SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1994-03-18** | Period of Report: **1993-12-31**
SEC Accession No. 0000950109-94-000494

(HTML Version on secdatabase.com)

FILER

BUCKEYE PARTNERS L P

CIK:**805022**| IRS No.: **232432497** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **001-09356** | Film No.: **94516735**
SIC: **4610** Pipe lines (no natural gas)

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1993

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 1-9356

BUCKEYE PARTNERS, L.P.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	23-2432497
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(IRS EMPLOYER IDENTIFICATION NUMBER)

3900 HAMILTON BOULEVARD ALLENTOWN, PENNSYLVANIA	18103
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (610) 820-8300

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
LP Units representing limited partnership interests................	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

None
(TITLE OF CLASS)

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

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 X No

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At March 3, 1994, the aggregate market value of the registrant's LP Units held by non-affiliates was $460 million. The calculation of such market value should not be construed as an admission or conclusion by the registrant that any person is in fact an affiliate of the registrant.

LP Units outstanding as of March 3, 1994: 12,000,000

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PART I

ITEM 1. BUSINESS

INTRODUCTION

Buckeye Partners, L.P. (the "Partnership"), the Registrant, is a limited partnership organized in 1986 under the laws of the State of Delaware.

The Partnership conducts all its operations through subsidiary entities. These operating subsidiaries are Buckeye Pipe Line Company, L.P. ("Buckeye"), Laurel Pipe Line Company, L.P. ("Laurel"), Everglades Pipe Line Company, L.P. ("Everglades") and Buckeye Tank Terminals Company, L.P. ("BTT"), each of which is 99 percent owned. (Each of Buckeye, Laurel, Everglades and BTT is referred to as an "Operating Partnership" and collectively as the "Operating Partnerships"). Through Laurel, the Partnership owns a 98.01 percent limited partnership interest in Buckeye Pipe Line Company of Michigan, L.P. ("BPL Michigan"), which discontinued operations in 1993. See "--Other Business Activities" below.

Buckeye is one of the largest independent pipeline common carriers of refined petroleum products in the United States, with 3,387 miles of pipeline serving 10 states. Laurel owns a 346-mile common carrier refined products pipeline located principally in Pennsylvania. Everglades owns 37 miles of refined products pipeline in Florida. Buckeye, Laurel and Everglades conduct the Partnership's refined products pipeline business. BTT provides bulk storage service through leased facilities with an aggregate capacity of 305,000 barrels of refined petroleum products.

The Partnership acquired its interests in the Operating Partnerships from The

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Penn Central Corporation ("Penn Central") on December 23, 1986 (the "Acquisition"). The Operating Partnerships (other than Laurel) had been organized by Penn Central for purposes of the Acquisition and succeeded to the operations of predecessor companies owned by Penn Central, including Buckeye Pipe Line Company (an Ohio corporation) and its subsidiaries ("Pipe Line"), in November 1986. Laurel was formed in October 1992 and succeeded to the operations of Laurel Pipe Line Company ("Laurel Corp") (an Ohio corporation) which was a majority owned corporate subsidiary of the Partnership until the minority interest was acquired in December 1991.

Buckeye Management Company (the "General Partner"), a wholly owned subsidiary of Penn Central formed in 1986, owns a 1 percent general partnership interest in, and serves as sole general partner of, the Partnership. A corporate subsidiary of the General Partner, Buckeye Pipe Line Company (a Delaware corporation) (the "Manager"), owns a 1 percent general partnership interest in, and serves as sole general partner and manager of, each Operating Partnership.

REFINED PRODUCTS BUSINESS

The Partnership receives petroleum products from refineries, connecting pipelines and marine terminals, and transports those products to other locations. In 1993, refined products accounted for substantially all of the Partnership's consolidated revenues, consolidated operating income and consolidated property, plant and equipment.

The Partnership transported an average of approximately 981,100 barrels per day of refined products in 1993. The following table shows the volume and percentage of refined products transported over the last three years.

VOLUME AND PERCENTAGE OF REFINED PRODUCTS TRANSPORTED(1)(2)
(VOLUME IN THOUSANDS OF BARRELS PER DAY)

	YEAR ENDED DECEMBER 31,					
	1993		1992		1991	
	VOLUME	PERCENT	VOLUME	PERCENT	VOLUME	PERCENT
Gasoline	503.6	51%	458.0	50%	442.7	51%
Jet Fuels	234.1	24	227.7	25	218.6	25
Middle Distillates (3)	223.0	23	205.4	23	192.6	22
Other Products	20.4	2	21.4	2	17.1	2
Total	981.1	100%	912.5	100%	871.0	100%

- --------
(1) Excludes crude oil volumes of 2.2 and 0.7 thousand barrels per day for the years ended December 31, 1991 and 1992, respectively. No crude oil volumes were transported during 1993.
(2) Excludes local product transfers.
(3) Includes diesel fuel, heating oil, kerosene and other middle distillates.

The Partnership provides service in the following states: Pennsylvania, New York, New Jersey, Indiana, Ohio, Michigan, Illinois, Connecticut, Massachusetts, Washington and Florida.

Pennsylvania--New York--New Jersey

Buckeye serves major population centers in the states of Pennsylvania, New York and New Jersey through 1,170 miles of pipeline. Refined products are received at Linden, New Jersey. Products are then transported through two lines from Linden, New Jersey to Allentown, Pennsylvania. From Allentown, the pipeline continues west to Pittsburgh, Pennsylvania (serving Reading,

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Harrisburg, Altoona/Johnstown and Pittsburgh) and north through eastern Pennsylvania into New York State (serving Scranton/Wilkes-Barre, Binghamton, Syracuse, Utica and Rochester and, via a connecting carrier, Buffalo). Products received at Linden, New Jersey are also transported through two lines to John F. Kennedy International and LaGuardia Airports and to commercial bulk terminals at Long Island City and Inwood, New York. The pipeline presently supplies Kennedy, LaGuardia and Newark International airports with substantially all of each airport's jet fuel requirements.

Laurel transports refined products through a 346-mile pipeline extending westward from five refineries in the Philadelphia area to Pittsburgh, Pennsylvania.

Indiana--Ohio--Michigan--Illinois

Buckeye transports refined products through 2,092 miles of pipeline (of which 246 miles are jointly owned with other pipeline companies) in southern Illinois, central Indiana, eastern Michigan, western and northern Ohio and western Pennsylvania. A number of receiving lines and delivery lines connect to a central corridor which runs from Lima, Ohio, through Toledo, Ohio to Detroit, Michigan. Products are received at East Chicago, Indiana; Robinson, Illinois and at the corridor connection points of Detroit, Toledo and Lima. Major areas served include Huntington/Fort Wayne, Indiana; Bay City, Detroit and Flint, Michigan; Cleveland, Columbus, Lima and Toledo, Ohio; and Pittsburgh, Pennsylvania.

Other Refined Products Pipelines

Buckeye serves Connecticut and Massachusetts through 111 miles of pipeline that carry refined products from New Haven, Connecticut to Hartford, Connecticut and Springfield, Massachusetts.

Everglades carries primarily jet fuel on a 37-mile pipeline from Port Everglades, Florida to Hollywood-Ft. Lauderdale International Airport and Miami International Airport.

Buckeye carries jet fuel on a 14-mile pipeline from Tacoma, Washington to McChord Air Force Base.

OTHER BUSINESS ACTIVITIES

Crude oil transportation services provided by BPL Michigan using 126 miles of 16-inch pipeline between Marysville (Port Huron), Michigan and Toledo, Ohio terminated on February 1, 1993 upon the sale of this pipeline to Sun Pipe Line Company. The remaining 38 miles of pipeline and all remaining property, plant and equipment which had been owned by BPL Michigan was transferred to Buckeye on June 1, 1993. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources--Discontinued Operations."

BTT provides bulk storage services through leased facilities located in Pittsburgh, Pennsylvania and Bay City, Michigan, which have the capacity to store up to an aggregate of approximately 305,000 barrels of refined petroleum products. Each facility is served by Buckeye and provides bulk storage and loading facilities for shippers or other customers.

