 1.4 million. There were no contributions made during the years ended December 31, 2023 and 2022.

14. 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 financial statements.

Environmental, Health and Safety

We are subject to extensive federal, state and local environmental and safety laws and regulations enforced by various agencies, including the Environmental Protection Agency (the "EPA"), the United States Department of Transportation, the Occupational Safety and Health Administration, as well as numerous state, regional and local environmental, safety and pipeline agencies. These laws and regulations govern the discharge of materials into the environment, waste management practices and pollution prevention measures, as well as the safe operation of our pipelines and the safety of our workers and the public. Numerous permits or other authorizations are required under these laws and regulations for the operation of our terminals, pipelines, saltwells, trucks 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, surface water and groundwater contamination, air pollution, personal injury and property damage allegedly caused by substances which we may have handled, used, released or disposed of, transported, or that relate to pre-existing conditions for which we may have assumed responsibility. We believe that our current operations are in substantial compliance with existing environmental and safety requirements. However, there have been and we expect that there will continue to be ongoing discussions about environmental and safety matters between us and federal and state authorities, including the receipt and response to 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 to comply with existing and new requirements, as well as evolving interpretations and enforcement of existing laws and regulations.

Releases of hydrocarbons or hazardous substances into the environment could, to the extent the event is not insured, or is not a reimbursable event under the Omnibus Agreement, subject us to substantial expenses, including costs to respond to, contain and remediate a release, to comply with applicable laws and regulations and to resolve claims by governmental agencies or other persons for personal injury, property damage, response costs, or natural resources damages.

15. Leases

Lessee

We have noncancellable operating leases primarily associated with certain pipeline and transportation equipment. Our remaining lease terms range from less than one year to 41 years. Our leases do not have any outstanding renewal options.

The components of lease cost are as follows (in thousands) [(1)]:

	Years Ended December 31,		
	2023	**2022**	**2021**
Operating lease cost	$ 11,533	$ 12,054	$ 12,586
Short-term lease cost	5,031	2,541	1,609
Variable lease cost	3,826	4,803	600
Total lease cost	$ 20,390	$ 19,398	$ 14,795

(1) Includes an immaterial amount of financing lease cost.

Supplemental balance sheet information related to leases is as follows:

	Years Ended December 31,	
	2023	**2022**
Weighted-average remaining lease term (years) for operating leases	3.5	3.3
Weighted-average discount rate [(1)] operating leases	7.3 %	6.6 %
Weighted-average remaining lease term (years) for finance lease	3.6	1.1
Weighted-average discount rate [(1)] finance lease	7.2 %	1.9 %

(1) Our discount rate is primarily based on our incremental borrowing rate in accordance with ASC 842.

Supplemental cash flow and other information related to leases are as follows (in thousands):

	Years Ended December 31,		
	2023	**2022**	**2021**
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ (9,588)	$ (12,054)	$ (12,586)
Leased assets obtained in exchange for new operating lease liabilities	$ 3,804	$ 12,682	$ 6,386
Leased assets obtained in exchange for new financing lease liabilities	$ 1,162	$ 35	$ 3,071

Maturities of lease liabilities as of December 31, 2023 are as follows (in thousands):

Year Ended December 31,	Operating	Finance
2024	$ 7,515	$ 583
2025	4,377	288
2026	1,972	263
2027	1,473	263
2028	631	154
2029 and thereafter	1,111	—
Total lease payments	17,079	1,551
Less: present value discount	2,047	206
Lease payable	$ 15,032	$ 1,345

Lessor

We are the lessor under certain agreements for gathering, transportation, storage, terminalling, and offloading with Delek Holdings. These agreements have remaining terms ranging from less than one year to 11 years with renewal options ranging from one year to 10 years, and some agreements have multiple renewal options. Revenue from these leases are recorded in affiliate revenue on the consolidated statements of income. For details on Lease Revenue, see Note 5.

The following is a schedule of annual undiscounted minimum future lease cash receipts on the non-cancellable operating leases as of December 31, 2023 (in thousands):

2024	$ 129,596
2025	112,428
2026	107,660
2027	93,469
2028	62,909
2029 and thereafter	76,455
Total minimum future lease revenue	$ 582,517

The following table summarized our investment in assets held under operating lease by major classes (in thousands):

	December 31,	
	2023	2022
Land	$ 14,946	$ 14,946
Building and building improvements	853	853
Pipelines, tanks and terminals	664,567	622,609
Other equipment	3,856	3,856
Property, plant and equipment	684,222	642,264
Less: accumulated depreciation	253,955	221,375
Property, plant and equipment, net	$ 430,267	$ 420,889

16. Subsequent Events

Distribution Declaration

On January 24, 2024, our general partner's board of directors declared a quarterly cash distribution of $ 1.055 per unit, payable on February 12, 2024, to unitholders of record on February 5, 2024.

ITEM 16. FORM 10-K SUMMARY

None.

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/ Reuven Spiegel
Reuven Spiegel
Director, Executive Vice President and Chief Financial Officer

Dated: February 28, 2024

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 28, 2024:

/s/ Avigal Soreq
Avigal Soreq
President
(Principal Executive Officer)

/s/ Reuven Spiegel
Reuven Spiegel
Director, Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Robert Wright
Robert Wright
Senior Vice President, Deputy Chief Financial Officer
(Principal Accounting Officer)

/s/ Ezra Uzi Yemin
Ezra Uzi Yemin
Executive Chairman of the Board of Directors

/s/ Sherri A. Brillon
Sherri A. Brillon
Director

/s/ Charles J. Brown, III
Charles J. Brown, III
Director

/s/ Eric D. Gadd
Eric D. Gadd
Director

/s/ Frederec Charles Green
Frederec Charles Green
Director

/s/ Ron W. Haddock
Ron W. Haddock
Director

/s/ Gennifer F. Kelly
Gennifer F. Kelly
Director

Exhibit 4.1

DELEK LOGISTICS PARTNERS, LP
DESCRIPTION OF COMMON UNITS

General

Delek Logistics Partners, LP (“us”, “we”, “our” or the “Partnership”) was formed in the state of Delaware. The rights of holders of our common units are generally covered by Delaware law and our Certificate of Limited Partnership (“Certificate”) our Second Amended and Restated Agreement of Limited Partnership of Delek Logistics Partners, LP, dated August 13, 2020, as amended by that certain Amendment No. 1, dated as of February 26, 2023 (the “Partnership Agreement”) (each as amended and restated and in effect as of the date hereof). The terms of our common units are therefore subject to Delaware law, including the Delaware Revised Uniform Limited Partnership Act (the “Delaware Act”), and the common and constitutional law of Delaware.