COMPETITION AND OTHER BUSINESS CONSIDERATIONS

The Operating Partnerships do business without the benefit of exclusive franchises from government entities. In addition, the Operating Partnerships generally operate as common carriers, providing transportation services at posted tariffs and without long-term contracts. As providers of such service, the Operating Partnerships do not own the products they transport. Demand for such service arises, ultimately, from demand for petroleum products in the regions served and the ability and willingness of refiners, marketers and end-users to supply such demand by deliveries through the Partnership's pipelines. Demand for refined petroleum products is primarily a function of price,

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prevailing economic conditions and weather. The Operating Partnerships' businesses are, therefore, subject to a variety of factors partially or entirely beyond their control. Multiple sources of pipeline entry and multiple points of delivery, however, have historically helped maintain stable total volumes even when volumes at particular source or destination points have changed.

The Partnership's business may in the future be affected by changing prices or demand for oil and for other fuels. The Partnership may also be affected by energy conservation, changing sources of supply, structural changes in the oil industry and new energy technologies. The General Partner is unable to predict the effect of such factors.

A substantial portion of the refined petroleum products transported by the Partnership's pipelines are ultimately used as fuel for motor vehicles and aircraft. Changes in transportation and travel patterns in the areas served by the Partnership's pipelines could adversely affect the Partnership's results of operations.

In 1993, the Operating Partnerships had approximately 120 customers, most of which were either major integrated oil companies or smaller marketing companies. The largest two customers accounted for 7.2 percent and 6.5 percent, respectively, of consolidated revenues, while the 20 largest customers accounted for 74.2 percent of consolidated revenues.

Generally, pipelines are the lowest cost method for long-haul overland movement of refined petroleum products. Therefore, the Operating Partnership's most significant competitors for large

volume shipments are other pipelines, many of which are owned and operated by major integrated oil companies. Although it is unlikely that a pipeline system comparable in size and scope to the Operating Partnership's will be built in the foreseeable future, new pipelines (including pipeline segments that connect with existing pipeline systems) could be built to effectively compete with the Operating Partnerships in particular locations.

In some areas, the Operating Partnerships compete with marine transportation. Tankers and barges on the Great Lakes account for some of the volume to certain Michigan, Ohio and upstate New York locations during the approximately eight non-winter months of the year. Barges are presently a competitive factor for deliveries to the New York City area, the Pittsburgh area, Connecticut and Ohio.

Trucks competitively deliver product in a number of areas served by the Operating Partnerships. While their costs may not be competitive for longer hauls or large volume shipments, trucks compete effectively with the Operating Partnerships in many areas. The availability of truck transportation places a significant competitive constraint on the ability of the Operating Partnerships to increase their tariff rates.

Privately arranged exchanges of product between marketers in different locations are an increasing but unquantified form of competition. Generally, such exchanges reduce both parties' costs by eliminating or reducing transportation charges.

In recent years, a large quantity of domestic refining capacity has been temporarily or permanently shut down. To date, the aggregate impact of these shut-downs has affected the Operating Partnerships' volumes favorably, as these shut-downs have resulted in the transportation of product over longer distances to certain locations. Because the Operating Partnerships' pipelines have numerous source points, the General Partner does not believe that the shut-down of any particular refinery would have a material adverse effect on the Partnership. However, the General Partner is unable to determine whether additional shut-downs will occur or what their effects might be.

The Operating Partnerships' mix of products transported tends to vary seasonally. Declines in demand for heating oil during the summer months are, to

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a certain extent, offset by increased demand for gasoline and jet fuels. Overall, operations have been only moderately seasonal, with somewhat lower than average volume being transported during March, April and May as compared to the rest of the year.

Neither the Partnership nor any of the Operating Partnerships have any employees. All of the operations of the Operating Partnerships are managed and operated by employees of the Manager. At December 31, 1993, the Manager had 611 full-time employees, 161 of whom were represented by two labor unions. The collective bargaining agreement with each of these unions is subject to renewal in 1996. The Operating Partnerships (and their predecessors) have never experienced any significant work stoppages or other significant labor problems.

CAPITAL EXPENDITURES

The General Partner anticipates that the Partnership will continue to make ongoing capital expenditures to maintain and enhance its assets and properties, including improvements to meet customers' needs and those required to satisfy new environmental and safety standards. In 1993, total capital expenditures were $13.3 million. Projected capital expenditures for 1994 amount to $12.8 million. Planned capital expenditures in 1994 include, among other things, renewal and replacement

of pipe, construction of containment facilities, new valves, metering systems, field instrumentation, communications facilities and testing equipment. Capital expenditures are expected to increase over time primarily in response to increasingly rigorous governmental safety and environmental requirements as well as industry standards. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

REGULATION

General

Two of the Operating Partnerships (Buckeye and Laurel) are interstate common carriers (the "FERC Carriers") subject to the regulatory jurisdiction of the Federal Energy Regulatory Commission ("FERC") under the Interstate Commerce Act and the Department of Energy Organization Act. FERC regulation requires that interstate oil pipeline rates be posted publicly and that these rates be "just and reasonable" and non-discriminatory. FERC regulation also enforces common carrier obligations and specifies a uniform system of accounts. In addition, the FERC Carriers are subject to the jurisdiction of certain other federal agencies with respect to environmental and pipeline safety matters.

The Interstate Commerce Act permits challenges to proposed new or changed rates and to rates that are already effective by protest or complaint by an interested party or upon FERC's own motion, and upon an appropriate showing, a complainant may obtain reparations for damages sustained for a period of up to two years prior to the filing of a complaint and a reduction of rates in the future.

The FERC Carriers are also subject to the jurisdiction of various state and local agencies, including, in some states, public utility commissions which have jurisdiction over, among other things, intrastate tariffs, the issuance of debt and equity securities, transfers of assets and pipeline safety.

Tariffs

FERC has jurisdiction over the FERC Carriers' interstate tariffs. In July 1988, in the midst of a rate proceeding involving Buckeye, FERC issued an order that provided Buckeye with the opportunity to qualify for an unspecified alternative form of "light-handed" rate regulation if Buckeye could establish that it lacked significant market power. On December 31, 1990, after extensive testimony and hearings, FERC issued an opinion which found that in most of its relevant market areas, Buckeye operated in a competitive environment in which it could not exercise significant market power and that Buckeye's tariff rates

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in those markets were just and reasonable. Based on these findings, FERC permitted Buckeye to implement a "light-handed" rate regulation program on an experimental basis for three years beginning in March 1991. Under the program, in markets where Buckeye does not have significant market power, individual rate increases: (a) will not exceed a real (i.e., exclusive of inflation) increase of 15 percent over any two-year period (the "rate cap"), and (b) will be allowed to become effective without suspension or investigation if they do not exceed a "trigger" equal to the change in the GNP implicit price deflator since the date on which the individual rate was last increased, plus 2 percent. Individual rate decreases will be presumptively valid upon a showing that the proposed rate exceeds marginal costs. In markets where Buckeye was found to have significant market power and in certain markets where no market power finding was made: (i) individual rate increases cannot exceed the volume weighted average rate increase in markets where Buckeye does not have significant market power since the date on which the individual rate was last increased, and (ii) any volume weighted average rate decrease in markets where Buckeye does not have significant market power must be accompanied by a corresponding decrease in all of Buckeye's rates in markets where it does have significant market power. Shippers

retain the right to file complaints or protests following notice of a rate increase, but are required to show that the proposed rates violate or have not been adequately justified under the experimental program, that the proposed rates are unduly discriminatory, or that Buckeye has acquired significant market power in markets previously found to be competitive.

The Buckeye "light-handed" rate regulation program is subject to review by FERC after three years of operation, which will be in early 1994. On February 22, 1994, Buckeye filed a tariff seeking to continue its rate regulation program on a permanent basis. The filing is presently under consideration by FERC. At this time, the General Partner cannot predict whether the program will be extended, modified or terminated, or the effect of any such action on the Partnership.

In October 1992, the Energy Policy Act of 1992 (the "Policy Act") was enacted. Title XVIII of the Policy Act, "Oil Pipeline Regulatory Reform," provides, among other things, that certain tariff rates that were in effect on October 25, 1991 are deemed "just and reasonable, " and that FERC is directed by October 24, 1993 to promulgate a rule establishing a simplified and generally applicable ratemaking methodology for oil pipelines. FERC was also directed to issue a rule streamlining certain procedural aspects of its proceedings.

On October 22, 1993, FERC issued a final rule pursuant to the Policy Act with respect to rate regulation of oil pipelines. The rule relies primarily on an index methodology, whereby a pipeline would be allowed to change its rates in accordance with an index that FERC believes reflects cost changes appropriate for application to pipeline rates. In the alternative, a pipeline is allowed to charge market-based rates if the pipeline establishes that it does not possess significant market power in a particular market. In addition, the rule provides for the rights of both pipelines and shippers to demonstrate that the index should not apply to an individual pipeline's rates in light of the pipeline's costs. Requests for rehearing of the rule are pending with FERC. Subject to any modifications resulting from the requests for rehearing, the final rule will become effective on January 1, 1995. Concurrently, with the promulgation of the final rule, FERC also commenced an inquiry into its market-based rate policy, seeking comments on whether market-based rates should be allowed and how they should be implemented and supported. FERC intends to issue a new rule in this regard by January 1, 1995.

At this time, the General Partner cannot predict the impact, if any, that any new rule promulgated by FERC may have on Buckeye's current "light-handed" regulatory program or on Buckeye's tariff rates generally. Independent of regulatory considerations, it is expected that tariff rates will continue to be constrained by competition and other market factors.

In June 1993, Buckeye filed changes in certain FERC tariff rates applying the

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principles of the experimental "light-handed" rate regulation program. Such changes represented an average increase of 1.4 percent for the rates involved and were projected to generate approximately $1.5 million in additional revenues per year. The new tariff rates became effective on August 1, 1993, without investigation or suspension.

Environmental Matters

The Operating Partnerships are subject to federal and state laws and regulations relating to the protection of the environment. Although the General Partner believes that the operations of the Operating Partnerships comply in all material respects with applicable environmental regulations, risks of substantial liabilities are inherent in pipeline operations, and there can be no assurance that material environmental liabilities will not be incurred. Moreover, it is possible that other developments, such as increasingly rigorous environmental laws, regulations and enforcement

policies thereunder, and claims for damages to property or persons resulting from the operations of the Operating Partnerships, could result in substantial costs and liabilities to the Partnership. See "Legal Proceedings" and "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources--Environmental Matters."

The Oil Pollution Act of 1990 ("OPA") amends certain provisions of the federal Water Pollution Control Act of 1972, commonly referred to as the Clean Water Act ("CWA") and other statutes as they pertain to the prevention of and response to oil spills into navigable waters. The OPA subjects owners of facilities to strict joint and several liability for all containment and clean-up costs and certain other damages arising from a spill. The CWA provides penalties for any discharges of petroleum products in reportable quantities and imposes substantial liability for the costs of removing a spill. State laws for the control of water pollution also provide varying civil and criminal penalties and liabilities in the case of releases of petroleum or its derivatives into surface waters or into the ground. Regulations are currently being developed under OPA and state laws which may impose additional regulatory burdens on the Partnership.

Contamination resulting from spills or releases of refined petroleum products are not unusual in the petroleum pipeline industry. The Partnership's pipelines cross numerous navigable rivers and streams. Although the General Partner believes that the Operating Partnerships comply in all material respects with the spill prevention, control and countermeasure requirements of federal laws, any spill or other release of petroleum products into navigable waters may result in material costs and liabilities to the Partnership.

The Resource Conservation and Recovery Act ("RCRA"), as amended, establishes a comprehensive program of regulation of "hazardous wastes." Hazardous waste generators, transporters, and owners or operators of treatment, storage and disposal facilities must comply with regulations designed to ensure detailed tracking, handling and monitoring of these wastes. RCRA also regulates the disposal of certain non-hazardous wastes. As a result of recently issued regulations, many previously non-hazardous wastes generated by pipeline operations have become "hazardous wastes" which are subject to more rigorous and costly disposal requirements.

The Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), also known as "Superfund," governs the release or threat of release of a "hazardous substance." Disposal of a hazardous substance, whether on or off-site, may subject the generator of that substance to liability under CERCLA for the costs of clean-up and other remedial action. Pipeline maintenance and other activities in the ordinary course of business could subject the Operating Partnerships to the requirements of these statutes. As a result, to the extent hydrocarbons or other petroleum waste may have been released or disposed of in the past, the Operating Partnerships may in the future be required to remediate contaminated property. Governmental authorities such as the Environmental Protection Agency ("EPA"), and in some instances third parties, are authorized under CERCLA to seek to recover

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remediation and other costs from responsible persons, without regard to fault or the legality of the original disposal. In addition to its potential liability as a generator of a "hazardous substance," the property or right-of-way of the Operating Partnerships may be adjacent to or in the immediate vicinity of Superfund and other hazardous waste sites. Accordingly, the Operating Partnerships may be responsible under CERCLA for all or part of the costs required to cleanup such sites, which costs could be material.

The Clean Air Act, amended by the Clean Air Act Amendments of 1990 (the "Amendments"), imposes controls on the emission of pollutants into the air. The Operating Partnerships may be affected in several ways by the Amendments, including required changes in operating procedures and increased capital expenditures. The Amendments require states to develop permitting programs over the next several years to comply with new federal programs. Existing operating and air-emission permits like

those held by the Operating Partnerships will have to be reviewed to determine compliance with the new programs. It is possible that new or more stringent controls will be imposed upon the Operating Partnerships through this permit review. In addition, the Amendments impose new requirements on the composition of fuels transported by the Operating Partnerships. While the principal impact of these new requirements will be on refiners and marketers of such fuels, the Operating Partnerships may have to institute additional quality control procedures and provide additional tankage in order to satisfy customer needs for segregated storage of these reformulated fuels.

The Operating Partnerships are also subject to environmental laws and regulations adopted by the various states in which they operate. In certain instances, the regulatory standards adopted by the states are more stringent than applicable federal laws.

In connection with the Acquisition, Pipe Line obtained an Administrative Consent Order ("ACO") from the New Jersey Department of Environmental Protection and Energy ("NJDEPE") under the New Jersey Environmental Cleanup Responsibility Act of 1983 ("ECRA") for all six of Pipe Line's facilities in New Jersey. The ACO permitted the Acquisition to be completed prior to full compliance with ECRA, but required Pipe Line to conduct in a timely manner a sampling plan for environmental contamination at the New Jersey facilities and to implement any required clean-up plan. Sampling continues in an effort to identify areas of contamination at the New Jersey facilities, while clean-up operations have begun at certain of the sites. The obligations of Pipe Line were not assumed by the Partnership, and the costs of compliance will be paid by Penn Central. Through December 1993, Buckeye's costs of approximately $2,286,000 have been funded by Penn Central.

Safety Matters

The Operating Partnerships are subject to regulation by the United States Department of Transportation ("DOT") under the Hazardous Liquid Pipeline Safety Act of 1979 ("HLPSA") relating to the design, installation, testing, construction, operation, replacement and management of their pipeline facilities. HLPSA covers petroleum and petroleum products and requires any entity which owns or operates pipeline facilities to comply with applicable safety standards, to establish and maintain a plan of inspection and maintenance and to comply with such plans.

The Pipeline Safety Reauthorization Act of 1988 required increased coordination of safety regulation between federal and state agencies, testing and certification of pipeline personnel, and authorization of safety-related feasibility studies. During 1990, the Manager initiated a random drug testing program to comply with the regulations promulgated by the Office of Pipeline Safety, DOT. Federal legislation enacted in October 1991 contained a provision requiring alcohol testing for workers with certain safety-sensitive duties in various transportation industries. Regulations issued pursuant to the legislation, effective January 1, 1995, provide that pipeline personnel, in certain circumstances, will be subject to alcohol testing requirements. The regulations also require alcohol testing, in certain circumstances, of

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pipeline personnel who maintain commercial drivers' licenses. The Manager intends to institute an alcohol testing program for covered employees in accordance with the regulations.

In October 1992, HLPSA was amended by the Pipeline Safety Act of 1992 to provide, among other things, that the Secretary of Transportation shall consider the need for the protection of the environment in issuing federal safety standards for the transportation of hazardous liquids by pipeline. The amended legislation also requires the Secretary of Transportation to issue regulations concerning, among other things, the identification by pipeline operators of environmentally sensitive areas; the circumstances under which emergency flow restricting devices should be required on

pipelines; training and qualification standards for personnel involved in maintenance and operation of pipelines; and the periodic integrity testing of pipelines in environmentally sensitive and high-density population areas by internal inspection devices or by hydrostatic testing. Significant expenses would be incurred if, for instance, additional valves were required or if leak detection standards exceeded the current control system capabilities of the Operating Partnerships. The General Partner believes that the Operating Partnerships' operations comply in all material respects with HLPSA, but the industry, including the Partnership, could be required to incur substantial additional capital expenditures and increased operating costs depending upon the requirements of final regulations issued by DOT pursuant to HLPSA, as amended.