This exhibit describes the general terms of our common units. This is a summary and does not purport to be complete. Our Certificate and the Partnership Agreement as they exist on the date of this Annual Report on Form 10-K are incorporated by reference or filed as an exhibit to the Annual Report on Form 10-K of which this exhibit is a part, and amendments or restatements of each will be filed with the Securities and Exchange Commission (the “SEC”) in future periodic or current reports in accordance with the rules of the SEC. You are encouraged to read those documents.

For more detailed information about the rights of our common units, you should refer to our Certificate, the Partnership Agreement and the applicable provisions of Delaware law, including the DGCL, for additional information.

The Units

The common units are limited partner interests in us. The holders of common units are entitled to participate in partnership distributions and exercise the rights or privileges available to limited partners under the Partnership Agreement.

Limited Liability

Assuming that a limited partner does not participate in the control of our business within the meaning of the Delaware Act and that the limited partner otherwise acts in conformity with the provisions of the Partnership Agreement, the limited partner’s liability under the Delaware Act will be limited, subject to possible exceptions, to the amount of capital the limited partner is obligated to contribute to us for common units plus the limited partner’s share of any undistributed profits and assets. If it were determined, however, that the right, or exercise of the right, by the limited partners as a group:

- to remove or replace the general partner;
- to approve some amendments to the Partnership Agreement; or
- to take other action under the Partnership Agreement;

constituted “participation in the control” of our business for the purposes of the Delaware Act, then the limited partners could be held personally liable for our obligations under the laws of Delaware, to the same extent as the general partner. This liability would extend to persons who transact business with us who reasonably believe that the limited partner is a general partner. Neither the Partnership Agreement nor the Delaware Act specifically provides for legal recourse against the general partner if a limited partner were to lose limited liability through any fault of the general partner. While this does not mean that a limited partner could not seek legal recourse, we know of no precedent for this type of a claim in Delaware case law.

Under the Delaware Act, a limited partnership may not make a distribution to a partner if, after the distribution, all liabilities of the limited partnership, other than liabilities to partners on account of their limited partner interests and liabilities for which the recourse of creditors is limited to specific property of the partnership, would exceed the fair value of the assets of the limited partnership. For the purpose of determining the fair value of the assets of a limited partnership, the Delaware Act provides that the fair value of property subject to liability for which recourse of creditors is limited shall be included in the assets of the limited partnership only to the extent that the fair value of that property exceeds the non-recourse liability. The Delaware Act provides that a limited partner who receives a distribution and knew at the time of the distribution that the distribution was in violation of the Delaware Act shall be liable to the limited partnership for the amount of the distribution for three years. Under the Delaware Act, a substituted limited partner of a limited partnership is liable for the obligations of the limited partner's assignor to make contributions to the partnership, except that such person is not obligated for liabilities unknown to limited partner at the time the limited partner became a limited partner and that could not be ascertained from the partnership agreement.

Our subsidiaries conduct business in several states and we may have subsidiaries that conduct business in other states in the future. Maintenance of our limited liability as a limited partner of our operating subsidiaries may require compliance with legal requirements in the jurisdictions in which our operating subsidiaries conduct business, including qualifying our subsidiaries to do business there.

Limitations on the liability of limited partners or members for the obligations of a limited partnership or limited liability company have not been clearly established in many jurisdictions. If, by virtue of our limited partner interest in our operating company or otherwise, it were determined that we were conducting business in any state without compliance with the applicable limited partnership or limited liability company statute, or that the right or exercise of the right by the limited partners as a group to remove or replace the general partner, to approve some amendments to the Partnership Agreement, or to take other action under the Partnership Agreement constituted "participation in the control" of our business for purposes of the statutes of any relevant jurisdiction, then the limited partners could be held personally liable for our obligations under the law of that jurisdiction to the same extent as the general partner under the circumstances. We will operate in a manner that the general partner considers reasonable and necessary or appropriate to preserve the limited liability of the limited partners.

Issuance of Additional Partnership Interests

The Partnership Agreement authorizes us to issue an unlimited number of additional partnership interests for the consideration and on the terms and conditions determined by our general partner without the approval of the unitholders.

It is possible that we will fund acquisitions through the issuance of additional common units or other partnership interests. Holders of any additional common units we issue will be entitled to share equally with the then-existing holders of common units in our distributions of available cash. In addition, the issuance of additional common units or other partnership interests may dilute the value of the interests of the then-existing holders of common units in our net assets.

In accordance with Delaware law and the provisions of the Partnership Agreement, we may also issue additional partnership interests that, as determined by our general partner, may have special voting rights to which the common units are not entitled. In addition, the Partnership Agreement does not prohibit the issuance by our subsidiaries of equity interests, which may effectively rank senior to the common units.

Our general partner will have the right, which it may from time to time assign in whole or in part to any of its affiliates, to purchase common units or other partnership interests whenever, and on the same terms that, we issue those interests to persons other than our general partner and its affiliates, to the extent necessary to maintain the percentage interest of the general partner and its affiliates, including such interest represented by common units, that existed immediately prior to each issuance. The other holders of common units will not have preemptive rights to acquire additional common units or other partnership interests.

Cash Distributions

Distributions of Available Cash

The 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 for the current quarter);
- *plus*, if our general partner so determines, all or any portion of the cash (A) 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 or (B) available to be borrowed as a working capital borrowing as of the date of determination of available cash with respect to such quarter (even if not actually borrowed until the date on which the distribution of available cash with respect to such quarter is paid). Under the 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.

Distributions of Cash Upon Liquidation

If we dissolve in accordance with the Partnership Agreement, we will sell or otherwise dispose of our assets in a process called liquidation. We will first apply the proceeds of liquidation to the payment of our creditors. We will distribute any remaining proceeds to our unitholders, in accordance with their capital account balances, as adjusted to reflect any gain or loss upon the sale or other disposition of our assets in liquidation.

Amendment of the Partnership Agreement

General

Amendments to the Partnership Agreement may be proposed only by our general partner. However, our general partner will have no duty or obligation to propose any amendment and may decline to do so free of any duty or obligation whatsoever to us or the limited partners, including any duty to act in the best interests of us or the limited partners, other than the implied contractual covenant of good faith and fair dealing. In order to adopt a proposed amendment, our general partner is usually required to seek written approval of the holders of the number of units required to approve the amendment or call a meeting of the limited partners to consider and vote upon the proposed amendment. However, in some circumstances, more particularly described in our partnership agreement, our general partner may make amendments to our partnership agreement without the approval of our limited partners. Except as described below, an amendment that must be approved by our limited partners must be approved by a unit majority.

Prohibited Amendments

No amendment may be made that would:

- enlarge the obligations of any limited partner without its consent, unless such is deemed to have occurred as a result of an amendment approved by at least a majority of the type or class of limited partner interests so affected; or

- enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable by us to our general partner or any of its affiliates without its consent, which consent may be given or withheld at its option.

The provisions of the Partnership Agreement preventing the amendments having the effects described in any of the clauses above can be amended upon the approval of the holders of at least 90.0% of the outstanding units voting together as a single class (including units owned by our general partner and its affiliates).

Merger, Consolidation, Conversion, Sale or Other Disposition of Assets

A merger, consolidation or conversion of us requires the prior consent of our general partner. However, our general partner will have no duty or obligation to consent to any merger, consolidation or conversion and may decline to do so free of any duty or obligation whatsoever to us or the limited partners, including any duty to act in the best interest of us or the limited partners, other than the implied contractual covenant of good faith and fair dealing.

In addition, the Partnership Agreement generally prohibits our general partner without the prior approval of the holders of a unit majority, from causing us to, among other things, sell, exchange or otherwise dispose of all or substantially all of our assets in a single transaction or a series of related transactions. Our general partner may, however, mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our assets without that approval. Our general partner may also sell any or all of our assets under a foreclosure or other realization upon those encumbrances without that approval. Finally, our general partner may consummate any merger with another limited liability entity without the prior approval of our unitholders if we are the surviving entity in the transaction, our general partner has received an opinion of counsel regarding limited liability and tax matters, the transaction would not result in an amendment to the partnership agreement requiring unitholder approval, each of our units will be an identical unit of our partnership following the transaction, and the partnership interests to be issued by us in such merger do not exceed 20.0% of our outstanding partnership interests immediately prior to the transaction.

If the conditions specified in the Partnership Agreement are satisfied, our general partner may convert us or any of our subsidiaries into a new limited liability entity or merge us or any of our subsidiaries into, or convey all of our assets to, a newly formed entity if the sole purpose of that conversion, merger or conveyance is to effect a mere change in our legal form into another limited liability entity, our general partner has received an opinion of counsel regarding limited liability and tax matters, and the general partner determines that the governing instruments of the new entity provide the limited partners and the general partner with the same rights and obligations as contained in the partnership agreement. The unitholders are not entitled to dissenters' rights of appraisal under the Partnership Agreement or applicable Delaware law in the event of a conversion, merger or consolidation, a sale of substantially all of our assets or any other similar transaction or event.

Termination and Dissolution

We will continue as a limited partnership until dissolved and terminated under the Partnership Agreement. We will dissolve upon:

- the election of our general partner to dissolve us, if approved by the holders of units representing a unit majority;

- there being no limited partners, unless we are continued without dissolution in accordance with applicable Delaware law;

- the entry of a decree of judicial dissolution of our partnership; or

- the withdrawal or removal of our general partner or any other event that results in its ceasing to be our general partner other than by reason of a transfer of its general partner interest in accordance with the Partnership Agreement or withdrawal or removal followed by approval and admission of a successor.

Upon a dissolution under the last clause above, the holders of a unit majority may also elect, within specific time limitations, to continue our business on the same terms and conditions described in the Partnership Agreement by appointing as a successor general partner an entity approved by the holders of units representing a unit majority, subject to our receipt of an opinion of counsel to the effect that:

- the action would not result in the loss of limited liability of any limited partner; and

- neither our partnership nor any of our subsidiaries would be treated as an association taxable as a corporation or otherwise be taxable as an entity for federal income tax purposes upon the exercise of that right to continue.

Liquidation and Distribution of Proceeds

Upon our dissolution, unless we are continued as a new limited partnership, the liquidator authorized to wind up our affairs will, acting with all of the powers of our general partner that are necessary or appropriate to liquidate our assets and apply the proceeds of the liquidation as described in “Distributions of Cash Upon Liquidation.” The liquidator may defer liquidation or distribution of our assets for a reasonable period of time or distribute assets to partners in kind if it determines that a sale would be impractical or would cause undue loss to our partners.

Withdrawal or Removal of the General Partner

Except as described below, our general partner has agreed not to withdraw voluntarily as our general partner prior to December 31, 2022 without obtaining the approval of the holders of at least a majority of the outstanding common units, excluding common units held by the general partner and its affiliates, and furnishing an opinion of counsel regarding limited liability and tax matters. On or after December 31, 2022, our general partner may withdraw as general partner without first obtaining approval of any unitholder by giving 90 days’ written notice, and that withdrawal will not constitute a violation of the Partnership Agreement. Notwithstanding the information above, our general partner may withdraw without unitholder approval upon 90 days’ notice to the limited partners if at least 50.0% of the outstanding units are held or controlled by one person and its affiliates other than the general partner and its affiliates. In addition, the partnership agreement permits our general partner to sell or otherwise transfer all of its general partner interest in us without the approval of the unitholders.

Upon voluntary withdrawal of our general partner by giving written notice to the other partners, the holders of a unit majority may select a successor to that withdrawing general partner. If a successor is not elected, or is elected but an opinion of counsel regarding limited liability and tax matters cannot be obtained, we will be dissolved, wound up and liquidated, unless within a specified period after that withdrawal, the holders of a unit majority agree to continue our business by appointing a successor general partner.

Our general partner may not be removed unless that removal is approved by the vote of the holders of not less than 66 2/3% of the outstanding units, voting together as a single class, including units held by our general partner and its affiliates, and we receive an opinion of counsel regarding limited liability and tax matters. Any removal of our general partner is also subject to the approval of a successor general partner by the vote of the holders of a majority of the outstanding common units voting as a separate class. The ownership of more than 33 1/3% of the outstanding units by our general partner and its affiliates would give them the practical ability to prevent our general partner’s removal.