The Operating Partnerships are also subject to the requirements of the Federal Occupational Safety and Health Act ("OSHA") and comparable state statutes. The General Partner believes that the Operating Partnerships' operations comply in all material respects with OSHA requirements, including general industry standards, recordkeeping, hazard communication requirements and monitoring of occupational exposure to benzene and other regulated substances.

The General Partner cannot predict whether or in what form any new legislation or regulatory requirements might be enacted or adopted or the costs of compliance. In general, any such new regulations would increase operating costs and impose additional capital expenditure requirements on the Partnership, but the General Partner does not presently expect that such costs or capital expenditure requirements would have a material adverse effect on the Partnership.

TAX TREATMENT OF PUBLICLY TRADED PARTNERSHIPS UNDER THE INTERNAL REVENUE CODE

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain limitations on the current deductibility of losses attributable to investments in publicly traded partnerships and treats certain publicly traded partnerships as corporations for federal income tax purposes. The following discussion briefly describes certain aspects of the Code that apply to individuals who are citizens or residents of the United States without commenting on all of the federal income tax matters affecting the Partnership or its unitholders (the "Unitholders"), and is qualified in its entirety by reference to the Code. UNITHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISOR ABOUT THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES TO THEM OF AN INVESTMENT IN THE PARTNERSHIP.

Characterization of the Partnership for Tax Purposes

The Code treats a publicly traded partnership that existed on December 17, 1987, such as the Partnership, as a corporation for federal income tax purposes beginning in the earlier of (i) 1998 or (ii) the year in which it adds a substantial new line of business unless, for each taxable year of the Partnership beginning in the earlier of such years, 90 percent or more of its gross income consists of qualifying income. Qualifying income includes interest, dividends, real property rents, gains from the sale or disposition of real property, income and gains derived from the exploration, development, mining or production, processing, refining, transportation (including pipelines

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transporting gas, oil or products thereof), or the marketing of any mineral or natural resource (including fertilizer, geothermal energy and timber), and gain from the sale or disposition of capital assets that produced such income.

Because the Partnership is engaged primarily in the refined products pipeline transportation business, the General Partner believes that 90 percent or more of the Partnership's gross income has been qualifying income. If this continues to be true and no subsequent legislation amends this provision, the Partnership would continue to be classified as a partnership and not as a corporation for federal income tax purposes.

Passive Activity Loss Rules

The Code provides that an individual, estate, trust or personal service corporation generally may not deduct losses from passive business activities, to the extent they exceed income from all such passive activities, against other income. Income which may not be offset by passive activity "losses" includes not only salary and active business income, but also portfolio income such as interest, dividends or royalties or gain from the sale of property that produces portfolio income. Credits from passive activities are also limited to the tax attributable to any income from passive activities. The passive activity loss rules are applied after other applicable limitations on deductions, such as the at-risk rules and the basis limitation. Certain closely held corporations are subject to slightly different rules, which can also limit their ability to offset passive losses against certain types of income.

Under the Code, net income from publicly traded partnerships is not treated as passive income for purposes of the passive loss rule, but is treated as portfolio income. Net losses and credits attributable to an interest in a publicly traded partnership are not allowed to offset a partner's other income. Thus, a Unitholder's proportionate share of the Partnership's net losses may be used to offset only Partnership net income from its trade or business in succeeding taxable years or, upon a complete disposition of a Unitholder's interest in the Partnership to an unrelated person in a fully taxable transaction, may be used to (i) offset gain recognized upon the disposition, and (ii) then against all other income of the Unitholder. In effect, net losses are suspended and carried forward indefinitely until utilized to offset net income of the Partnership from its trade or business or allowed upon the complete disposition to an unrelated person in a fully taxable transaction of a Unitholder's interest in the Partnership. A Unitholder's share of Partnership net income may not be offset by passive activity losses generated by other passive activities. In addition, a Unitholder's proportionate share of the Partnership's portfolio income, including portfolio income arising from the investment of the Partnership's working capital, is not treated as income from a passive activity and may not be offset by such Unitholder's share of net losses of the Partnership.

Deductibility of Interest Expense

The Code generally provides that investment interest expense is deductible only to the extent of a non-corporate taxpayer's net investment income. In general, net investment income for purposes of this limitation includes gross income from property held for investment, gain attributable to the disposition of property held for investment (except for net capital gains for which the taxpayer has elected to be taxed at a maximum rate of 28 percent) and portfolio income (determined pursuant to the passive loss rules) reduced by certain expenses (other than interest) which are directly connected with the production of such income. Property subject to the passive loss rules is not treated as property held for investment. However, the IRS has issued a Notice which provides that net income from a publicly traded partnership (not otherwise treated as a corporation) may be included in net investment income for purposes of the limitation on the deductibility of investment interest. A Unitholder's investment income attributable to its interest in the Partnership will include both its allocable share of the Partnership's portfolio income and trade or business income. A Unitholder's investment interest expense will include its allocable share of the Partnership's interest expense attributable to portfolio

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investments.

Unrelated Business Taxable Income

Certain entities otherwise exempt from federal income taxes (such as individual retirement accounts, pension plans and charitable organizations) are nevertheless subject to federal income tax on net unrelated business taxable income in excess of $1,000, and each such entity must file a tax return for each year in which it has more than $1,000 of gross income included in computing unrelated business taxable income. The General Partner believes that substantially all of the Partnership's gross income will be treated as derived from an unrelated trade or business and taxable to such

entities. The tax-exempt entity's share of the Partnership's deductions are allowed in computing the entity's taxable unrelated business income. ACCORDINGLY, INVESTMENT IN THE PARTNERSHIP BY TAX-EXEMPT ENTITIES SUCH AS INDIVIDUAL RETIREMENT ACCOUNTS, PENSION PLANS AND CHARITABLE TRUSTS MAY NOT BE ADVISABLE.

State Tax Treatment

The Partnership owns property or does business in the states of Pennsylvania, New York, New Jersey, Indiana, Ohio, Michigan, Illinois, Connecticut, Massachusetts, Washington and Florida. A Unitholder will likely be required to file state income tax returns and to pay applicable state income taxes in many of these states and may be subject to penalties for failure to comply with such requirements. Some of the states have proposed that the Partnership withhold a percentage of income attributable to Partnership operations within the state for Unitholders who are non-residents of the state. In the event that amounts are required to be withheld (which may be greater or less than a particular Unitholder's income tax liability to the state), such withholding would generally not relieve the non-resident Unitholder from the obligation to file a state income tax return.

ITEM 2. PROPERTIES

As of December 31, 1993, the principal facilities of the Operating Partnerships included 3,770 miles of 6-inch to 24-inch diameter pipeline, 44 pumping stations, 104 delivery points and various sized tanks having an aggregate capacity of approximately 10.1 million barrels.

The Operating Partnerships own substantially all of their facilities subject, in the case of Buckeye, to a mortgage and security interest granted to secure payment of the outstanding balance of Buckeye's First Mortgage Notes due serially through 2009. See Note 7 to Consolidated Financial Statements of Buckeye Partners, L.P. In addition, certain portions of Buckeye's pipeline in Connecticut and Massachusetts are subject to security interests in favor of the owners of the right-of-way to secure future lease payments.

In general, the Operating Partnerships' pipelines are located on land owned by others pursuant to rights granted under easements, leases, licenses and permits from railroads, utilities, governmental entities and private parties. Like other pipelines, certain of the Operating Partnerships' rights are revocable at the election of the grantor or are subject to renewal at various intervals, and some require periodic payments. The Operating Partnerships have not experienced any revocations or lapses of such rights which were material to its business or operations, and the General Partner has no reason to expect any such revocation or lapse in the foreseeable future. Most pumping stations and terminal facilities are located on land owned by the Operating Partnerships.

The General Partner believes that the Operating Partnerships have sufficient title to their material assets and properties, possess all material authorizations and franchises from state and local governmental and regulatory authorities and have all other material rights necessary to conduct their business substantially in accordance with past practice. Although in certain cases the Operating Partnerships' title to assets and properties or their other rights, including their rights to occupy the land of others under easements,

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leases, licenses and permits, may be subject to encumbrances, restrictions and other imperfections, none of such imperfections are expected by the General Partner to interfere materially with the conduct of the Operating Partnerships' businesses.

ITEM 3. LEGAL PROCEEDINGS

The Partnership, in the ordinary course of business, is involved in various claims and legal proceedings, some of which are covered in whole or in part by insurance. The General Partner is unable to predict the timing or outcome of these claims and proceedings. Although it is possible that one or more of these claims or proceedings, if adversely determined, could, depending on the relative

amounts involved, have a material effect on the Partnership's results of operations for a future period, the General Partner does not believe that their outcome will have a material effect on the Partnership's consolidated financial condition.

FREEPORT LANDSLIDE

On March 30, 1990, a landslide near Freeport, Pennsylvania caused a rupture to one of the Partnership's pipelines which resulted in the release of approximately 58,000 gallons of petroleum products. Undetermined amounts of petroleum products saturated the soils surrounding the landslide area and flowed into Knapp Run and eventually into the Allegheny River. Buckeye promptly conducted extensive emergency response and remediation efforts.

Following the release, various agencies and departments of both the federal and state governments, including the United States Department of Justice, the Pennsylvania Office of Attorney General, the Pennsylvania Department of Environmental Resources ("DER"), the Pennsylvania Department of Transportation, EPA, the National Transportation Safety Board, and DOT, commenced investigations into the circumstances of the pipeline rupture. The U.S. Justice Department and the Pennsylvania Attorney General's Office have instituted criminal investigations, but Buckeye has not been formally advised that it is a target of those investigations. The other investigations are civil in nature.

As a result of the foregoing investigations, Buckeye may be subject to claims or charges seeking civil or criminal fines, penalties or assessments from one or more governmental agencies. At this time, Buckeye has not been charged with any violations of federal or state law, and it is impossible to predict whether there will be any such actions brought against Buckeye, the amount of any fines, penalties or assessments sought to be imposed or the outcome of any such actions.

After the emergency phase of the clean-up was complete, Buckeye and DER reached an agreement on remediation and erosion and sedimentation control at the site. Under this agreement, Buckeye is collecting and treating surface runoff water from the site and has instituted further erosion and sedimentation control measures under a DER-approved plan.

In addition to the above governmental investigations, eight civil class actions against the Partnership, Buckeye and certain affiliates were filed in four Pennsylvania counties. Plaintiffs in these lawsuits seek both injunctive and monetary relief, including punitive damages and attorneys' fees, based on a number of legal theories. The parties have consolidated these actions in a single class action in the Court of Common Pleas for Allegheny County, Pennsylvania, but the proposed class has not yet been certified and there has been no significant activity in the case. At this time, it is not possible to predict the likely outcome of such actions.

Buckeye maintains insurance in amounts believed by the General Partner to be adequate covering certain liabilities and claims arising out of pipeline accidents above a self-insured retention amount. The insurance is written generally on an indemnity basis, which requires Buckeye to seek reimbursement from its carriers for covered claims after paying such claims directly. Various

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entities that allegedly incurred costs or damages as a result of this incident have filed claims with Buckeye's insurance adjusters. Certain claims have been paid by Buckeye and other claims remain outstanding. The insurance carriers are reimbursing Buckeye for covered claims subject to the terms of the policy.

For the reasons set forth above, Buckeye is unable to estimate the total amount of environmental clean-up and other costs and liabilities that may be incurred in connection with this incident. However, based on information currently available to it, Buckeye believes that its net expense after insurance recoveries will not be material to its financial condition or results of operations.

OTHER ENVIRONMENTAL PROCEEDINGS

With respect to other environmental litigation, certain Operating Partnerships (or their predecessors) have been named as a defendant in several lawsuits or have been notified by federal or state authorities that they are a potentially responsible party ("PRP") under federal laws or a respondent under state laws relating to the generation, disposal or release of hazardous substances into the environment. Typically, an Operating Partnership is one of many PRPs for a particular site and its contribution of total waste at the site is minimal. However, because CERCLA and similar statutes impose liability without regard to fault and on a joint and several basis, the liability of the Operating Partnerships in connection with these proceedings could be material. Potentially material proceedings affecting the Operating Partnerships are described below.

In July 1986, Buckeye was named as one of several PRPs for the Whitmoyer Laboratories site in Myerstown, Pennsylvania. Buckeye previously owned part of the site and sold it to a purchaser now believed to be primarily responsible for the reported substantial chemical contamination at the site. Without knowledge of the contamination, Buckeye subsequently repurchased a small portion of the site on which it constructed a pumping station. After completion of a remedial investigation and feasibility study and consideration of proposed remediation plans, EPA issued two Records of Decision in December 1990 proposing a clean-up estimated to cost approximately $125 million. In 1992, EPA entered into an agreement with the estate of one of the PRPs to recover a portion of EPA's past costs. In addition, EPA entered into a Consent Decree with the two PRPs that were former owners of Whitmoyer Laboratories. These PRPs agreed to assume the cost of clean-up at the site, and to reimburse EPA for future response costs and a portion of its past response costs. These two PRPs have instituted suit against each other to determine their relative responsibility for the Whitmoyer Laboratories site clean-up. One of the PRPs served a third-party complaint against Buckeye for the stated purpose of tolling the statute of limitations to preserve its rights, if any, against Buckeye. Buckeye subsequently settled the third-party complaint that had been filed against it. In consideration of mutual releases and the PRP's agreement to cleanup Buckeye's portion of the site, Buckeye agreed to remove its booster pump station, to reroute its pipeline around the site and to reimburse the PRP for the cost of removing the original pipeline, if such removal is required by EPA. Buckeye estimates at this time that the costs of complying with the terms of the settlement agreement will be between $1 million and $2 million. Buckeye has not entered into any agreements with the EPA or the other PRP involved at the site, and Buckeye has not waived any rights to recover for any claim arising out of the PRP's activities at the site or any claims brought by any governmental agency or third party based upon environmental conditions at the site. In the event that claims were asserted by any party in connection with the site, Buckeye believes that it would have meritorious defenses, but its potential liability, if any, related to such claims, cannot be estimated at this time.

In July 1987, the NJDEPE ordered Buckeye and 27 other parties to provide site security and conduct a preliminary clean-up at the Borne Chemical site located in Elizabeth, New Jersey. Twenty of the parties (including Buckeye) agreed to provide security and to remove certain materials from the site. Buckeye agreed to pay approximately $64,000 of the $4 million estimated cost of this activity.

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This removal work has been completed. The NJDEPE is requiring that all parties (including Buckeye) which are alleged to have contributed hazardous substances to the site, conduct a remedial investigation/feasibility study to determine the scope of additional contamination, if any, that may exist at the site. Buckeye's involvement with this site is based on allegations that a small amount of Buckeye's waste was stored at this site pending its ultimate disposal elsewhere. Buckeye believes that it has meritorious defenses, but its potential liability, if any, for future costs cannot be estimated at this time.

In March 1989, the NJDEPE issued a directive to Buckeye and 113 other parties demanding payment of approximately $9.2 million in remediation costs incurred by NJDEPE at the Bridgeport Rental & Oil Services Site in Logan Township, New Jersey. This site is subject to a remediation being

conducted by EPA under CERCLA. In March 1992, an action was commenced by Rollins Environmental Services (NJ), Inc., and others, against the United States of America and certain additional private parties seeking reimbursement for remediation expenses incurred by plaintiffs in connection with the site. In June 1992, the United States of America brought an action against Rollins Environmental Services (NJ), Inc., and additional private parties, seeking reimbursement of approximately $29 million for response costs incurred by EPA at the site. Buckeye has not been designated by EPA as a PRP with respect to the site, and has not been named as a defendant in any litigation connected with the site. Buckeye believes that it is, at most, a de minimis contributor of waste to this site. Although EPA has estimated remediation costs at the site to be over $100 million, Buckeye expects that its liability, if any, will not be material.