In the event of removal of a general partner under circumstances where cause exists or withdrawal of a general partner where that withdrawal violates the Partnership Agreement, a successor general partner will have the option to purchase the general partner interest of the departing general partner for a cash payment equal to the fair market value of that interest. Under all other circumstances where a general partner withdraws or is removed by the limited partners, the departing general partner will have the option to require the successor general partner to purchase the general partner interest of the departing general partner for fair market value. In that case, this fair market value will be determined by agreement between the departing general partner and the successor general partner. If no agreement is reached, an independent investment banking firm or other independent expert selected by the departing general partner and the successor general partner will determine the fair market value. Or, if the departing general partner and the successor general partner cannot agree upon an expert, then an expert chosen by agreement of the experts selected by each of them will determine the fair market value.

If the option described above is not exercised by either the departing general partner or the successor general partner, the departing general partner will become a limited partner and its general partner interest will automatically convert into common units pursuant to a valuation of that interest as determined by an investment banking firm or other independent expert selected in the manner described in the preceding paragraph.

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

Transfer of General Partner Units

Our general partner may transfer all or any of its general partner units to an affiliate or a third party without the approval of our unitholders. As a condition of this transfer, the transferee must assume, among other things, the rights and duties of our general partner, agree to be bound by the provisions of the Partnership Agreement, and furnish an opinion of counsel regarding limited liability and tax matters.

Our general partner and its affiliates may at any time, transfer common units to one or more persons, without unitholder approval.

Transfer of Ownership Interests in the General Partner

At any time, Delek and its subsidiaries may sell or transfer all or part of their membership interest in our general partner to an affiliate or third party without the approval of our unitholders.

Change of Management Provisions

The Partnership Agreement contains specific provisions that are intended to discourage a person or group from attempting to remove Delek Logistics GP, LLC as our general partner or otherwise change our management. If any person or group other than our general partner and its affiliates acquires beneficial ownership of 20.0% or more of any class of units, that person or group loses voting rights on all of its units. This loss of voting rights does not apply to any person or group that acquires the units from our general partner or its affiliates and any transferees of that person or group who are notified by our general partner that they will not lose their voting rights or to any person or group who acquires the units with the prior approval of the board of directors of our general partner.

Limited Call Right

If at any time our general partner and its affiliates own more than 85.0% of the then-issued and outstanding common units, our general partner will have the right, which it may assign in whole or in part to any of its affiliates or to us, to acquire all, but not less than all, of the limited partner interests of such class held by unaffiliated persons as of a record date to be selected by our general partner, on at least 10 but not more than 60 days’ notice. The 85.0% threshold will automatically decrease to 80.0% if at any time our general partner and its affiliates together own less than 77.0% of our outstanding common units. The purchase price in the event of this purchase is the greater of:

- the highest cash price paid by either of our general partner or any of its affiliates for any limited partner interests of the class purchased within the 90 days preceding the date on which our general partner first mails notice of its election to purchase those limited partner interests; and

- the current market price calculated in accordance with the Partnership Agreement as of the date three business days before the date the notice is mailed.

As a result of our general partner's right to purchase outstanding limited partner interests, a holder of limited partner interests may have the limited partner interests purchased at a price that may be lower than market prices at various times prior to such purchase or lower than a unitholder may anticipate the market price to be in the future. The tax consequences to a unitholder of the exercise of this call right are the same as a sale by that unitholder of the common units in the market.

Meetings; Voting

Except as described below regarding a person or group owning 20.0% or more of any class of units then outstanding, record holders of units on the record date will be entitled to notice of, and to vote at, meetings of our limited partners and to act upon matters for which approvals may be solicited.

Our general partner does not anticipate that any meeting of unitholders will be called in the foreseeable future. Any action that is required or permitted to be taken by the unitholders may be taken either at a meeting of the unitholders or, if authorized by our general partner, without a meeting if consents in writing describing the action so taken are signed by holders of the number of units that would be necessary to authorize or take that action at a meeting where all limited partners were present and voted. Meetings of the unitholders may be called by our general partner or by unitholders owning at least 20.0% of the outstanding units of the class for which a meeting is proposed. Unitholders may vote either in person or by proxy at meetings. The holders of a majority of the outstanding units of the class or classes for which a meeting has been called represented in person or by proxy will constitute a quorum unless any action by the unitholders requires approval by holders of a greater percentage of the units, in which case the quorum will be the greater percentage.

Each record holder of a unit has a vote according to the percentage interest in us, although additional limited partner interests having special voting rights could be issued. However, if at any time any person or group, other than our general partner and its affiliates, a direct transferee of our general partner and its affiliates or a transferee of such direct transferee who is notified by our general partner that it will not lose its voting rights, acquires, in the aggregate, beneficial ownership of 20.0% or more of any class of units then outstanding, that person or group will lose voting rights on all of its units and the units may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, determining the presence of a quorum or for other similar purposes. Common units held in nominee or street name account will be voted by the broker or other nominee in accordance with the instruction of the beneficial owner unless the arrangement between the beneficial owner and the nominee provides otherwise.

Any notice, demand, request, report or proxy material required or permitted to be given or made to record holders of common units under the Partnership Agreement will be delivered to the record holder by us or by the transfer agent.

Status as Limited Partner

By transfer of common units in accordance with the Partnership Agreement, each transferee of common units shall be admitted as a limited partner with respect to the common units transferred when such transfer and admission is reflected in our register. Except as described under "Limited Liability," the common units will be fully paid, and unitholders will not be required to make additional contributions.

Ineligible Holders; Redemption

Under the Partnership Agreement, an "Eligible Holder" is a limited partner whose (a) 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 (b) 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 at any time our general partner determines, with the advice of counsel, that one or more limited partners are not Eligible Holders (any such limited partner, an "Ineligible Holder"), then our general partner may request any limited partner to furnish to the general partner an executed certification or other information about the limited partner's federal income tax status and/or nationality, citizenship or related status. If a limited partner fails to furnish such certification or other requested information within 30 days (or such other period as the general partner may determine) after a request for such certification or other information, or our general partner determines after receipt of the information that the limited partner is not an Eligible Holder, the limited partner may be treated as an Ineligible Holder. An Ineligible Holder does not have the right to direct the voting of the Ineligible Holder's units and may not receive distributions in kind upon our liquidation.

Furthermore, we have the right to redeem all of the common units of any holder that our general partner concludes is an Ineligible Holder or fails to furnish the information requested by our general partner. The redemption price in the event of such redemption for each unit held by such unitholder will be the current market price of such unit (the date of determination of which shall be the date fixed for redemption). The redemption price will be paid, as determined by our general partner, in cash or by delivery of a promissory note. Any such promissory note will bear interest at the rate of 5% annually and be payable in three equal annual installments of principal and accrued interest, commencing one year after the redemption date.

Indemnification

Under the Partnership Agreement, in most circumstances, we will indemnify the following persons, to the fullest extent permitted by law, from and against all losses, claims, damages or similar events:

- our general partner;
- any departing general partner;
- any person who is or was an affiliate of a general partner or any departing general partner;
- any person who is or was a director, officer, managing member, manager, general partner, fiduciary or trustee of our subsidiaries, us or any entity set forth in the preceding three bullet points;
- any person who is or was serving as director, officer, managing member, manager, general partner, fiduciary or trustee of another person owing a fiduciary duty to us or any of our subsidiaries at the request of our general partner or any departing general partner or any of their affiliates; and
- any person designated by our general partner.

Any indemnification under these provisions will only be out of our assets. Unless it otherwise agrees, our general partner will not be personally liable for, or have any obligation to contribute or lend funds or assets to us to enable us to effectuate, indemnification. We will purchase insurance against liabilities asserted against and expenses incurred by persons for our activities, regardless of whether we would have the power to indemnify the person against such liabilities under the Partnership Agreement.

Reimbursement of Expenses
The Partnership Agreement requires us to reimburse our general partner for all direct and indirect expenses it incurs or payments it makes on our behalf and all other expenses allocable to us or otherwise incurred by our general partner in connection with operating our business. These expenses include salary, bonus, incentive compensation and other amounts paid to persons who perform services for us or on our behalf and expenses allocated to our general partner by its affiliates. The general partner is entitled to determine in good faith the expenses that are allocable to us.

Books and Reports
Our general partner is required to keep appropriate books of our business at our principal offices. The books will be maintained for financial reporting purposes on an accrual basis. For tax and fiscal reporting purposes, our fiscal year is the calendar year.

We will mail or make available to record holders of common units, within 105 days after the close of each fiscal year, an annual report containing audited financial statements and a report on those financial statements by our independent public accountants. Except for our fourth quarter, we will also mail or make available summary financial information within 50 days after the close of each quarter.

We will furnish each record holder of a unit with information reasonably required for tax reporting purposes within 90 days after the close of each calendar year. This information is expected to be furnished in summary form so that some complex calculations normally required of partners can be avoided. Our ability to furnish this summary information to unitholders will depend on the cooperation of unitholders in supplying us with specific information. Every unitholder will receive information to assist the partner in determining the partner’s federal and state tax liability and filing the partner’s federal and state income tax returns, regardless of whether the partner supplies us with information.

Right to Inspect Our Books and Records
The Partnership Agreement provides that a limited partner can, for a purpose reasonably related to the limited partner's interest as a limited partner, upon reasonable written demand stating the purpose of such demand and at the limited partner’s own expense, have furnished to the limited partner:

- a current list of the name and last known address of each record holder;

- copies of the Partnership Agreement and our certificate of limited partnership and all amendments thereto; and

- certain information regarding the status of our business and financial condition.

Our general partner may, and intends to, keep confidential from the limited partners, trade secrets or other information the disclosure of which our general partner determines is not in our best interests or that we are required by law or by agreements with third parties to keep confidential. The Partnership Agreement limits the right to information that a limited partner would otherwise have under Delaware law.

Listing
Our common units are listed for trading on the NYSE under the ticker symbol "DKL."

Transfer Agent and Registrar
The transfer agent and registrar for our Common Stock is Equiniti Trust Company, LLC.

Exhibit 10.45

GENERAL TERMS AND CONDITIONS FOR PHANTOM UNIT AWARDS UNDER THE

DELEK LOGISTICS GP, LLC 2012 LONG-TERM INCENTIVE PLAN

Unless otherwise provided in a separate agreement between you and Delek Logistics GP, LLC (the "Company") the following terms and conditions apply to your award (the "Award") of Phantom Units (as defined in the Delek Logistics GP, LLC 2012 Long-Term Incentive Plan (the "Plan")):

1. **Relationship to Plan / Electronic Delivery. The Award is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, which have been adopted by the Committee thereunder and are in effect on the date hereof. Except as otherwise provided herein, capitalized terms shall have the same meanings ascribed to them under the Plan. The provisions of the Plan shall govern if and to the extent that there are inconsistencies between those provisions and the provisions hereof. As a participant in the Plan, you are entitled to receive certain information regarding the Plan and its operations and such information is available to you electronically at www.benefitsonline.com. You may receive a paper copy of this information at no cost to you if you contact the Company by telephone at (615) 771-6701 or by regular United States mail at 310 Seven Springs Way, Suite 500, Brentwood, Tennessee 37027. By accepting this award, you hereby consent to the electronic delivery of the Plan to you as set forth herein and acknowledge receipt of a copy of the Plan prior to your acceptance of this award.**
2. Vesting Schedule; Settlement. All vesting is subject to your continuous service with the Company or its Affiliates through each applicable vesting date. You shall forfeit the unvested portion of the Phantom Units upon the termination of your service with the Company or its Affiliates. Upon the occurrence of an Exchange Transaction, the treatment of the Phantom Units shall be governed by Section 9 of the Plan. Within 60 calendar days following vesting with respect to a Phantom Unit, you shall be entitled to receive a Unit. Units will be evidenced, at the sole option and in the sole discretion of the Committee, either (i) in book-entry form in your name in the Unit register of the Partnership maintained by the Partnership's transfer agent or (ii) a unit certificate issued in your name. Upon delivery of a Unit in respect of a Phantom Unit, such Phantom Unit shall cease to be outstanding in your notional account described in Section 3.
3. Distribution Equivalent Rights. During the Restricted Period, the Award of Phantom Units hereunder shall be evidenced by entry in a bookkeeping account and shall include a tandem Distribution Equivalent Right with respect to the Phantom Units. Distribution Equivalent Rights shall be paid with respect to all cash distributions. Pursuant to the Distribution Equivalent Right, cash distributions paid with respect to Phantom Units shall not be distributed when paid but shall be distributed to you in cash upon vesting of the related Phantom Unit, subject to the same terms and conditions as such Phantom Unit. Upon forfeiture of a Phantom Unit pursuant to this Agreement, the corresponding Distribution Equivalent Right shall also be forfeited.
4. Rights as Unitholder; Delivery of Units. Until delivery of Units as described in Section 2, you shall have no rights as a unitholder as a result of the grant of Phantom Units hereunder. The Company shall not be obligated to deliver any Units if counsel to the Company determines that such sale or delivery would violate any applicable law or any rule or regulations of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Units are listed or quoted. The Company shall in no event be obligated to take any affirmative action in order to cause the delivery of Units to comply with any such law, rule, regulations or agreement.
5. Assignment of Award. Your rights under this Award and the Plan are personal; no assignment or transfer of your rights under and interest in this Award may be made by you other than by will, by beneficiary designation, by the laws of descent and distribution or by a qualified domestic relations order.
6. No Service Guaranteed. No provision of this Award shall confer any right upon you to continued service to the Company or its Affiliates.
7. Governing Law. These terms shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware.
8. Section 409A
   (a) The Award is intended to comply with or be exempt from Code Section 409A, and ambiguous provisions hereof, if any, shall be construed and interpreted in a manner consistent with such intent. No payment, benefit or consideration shall be substituted for the Award if such action would result in the imposition of taxes under Code Section 409A. Notwithstanding anything herein to the contrary, if any Plan provision or provision hereof results in the imposition of an additional tax under Code Section 409A, that Plan provision or provisions hereof shall be reformed, to the extent permissible under Code Section 409A, to avoid imposition of the additional tax, and no such action shall be deemed to adversely affect your rights to the Award.