In May 1993, Buckeye was notified by EPA that EPA had reason to believe that Buckeye was a PRP under CERCLA regarding certain hazardous substances located at a former waste processing/management facility located in Niagara Falls, New York known as the Frontier Chemical Superfund Site. Buckeye is one of several hundred parties that have been informed by EPA that they are potential PRPs in connection with the site. In its notification letter, EPA requested the PRPs to refund approximately $376,000 in costs already incurred by EPA in connection with the management of the site, and to fund the clean-up and removal of certain alleged hazardous materials contained in drums and liquid waste holding tanks at the site. The estimated cost of the removal activity has been estimated by EPA at approximately $4,700,000. In addition, EPA noted that certain subsequent clean-up activities may be required at the site, but that such work would be the subject of a future letter to the PRPs and would be addressed under a separate administrative order. Buckeye has entered into a PRP Group Participation Agreement with other PRPs in order to facilitate a joint approach to EPA and to the clean-up of the site. Buckeye believes that it is, at most, a de minimis contributor of waste to the site. Although the cost of the ultimate remediation of the site cannot be determined at this time, Buckeye expects that its liability, if any, will not be material.

Additional claims for the cost of cleaning up releases of hazardous substances and for damage to the environment resulting from the activities of the Operating Partnerships or their predecessors may be asserted in the future under various federal and state laws, but the amount of such claims or the potential liability, if any, cannot be estimated. See "Business--Regulation--Environmental Matters."

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of the holders of LP Units during the fourth quarter of the fiscal year ended December 31, 1993.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S LP UNITS AND RELATED UNITHOLDER MATTERS

The LP Units of the Partnership are listed and traded principally on the New York Stock Exchange. The high and low sales prices of the LP Units in 1993 and 1992, as reported on the New York Stock Exchange Composite Tape, were as

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follows:

QUARTER	1993 HIGH	1993 LOW	1992 HIGH	1992 LOW
First	35 1/2	28 3/4	28 7/8	25 7/8
Second	36 7/8	32 1/4	28 1/2	26 7/8
Third	38	33 1/8	32 1/8	28
Fourth	41 5/8	36 1/2	31 5/8	28

During the months of December 1993 and January 1994, the Partnership gathered tax information from its known LP Unitholders and from brokers/nominees. Based on the information collected, the Partnership estimates its number of beneficial LP Unitholders to be approximately 18,000.

Cash distributions paid quarterly during 1992 and 1993 were as follows:

RECORD DATE	PAYMENT DATE	AMOUNT PER UNIT
February 7, 1992	February 28, 1992	$0.65
May 8, 1992	May 29, 1992	$0.65
August 7, 1992	August 31, 1992	$0.65
November 6, 1992	November 30, 1992	$0.65
February 23, 1993	February 26, 1993	$0.65
May 7, 1993	May 28, 1993	$0.65
August 6, 1993	August 31, 1993	$0.65
November 8, 1993	November 30, 1993	$0.65

In general, the Partnership makes quarterly cash distributions of substantially all of its available cash less such retentions for working capital, anticipated expenditures and contingencies as the General Partner deems appropriate.

On January 28, 1994, the Partnership announced a quarterly distribution of $0.70 per LP Unit payable on February 28, 1994.

ITEM 6. SELECTED FINANCIAL DATA

The following tables set forth, for the period and at the dates indicated, the Partnership's income statement and balance sheet data for the years ended December 31, 1993, 1992, 1991, 1990 and 1989. Income statement and balance sheet data for the year ended December 31, 1989 has been restated to reflect results of continuing operations. The tables should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Report.

	YEAR ENDED DECEMBER 31,				
	1993	1992	1991	1990	1989
	(IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)				
Income Statement Data:					

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Revenue	$175,495	$163,064	$151,828	$159,253	$158,094
Depreciation and amortization	11,002	10,745	10,092	9,971	10,187
Operating income	66,851	63,236	58,452	63,863	66,602
Interest and debt expense	25,871	27,452	27,502	28,767	29,448
Income from continuing operations before extraordinary charge and cumulative effect of change in accounting principle	41,654	34,546	30,465	34,312	36,178
Net income	39,366	9,002	30,465	15,200	35,580
Income per Unit from continuing operations before extraordinary charge and cumulative effect of change in accounting principle	3.44	2.85	2.51	2.83	2.99
Net income per Unit	3.25	0.74	2.51	1.25	2.94
Distributions per Unit	2.60	2.60	2.60	2.60	2.45

</TABLE>

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	DECEMBER 31,				
	1993	1992	1991	1990	1989
	(IN THOUSANDS)				
<S>	<C>	<C>	<C>	<C>	<C>
Balance Sheet Data:					
Total assets	$543,493	$533,143	$545,281	$551,888	$577,696
Long-term debt	224,000	225,000	242,500	260,000	275,000
General Partner's capital	2,338	2,259	2,521	2,531	2,694
Limited Partners' capital	231,357	223,585	249,533	250,573	266,725

</TABLE>

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

The following is a discussion of the liquidity and capital resources and the results of operations of the Partnership for the periods indicated below. Amounts in the Management's Discussion and Analysis of Financial Condition and Results of Operations relate to continuing operations unless otherwise indicated. This discussion should be read in conjunction with the consolidated financial statements and notes thereto, which are included elsewhere in this Report.

Change in Accounting Principle

In December 1992, the Partnership adopted Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" ("SFAS 106") effective as of January 1, 1992. As a result, the Partnership recorded a one-time, non-cash charge of $25.5 million as of the first quarter of 1992 to reflect the cumulative effect of the change in accounting principle for periods prior to 1992. In addition, quarterly results for 1992 were restated to reflect an additional $1.5 million, or approximately $0.4 million per quarter, in related operating expenses throughout the year.

RESULTS OF OPERATIONS

Through its Operating Partnerships, the Partnership is principally engaged in the transportation of refined petroleum products including gasoline, jet fuel, diesel fuel, heating oil and kerosene. The Partnership's revenues are principally a function of the volumes of refined petroleum products transported by the Partnership, which are in turn a function of the demand for refined petroleum products in the regions served by the Partnership's pipelines and the tariffs or transportation fees charged for such transportation. Results of operations are affected by factors which include competitive conditions, demand for products transported, seasonality and regulation. See "Business--Competition and Other Business Considerations."

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1993 Compared With 1992

Revenue for the year ended December 31, 1993 was $175.5 million, $12.5 million, or 7.7 percent greater than revenue of $163.0 million for 1992. Volume delivered during 1993 averaged 981,100 barrels per day, 67,900 barrels per day or 7.4 percent greater than volume of 913,200 barrels per day delivered in 1992. Greater revenue in 1993 was related to increased gasoline, distillate and turbine fuel deliveries and to the effect of tariff rate increases implemented in July 1992 and August 1993. Gasoline and distillate volume increases were due primarily to higher end-use demand in response to moderate economic recovery and a return to normal winter temperatures. In addition, 1993 volume improved as a result of new business captured from barge and other pipelines, a decline in Canadian imports to upstate New York and extended refinery maintenance activities that required transportation of additional refined products into the Partnership's service areas. Increased turbine fuel volume was due to a moderate improvement in domestic and international air travel and continued growth in air cargo business.

Costs and expenses during 1993 were $108.6 million, $8.8 million or 8.8 percent greater than costs and expenses of $99.8 million during 1992. Categories of increased expenses included payroll and employee benefits, maintenance services and power and supplies. A significant portion of these increased expenses were directly related to the transportation of additional volume and related maintenance activities.

Other income (expenses) consist of interest income, interest and debt expense, and minority interests and other. Interest and debt expense of $25.9 million in 1993 was $1.6 million less than interest and debt expense of $27.5 million in 1992 reflecting lower debt outstanding following payment of $16.3 million of Series E First Mortgage Notes in December 1992.

1992 Compared With 1991

Revenue for the year ended December 31, 1992 was $163.0 million, $11.2 million, or 7.4 percent greater than revenue of $151.8 million for 1991. Volume delivered during 1992 averaged 913,200 barrels per day, 40,000 barrels per day or 4.6 percent greater than volume of 873,200 barrels per day delivered in 1991. Volume increased in all of the Partnership's product grades. Increased gasoline volume was primarily related to new business from a reactivated Midwest refinery and shifts from barge and truck to pipeline delivery following capital investment during 1991 and early 1992. Distillate volume improved due to increased heating oil demand resulting from colder weather in the Northeast compared to 1991. Turbine fuel volume improved in response to increased air travel, expanding air cargo business and new business due to shifts from barge to pipeline delivery. Greater revenue in 1992 was also attributable to tariff rate increases which were implemented in July of 1991 and 1992.