(b) Notwithstanding anything herein to the contrary, if your are identified by the Company as a “specified employee” within the meaning of Code Section 409A(a)(2)(B)(i) on the date on which you have a “separation from service” (other than due to death) within the meaning of Treasury Regulation § 1.409A-1(h), any Awards payable or settled on account of a separation from service that are deferred compensation subject to Code Section 409A shall be paid or settled on the earliest of (i) the first business day following the expiration of six months from your separation from service, (ii) the date of your death, or (iii) such earlier date as complies with the requirements of Code Section 409A.
(c) For all purposes herein, you shall be considered to have terminated service with the Company and its Affiliates when you incur a “separation from service” with the Company within the meaning of Treasury Regulation § 1.409A-1(h).

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01/16/2020 18:36 PM U.S. Eastern Standard Time

ACCEPTED

Exhibit 21.1

Delek Logistics Partners, LP
Subsidiaries of the Registrant

Company Name:	State of Incorporation:
Delek Logistics Operating, LLC	DE
Delek Marketing & Supply, LP	DE
Delek Marketing GP, LLC	DE
Delek Crude Logistics, LLC	TX
Delek Marketing-Big Sandy, LLC	TX
Paline Pipeline Company, LLC	TX
Magnolia Pipeline Company, LLC	DE
SALA Gathering Systems, LLC	TX
El Dorado Pipeline Company, LLC	DE
DKL Caddo, LLC	DE
DKL RIO, LLC	DE
DKL Permian Gathering, LLC	TX
DKL Big Spring, LLC	DE
Delek Logistics Finance Corp	DE
DKL Pipeline, LLC	DE
DKL Transportation, LLC	DE
DKL Delaware Gathering, LLC	DE
DKL Delaware Holding – NM, LLC	DE
DKL Delaware Operating – NM, LLC	DE
DKL Delaware Marketing, LLC	DE
DKL Energy – Cottonwood, LLC	DE
DKL Energy – Lynch, LLC	DE
DKL Field Services, LLC	DE
DKL G&P Solutions, LLC	DE
DKL Hat Mesa II – NM, LLC	DE
DKL Neptune Recycling, LLC	DE

Exhibit 22.1

Delek Logistics Partners, LP

Subsidiary Guarantors of Delek Logistics Partners, LP

Company Name:	**State of Incorporation:**
Delek Logistics Operating, LLC	DE
Delek Marketing & Supply, LP	DE
Delek Marketing GP, LLC	DE
Delek Crude Logistics, LLC	TX
Delek Marketing-Big Sandy, LLC	TX
Paline Pipeline Company, LLC	TX
Magnolia Pipeline Company, LLC	DE
SALA Gathering Systems, LLC	TX
El Dorado Pipeline Company, LLC	DE
DKL Caddo, LLC	DE
DKL RIO, LLC	DE
DKL Permian Gathering, LLC	TX
DKL Big Spring, LLC	DE
Delek Logistics Finance Corp	DE
DKL Pipeline, LLC	DE
DKL Transportation, LLC	DE
DKL Delaware Gathering, LLC	DE
DKL Delaware Holding – NM, LLC	DE
DKL Delaware Operating – NM, LLC	DE
DKL Delaware Marketing, LLC	DE
DKL Energy – Cottonwood, LLC	DE
DKL Energy – Lynch, LLC	DE
DKL Field Services, LLC	DE
DKL G&P Solutions, LLC	DE
DKL Hat Mesa II – NM, LLC	DE
DKL Neptune Recycling, LLC	DE

Each of the above subsidiaries of Delek Logistics Partners, LP has unconditionally guaranteed on a senior unsecured, joint and several basis the Partnership's 6.750% Senior Notes Due 2025 and 7.125% Senior Notes due 2028, other than Delek Logistics Finance Corp which is a co-issuer of the securities with the Partnership.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statements (Form S-3 No.'s 333-274402 and 333-264300),
2. Registration Statements (Form S-8 No.'s 333-185264 and 333-256954) both pertaining to the 2012 Long-Term Incentive Plan of Delek Logistics GP, LLC

of our reports dated February 28, 2024, with respect to the consolidated financial statements of Delek Logistics Partners, LP, and the effectiveness of internal control over financial reporting of Delek Logistics Partners, LP, included in this Annual Report (Form 10-K) of Delek Logistics Partners, LP for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Nashville, Tennessee
February 28, 2024

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Form S-8 No. 333-185264 and Form S-8 No. 333-256954) pertaining to the Delek Logistics GP, LLC 2012 Long-Term Incentive Plan and the Registration Statement (Form S-3 No. 333-264300 and Form S-3 No. 333-274402) of Delek Logistics Partners, LP of our report dated February 20, 2024, with respect to the financial statements of Red River Pipeline Company LLC, not included herein, which report appears in this Annual Report (Form 10-K) of Delek Logistics Partners, LP.

/s/ WEAVER AND TIDWELL, L.L.P.

Houston, Texas
February 28, 2024

EXHIBIT 31.1

Certification by Principal Executive Officer pursuant to
Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Avigal Soreq, certify that:

1. I have reviewed this annual report on Form 10-K of Delek Logistics Partners, LP;

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

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

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

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

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

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

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

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

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

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

By: /s/Avigal Soreq

Avigal Soreq,

President

(Principal Executive Officer) of Delek Logistics GP, LLC
(the general partner of Delek Logistics Partners, LP)

Dated: February 28, 2024

EXHIBIT 31.2

Certification by Chief Financial Officer pursuant to
Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Reuven Spiegel, certify that:

1. I have reviewed this annual report on Form 10-K of Delek Logistics Partners, LP;

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

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

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

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

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

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

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

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

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

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

By: /s/ Reuven Spiegel

Reuven Spiegel,

Executive Vice President and Chief Financial Officer (Principal Financial Officer) of Delek Logistics GP, LLC (the general partner of Delek Logistics Partners, LP)

Dated: February 28, 2024

EXHIBIT 32.1

Certification Pursuant to

18 U.S.C. Section 1350,

as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the annual report of Delek Logistics Partners, LP (the “Partnership”) on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Avigal Soreq, President of Delek Logistics GP, LLC, the general partner of the Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, and to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

By: /s/ Avigal Soreq
Avigal Soreq,
President
(Principal Executive Officer) of Delek Logistics GP, LLC
(the general partner of Delek Logistics Partners, LP)

Dated: February 28, 2024

A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certification Pursuant to

18 U.S.C. Section 1350,

as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the annual report of Delek Logistics Partners, LP (the “Partnership”) on Form 10-K for year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Reuven Spiegel, Executive Vice President and Chief Financial Officer of Delek Logistics GP, LLC, the general partner of the Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, and to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

By: /s/ Reuven Spiegel

Reuven Spiegel,

Executive Vice President and Chief Financial Officer (Principal Financial Officer) of Delek Logistics GP, LLC (the general partner of Delek Logistics Partners, LP)

Dated: February 28, 2024

A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 97

1.0 PURPOSE

This Clawback Policy (this “Policy”) is adopted by the Governance and Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Delek Logistics GP, LLC, a Delaware limited liability company (the “GP”), which is a subsidiary of Delek US Holdings, Inc., a Delaware corporation (“Holdings”) and the general partner of Delek Logistics Partners, LP, a Delaware limited partnership (the “Partnership”), effective as of the date set forth above. This Policy is intended to comply with, and shall be interpreted consistently with, Section 10D of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), Rule 10D-1 promulgated under the Exchange Act (“Rule 10D-1”) and Section 303A.14 of the New York Stock Exchange Listed Company Manual (the “Listing Standards”). Unless otherwise defined in this Policy, capitalized terms shall have the meaning ascribed to such terms in Section 5.0.

2.0 SCOPE

2.1 This Policy applies to any current or former member of the Executive Team of the Partnership (an “Executive”) holding positions listed in Appendix I attached hereto, as determined by the Committee in accordance with the definition of executive officer set forth in Rule 10D-1 and the Listing Standards, which shall include the Partnership’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice president of the Partnership in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a significant policy-making function, or any other person who performs similar significant policy-making functions for the Partnership.

2.2 Incentive Compensation is deemed “received” for purposes of this Policy in the Partnership’s fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation plan, program, award or agreement is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

2.3 The recovery of Erroneously Awarded Compensation pursuant to Section 3.1 of this Policy shall be effective as of October 2, 2023 (the “Effective Date”) and shall apply to any Incentive Compensation that is received by Executives on or after the Effective Date, even if such Incentive Compensation was approved, awarded or granted prior to the Effective Date.

3.0 POLICY

3.1 In the event that the Partnership is required to prepare an Accounting Restatement, the Committee shall reasonably promptly require that (i) each Executive forfeit and/or return to the Partnership Incentive Compensation received by the Executive during the Applicable Period that exceeds the amount of Incentive Compensation that otherwise would have been received had such Incentive Compensation been determined based on the restated amounts and (ii) the Partnership seek reimbursement from Holdings for any amounts paid to Holdings pursuant to Section 4.1(c)(ii) of the Third Amended and Restated Omnibus Agreement, dated as of March 31, 2015, by and among the Partnership, the GP, Holdings and the other parties thereto, which such payments are Incentive Compensation paid to

Holdings with respect to an Executive during the Applicable Period that exceeds the amount of Incentive Compensation that otherwise would have been paid had such Incentive Compensation been determined based on the restated amounts (such excess Incentive Compensation described in the preceding clauses (i) and (ii), the "Erroneously Awarded Compensation"); provided, that Incentive Compensation is only subject to recovery under this Section 3.1 if it was received after the person began service as an Executive, and if the person served as an Executive at any time during the performance period for such Incentive Compensation. Any forfeiture and/or return of compensation by an Executive or Holdings under this Section 3.1 will, in any event, be limited to any portion thereof that the Executive would not have received if the consolidated financial statements of the Partnership and its subsidiaries had been reported properly at the time of first public release or filing with the SEC. With respect to the determination of the amount of Erroneously Awarded Compensation, the following shall apply:

(a) Erroneously Awarded Compensation shall be computed by the Committee without regard to any taxes paid by the Executive in respect of the Erroneously Awarded Compensation.

(b) With respect to any compensation plans or programs that take into account Incentive Compensation, the amount of Erroneously Awarded Compensation subject to recovery hereunder includes, but is not limited to, the amount contributed to any notional account based on Erroneously Awarded Compensation and any earnings accrued to date on that notional amount.

(c) For Incentive-Based Compensation based on stock price or TSR: (i) the Committee shall determine the amount of Erroneously Awarded Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive Compensation was received; and (ii) the Partnership shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the New York Stock Exchange.

3.2 The Committee may in its discretion determine not to recover Erroneously Awarded Compensation pursuant to Section 3.1 of this Policy, but only if the Committee determines that recovery would be impracticable because: (a) after first making a reasonable attempt at recovery and providing related documentation to the New York Stock Exchange, the direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered, or (b) recovery would cause a tax-qualified broad-based retirement plan to fail to meet specified tax-qualification requirements.