Costs and expenses during 1992 were $99.8 million, $6.4 million or 6.9 percent greater than costs and expenses of $93.4 million during 1991. Greater costs and expenses during 1992 were primarily

due to property and other taxes which increased compared to 1991 due to the effect of favorable settlements recorded in 1991. Cost and expenses in 1992 were also affected by increased power, supplies and maintenance costs reflecting improved volume. Depreciation charges increased during 1992 principally due to net additions to Partnership's property, plant and equipment. Costs and expenses were favorably impacted by reduced rents, employee benefits and environmental related expenses.

Interest income of $1.0 million during 1992 was $0.9 million less than interest income during 1991 due to continuing lower interest rates and lower average invested balances. Interest and debt expense of $27.5 million in 1992 was nearly equal to interest and debt expense in 1991. Lower capitalized interest and additional commitment and other fees associated with a credit facility largely offset a reduction in interest following debt repayments. Minority interests and other was lower in 1992 primarily due to the acquisition

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of the remaining stock interest in Laurel Corp in December 1991 and the impact on minority interest upon adoption of SFAS 106.

Tariff Changes

In July 1993, June 1992 and June 1991, Buckeye filed proposed changes in certain tariff rates that represented, on average, increases of 1.4 percent, 3.0 percent and 3.7 percent for the rates involved, respectively. The July 1993, June 1992 and June 1991 changes were projected to generate approximately $1.5 million, $4.0 million and $5.0 million in additional revenue per year, respectively. Each of these proposed changes became effective during the month after they were filed.

LIQUIDITY AND CAPITAL RESOURCES

The Partnership's financial condition at December 31, 1993, 1992 and 1991 is highlighted in the following comparative summary:

Liquidity and Capital Indicators

<TABLE>
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	AS OF DECEMBER 31,		
	1993	1992	1991
<S>	<C>	<C>	<C>
Current ratio....................................	1.1 to 1	0.9 to 1	0.9 to 1
Ratio of cash and temporary investments and trade receivables to current liabilities...............	1.0 to 1	0.8 to 1	0.7 to 1
Working capital (deficiency) (in thousands).......	$ 5,709	$ (4,548)	$ (2,877)
Ratio of total debt to total capital..............	.50 to 1	.51 to 1	.50 to 1
Book value (per Unit)............................	$ 19.28	$ 18.63	$ 20.79

</TABLE>

Cash Provided by Operations

During 1993, cash provided by operations of $53.2 million was derived principally from income from continuing operations before an extraordinary charge of $41.7 million, depreciation of $11.0 million and operating working capital changes of $3.9 million. Operating working capital changes relate to a decrease in trade receivables and an increase in accrued and other current liabilities. Remaining cash uses, totaling $3.4 million, were related to extraordinary charges on early extinguishment of debt of $2.2 million and distributions to minority interests and changes in other non-current liabilities.

During 1992, cash provided by operations of $52.2 million was derived principally from income from continuing operations before the cumulative effect of a change in accounting principle of $34.5 million, depreciation of $10.7 million and changes in operating working capital of $3.5 million. Other

net cash sources, totaling $3.5 million, were largely provided by discontinued operations and an increase in other non-current liabilities.

During 1991, cash provided by operations of $42.2 million was derived principally from income from continuing operations of $30.5 million and depreciation of $10.1 million. Other net cash sources, totaling $1.6 million, were provided by discontinued operations and an increase in non-current liabilities which were offset by changes in operating working capital. The decrease in working capital during 1991 was primarily due to the increase in the current portion of long-term debt and a decrease in cash position resulting from lower earnings from continuing operations and the acquisition of a minority interest.

Debt Obligation and Credit Facilities

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At December 31, 1993, the Partnership had $240.0 million in outstanding current and long-term debt representing the First Mortgage Notes of Buckeye. The First Mortgage Notes are collateralized by substantially all of Buckeye's property, plant and equipment. The $240.0 million of debt outstanding at 1993 year end includes $35 million of additional First Mortgage Notes (Series K, L and M) bearing interest rates from 7.11 percent to 7.19 percent which were issued on January 7, 1994 in accordance with an agreement entered into on December 31, 1993 and excludes $20 million of 9.50 percent First Mortgage Notes (Series H) due December 1995 that were defeased in-substance with a portion of the proceeds from such additional First Mortgage Notes. During 1993, the Partnership paid $17.5 million of principal on the First Mortgage Notes (Series F) that became due in December 1993. In addition, Buckeye entered into an agreement with the purchaser of the $35 million of additional First Mortgage Notes which permits Buckeye, under certain circumstances, to issue up to $40 million of additional First Mortgage Notes to such purchaser. Any issuance of the additional First Mortgage Notes will require the prior approval by the holders of the First Mortgage Notes to an amendment to the Mortgage Note Indenture. Buckeye is currently in the process of seeking such approval.

At December 31, 1992, the Partnership had $242.5 million in outstanding current and long-term debt representing the First Mortgage Notes of Buckeye. During 1992, the Partnership paid $16.2 million of remaining principal on the First Mortgage Notes (Series E) that became due in December 1992. At December 31, 1991, the Partnership had $258.8 million in outstanding current and long-term debt representing the First Mortgage Notes. During 1991, the Partnership paid $5.0 million of remaining principal on the First Mortgage Notes (Series D) that became due in December 1991 and irrevocably deposited $1.3 million in partial payment of principal on the $17.5 million First Mortgage Notes (Series E) that became due in December 1992.

The Partnership maintains a $15 million unsecured revolving credit facility with a commercial bank. This facility, which has options to extend borrowings up to six years, is available to the Partnership for general purposes including capital expenditures and working capital. In addition, Buckeye has a $10 million short-term line of credit secured by accounts receivable. Laurel has an unsecured $1 million line of credit. At December 31, 1993, 1992 and 1991, there were no outstanding borrowings under these facilities.

The ratio of total debt to total capital was 50 percent, 51 percent, and 50 percent at December 31, 1993, 1992 and 1991, respectively. For purposes of the calculation of this ratio, total capital consists of current and long-term debt, minority interests and partners' capital.

Capital Expenditures

At December 31, 1993, property, plant and equipment was approximately 92 percent of total consolidated assets. This compares to 93 percent and 91 percent for the years ended December 31, 1992 and 1991, respectively. Capital expenditures are generally for expansion of the Operating Partnerships' service capabilities and sustaining the Operating Partnerships' existing assets.

Capital expenditures by the Partnership were $13.3 million, $10.8 million and $10.9 million for 1993, 1992 and 1991, respectively. Projected capital expenditures for 1994 amount to $12.8 million. Planned capital expenditures include, among other things, renewal and replacement of pipe, construction of containment facilities, new valves, metering systems, field instrumentation, communication facilities and testing equipment. Capital expenditures are expected to increase over time primarily in response to increasingly rigorous governmental safety and environmental requirements as well as industry standards.

Discontinued Operations

In the fourth quarter of 1990, the Partnership recorded a non-cash charge to earnings of $19.1 million, net of estimated earnings during phase-out, relating to the Partnership's decision to discontinue its 16-inch crude oil pipeline and

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a refined products terminal. The Partnership closed the sale of the 16-inch crude oil pipeline, together with associated real and personal property to Sun Pipe Line Company on February 1, 1993. Proceeds from the sale amounted to $9.2 million. Remaining discontinued operations consisting of petroleum facilities at a refined products terminal were dismantled and removed during the first quarter 1993. Disposal of these discontinued operations resulted in a loss of $127,000.

Environmental Matters

The Operating Partnerships are subject to federal and state laws and regulations relating to the protection of the environment. These regulations, as well as the Partnership's own standards relating to protection of the environment, cause the Operating Partnerships to incur current and ongoing operating and capital expenditures. During 1993, the Operating Partnerships incurred operating expenses of $3.0 million and capital expenditures of $4.5 million related to environmental matters. Capital expenditures of $3.2 million for environmental related projects are included in the Partnership's plans for 1994. Expenditures, both capital and operating, relating to environmental matters are expected to increase due to the Partnership's commitment to maintain high environmental standards and to increasingly rigorous environmental laws.