3.3 If the Committee determines, in its reasonable discretion, that fraud or misconduct has caused significant financial or reputational harm to the Partnership or any of its affiliates, and that any current or former Executive engaged in such fraud or misconduct, or failed in his or her responsibility to manage or monitor the applicable conduct or risk that resulted in such fraud or misconduct, then, to the extent not prohibited by applicable law, the Committee may require that the Executive forfeit and/or return to the Partnership all or a portion of any Incentive Compensation and/or Equity Award received by or awarded to the Executive. For purposes of this Policy, misconduct shall include gross negligence.

3.4 The Committee may seek recovery in the manner it chooses, including by seeking reimbursement from the Executive or Holdings of all or part of the compensation awarded or paid, by electing to withhold unpaid compensation, by set-off, or by rescinding or canceling unvested Equity Awards.

3.5 Any recoupment effort authorized by the Committee shall be subject to the provisions of applicable compensation or employment agreements, including dispute resolution procedures. This Policy shall be incorporated by reference into and shall apply to all performance-based compensation plans and awards granted on or after its adoption by the Committee. Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Executive that may be interpreted to the contrary, the Partnership shall not indemnify any Executive against the loss of any Erroneously Awarded Compensation, including any payment or reimbursement for the cost of third-party insurance purchased by any Executive to fund potential recovery obligations under this Policy.

3.6 By accepting any award as to which this Policy applies, each Executive must agree to be subject to this Policy and thus agree to forfeit and/or return compensation to the Partnership, as provided by this Policy, as this Policy may be amended from time to time by the Committee, including an amendment, or replacement of this Policy with another clawback policy, adopted by the Committee as the Committee may deem necessary, advisable or appropriate including, without limitation, a policy adopted to comply with regulations issued by the SEC.

3.7 The terms of this Policy shall in no way limit the ability of the Partnership to pursue forfeiture or reclamation of amounts under applicable law as the Committee may consider appropriate in its reasonable discretion.

4.0 RESPONSIBILITIES & AUTHORITY

4.1 This Policy shall be administered by the Committee, and all determinations or interpretations made by the Committee shall be final and not subject to further review, and need not be uniform with respect to each individual covered by the Policy. In the administration of this Policy, the Committee is authorized to consult with the full Board or such other committees of the Board as may be necessary or appropriate as to matters within the scope of such other committee's responsibility and authority.

4.2 Subject to any limitation under applicable law, the Committee may authorize and empower any officer or employee of the Partnership to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

4.3 Any members of the Committee, and any other members of the Board or employees of the Partnership who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Partnership to the fullest extent under applicable law and Partnership policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law or Partnership policy.

4.4 The Chief Human Resources Officer of the Company shall update Appendix I from time to time to reflect the current Executives and the members of the Executive Team subject to this Policy.

5.0 DEFINITIONS

When terms are used in this Policy, the following definitions shall apply:

5.1 "Accounting Restatement" an accounting restatement due to the material noncompliance of the Partnership with any financial reporting requirement under U.S. federal securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

5.2 "Applicable Period" means the three completed fiscal years immediately preceding the date on which the Partnership is required to prepare an Accounting Restatement, as well as any transition period (that results from a change in the Partnership's fiscal year) within or immediately following those three completed fiscal years (except that a transition period that comprises a period of at least nine months shall count as a completed fiscal year).

5.3 "Board" has the meaning set forth in Section 1.0.

5.4 "Committee" has the meaning set forth in Section 1.0.

5.5 The "date the Partnership is required to prepare an Accounting Restatement" is the earlier to occur of (a) the date that the Board, an applicable committee or authorized officers concludes, or reasonably should have concluded, that the Partnership is required to prepare an Accounting Restatement; or (b) the date a court, regulator, or other legally authorized body directs the Partnership to prepare an accounting restatement.

5.6 "Effective Date" has the meaning set forth in Section 2.4.

5.7 "Equity Award" means any award of stock options, restricted stock, restricted stock units, performance-based restricted stock units or other performance shares, phantom shares or stock appreciation rights.

5.8 "Erroneously Awarded Compensation" has the meaning set forth in Section 3.1.

5.9 "Exchange Act" has the meaning set forth in Section 1.0.

5.10 "Executive" has the meaning set forth in Section 2.1.

5.11 A "Financial Reporting Measure" is any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure. Financial Reporting Measures include but are not limited to the following (and any measures derived from the following): Company stock price; total shareholder return (“TSR”); revenues; net income; operating income; profitability of one or more reportable segments; financial ratios (e.g., accounts receivable turnover and inventory turnover rates); earnings before interest, taxes, depreciation and amortization (“EBITDA”); funds from operations and adjusted funds from operations; liquidity measures (e.g., working capital, operating cash flow); return measures (e.g., return on invested capital, return on assets); earnings measures (e.g., earnings per share); any of such financial reporting measures relative to a peer group, where the Company’s financial reporting measure is subject to an Accounting Restatement; and tax basis income. A Financial Reporting Measure need not be presented within the Company’s financial statements or included in a filing with the U.S. Securities Exchange Commission.

5.12 “GP” has the meaning set forth in Section 1.0.

5.13 “Holdings” has the meaning set forth in Section 1.0.

5.14 “Incentive Compensation” means any compensation that was granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure and shall include Equity Awards.

5.15 “Listing Standards” has the meaning set forth in Section 1.0.

5.16 “Partnership” has the meaning set forth in Section 1.0.

5.17 “Policy” has the meaning set forth in Section 1.0.

5.18 “Rule 10D-1” has the meaning set forth in Section 1.0.

5.19 “SEC” means the U.S. Securities and Exchange Commission.

6.0 <u>RELATED DOCUMENTS</u>

6.1 Delek US Holdings, Inc. 2016 Long-Term Incentive Plan, as amended.

Appendix I
Executive Team

1. President
2. Chief Financial Officer
3. Chief Operating Officer
4. All EVPs
5. SVP, Delek Logistics

Exhibit 99.1

Report of Independent Registered Public Accounting Firm

To the Board of Members of
Red River Pipeline Company LLC

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Red River Pipeline Company LLC (the Company) as of December 31, 2023 and 2022, and the related statements of operations, changes in members' equity and cash flows for the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of Matter

As discussed in Note 4 to the financial statements, the Company has extensive operations and relationships with affiliated entities. Our opinion is not modified with respect to this matter.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ WEAVER AND TIDWELL, L.L.P.

We have served as the Company's auditor since 2019.

Houston, Texas
February 20, 2024