Certain Operating Partnerships (or their predecessors) have been named as a defendant in lawsuits or have been notified by federal or state authorities that they are a PRP under federal laws or a respondent under state laws relating to the generation, disposal, or release of hazardous substances into the environment. These proceedings generally relate to potential liability for clean-up costs. The total potential remediation costs to be borne by the Operating Partnerships relating to these clean-up sites cannot be reasonably estimated and could be material. With respect to each site, however, the Operating Partnership involved is one of several or as many as several hundred PRPs that would share in the total costs of clean-up under the principle of joint and several liability. The General Partner believes that the generation, handling and disposal of hazardous substances by the Operating Partnerships and their predecessors have been in material compliance with applicable environmental and regulatory requirements.

At the Whitmoyer Laboratories site in Myerstown, Pennsylvania, Buckeye is one of several PRPs for a clean-up estimated to cost approximately $125 million. However, in 1992, EPA entered into an agreement with the estate of one of the PRPs to recover a portion of EPA's past costs and a Consent Decree with the two PRPs that were former owners of Whitmoyer Laboratories to assume the cost of clean-up at the site and to reimburse EPA for future response costs and a portion of its past response costs. These two PRPs have instituted suit against each other to determine their relative responsibility for the Whitmoyer Laboratories site clean-up. One of the PRPs served a third-party complaint against Buckeye for the stated purpose of tolling the statute of limitations to preserve its rights, if any, against Buckeye. Buckeye subsequently settled the third-party complaint that had been filed against it. In consideration of mutual releases and the PRP's agreement to

cleanup Buckeye's portion of the site, Buckeye agreed to remove its booster pump station, to reroute its pipeline around the site and to reimburse the PRP for the cost of removing the original pipeline, if such removal is required by EPA. Buckeye has not entered into any agreements with the EPA or the other PRP involved at the site, and Buckeye has not waived any rights to recover for any claim arising out of the PRP's activities at the site or any claims brought by any governmental agency or third party based upon environmental conditions at the site. Although the exact costs of the settlement are not known, Buckeye estimates at this time that the costs of complying with the terms of the settlement agreement will be between $1 million and $2 million.

As previously reported, in March 1990, a landslide near Freeport, Pennsylvania caused a rupture to one of Buckeye's pipelines which resulted in the release of approximately 58,000 gallons of petroleum products. During 1993, Buckeye paid claims and other charges related to this incident in the amount of

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$0.3 million. Substantially all of this amount has been reimbursed by Buckeye's insurance carriers. Buckeye is unable to estimate the total amount of environmental clean-up and other costs and liabilities that may be incurred in connection with this incident. However, based on information currently available to it, Buckeye believes that its net expense after insurance recoveries will not be material to its financial condition or results of operations. See "Legal Proceedings--Freeport Landslide".

Various claims for the cost of cleaning up releases of hazardous substances and for damage to the environment resulting from the activities of the Operating Partnerships or their predecessors have been asserted and may be asserted in the future under various federal and state laws. Although the Partnership has made a provision for certain legal expenses relating to these matters, the General Partner is unable to determine the timing or outcome of any pending proceedings or of any future claims and proceedings. See "Business--Regulation--Environmental Matters" and "Legal Proceedings".

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

BUCKEYE PARTNERS, L.P.

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

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Consolidated Balance Sheets--December 31, 1993 and 1992	25
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Schedules other than those listed above are omitted because they are either not applicable or not required or the information required is included in the consolidated financial statements or notes thereto.

INDEPENDENT AUDITORS' REPORT

To the Partners of Buckeye Partners, L.P.:

We have audited the accompanying consolidated balance sheets of Buckeye Partners, L.P. and its subsidiaries (the "Partnership") as of December 31, 1993 and 1992, and the related consolidated statements of income and cash flows for each of the three years in the period ended December 31, 1993. These financial

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statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 1993 and 1992, and the results of its operations and cash flows for each of the three years in the period ended December 31, 1993 in conformity with generally accepted accounting principles.

As discussed in Note 10 to the consolidated financial statements, in 1992 the Partnership changed its method of accounting for postretirement benefits other than pensions to conform with Statement of Financial Accounting Standards Number 106.

Deloitte & Touche

Philadelphia, Pennsylvania
February 14, 1994

BUCKEYE PARTNERS, L.P.
CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)

<TABLE>
<CAPTION>

		YEAR ENDED DECEMBER 31,		
	NOTES	1993	1992	1991
<S>	<C>	<C>	<C>	<C>
Revenue	2	$175,495	$163,064	$151,828
Costs and expenses				
Operating expenses	3,13	87,029	79,111	72,955
Depreciation and amortization	2	11,002	10,745	10,092
General and administrative expenses	13	10,613	9,972	10,329
Total costs and expenses		108,644	99,828	93,376
Operating income		66,851	63,236	58,452
Other income (expenses)				
Interest income		919	960	1,891
Interest and debt expense		(25,871)	(27,452)	(27,502)
Minority interests and other		(245)	(129)	(1,107)
Total other income (expenses)		(25,197)	(26,621)	(26,718)
Income from continuing operations before income taxes		41,654	36,615	31,734
Provision for income taxes	2	--	(2,069)	(1,269)
Income from continuing operations before extraordinary charge and cumulative effect of change in accounting principle		41,654	34,546	30,465
Loss from discontinued operations	5	(127)	--	--

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	Notes			
Extraordinary charge on early extinguishment of debt	11	(2,161)	--	--
Cumulative effect of change in accounting principle	10	--	(25,544)	--
Net income		$ 39,366	$ 9,002	$ 30,465
Net income allocated to General Partner	14	$ 394	$ 90	$ 305
Net income allocated to Limited Partners	14	$ 38,972	$ 8,912	$ 30,160
Income allocated to General and Limited Partners per Partnership Unit:				
Income from continuing operations before extraordinary charge and cumulative effect of change in accounting principle		$ 3.44	$ 2.85	$ 2.51
Loss from discontinued operations		(.01)	--	--
Extraordinary charge on early extinguishment of debt		(.18)	--	--
Cumulative effect of change in accounting principle		--	(2.11)	--
Net income		$ 3.25	$ 0.74	$ 2.51

</TABLE>

See notes to consolidated financial statements.

BUCKEYE PARTNERS, L.P.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

<TABLE>
<CAPTION>

<S>	NOTES <C>	DECEMBER 31, 1993 <C>	DECEMBER 31, 1992 <C>
Assets			
Current assets			
Cash and cash equivalents	2	$ 22,748	$ 9,753
Temporary investments		250	--
Trade receivables	2	15,341	16,838
Inventories	2	1,174	1,021
Prepaids and other current assets		4,445	3,256
Total current assets		43,958	30,868
Property, plant and equipment, net	2,4	499,075	495,541
Other non-current assets		460	460
Net assets of discontinued operations	2,5	--	6,274
Total assets		$543,493	$533,143
Liabilities and partners' capital			
Current liabilities			
Current portion of long-term debt	7	$ 16,000	$ 17,500
Accounts payable		2,562	1,184
Income taxes payable		219	977
Accrued and other current liabilities	3,6,9,10,13	19,468	15,755
Total current liabilities		38,249	35,416
Long-term debt	7,11	224,000	225,000
Minority interests		2,492	2,879
Other non-current liabilities	3,8,9,10,13	45,057	44,004
Commitments and contingent liabilities	3	--	--
Total liabilities		309,798	307,299

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Partners' capital	14		
General Partner		2,338	2,259
Limited Partners		231,357	223,585
Total partners' capital		233,695	225,844
Total liabilities and partners' capital		$543,493	$533,143

</TABLE>

See notes to consolidated financial statements.

BUCKEYE PARTNERS, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
(IN THOUSANDS)

<TABLE>
<CAPTION>

	NOTES	YEAR ENDED DECEMBER 31, 1993	1992	1991
<S>	<C>	<C>	<C>	<C>
Cash flows from operating activities:				
Income from continuing operations before extraordinary charge and cumulative effect of change in accounting principle		$ 41,654	$ 34,546	$ 30,465
Adjustments to reconcile income to net cash provided by operating activities:				
Extraordinary charge on early extinguishment of debt		(2,161)	--	--
Depreciation and amortization		11,002	10,745	10,092
Minority interests		145	29	657
Distributions to minority interests		(532)	(345)	(755)
Change in assets and liabilities:				
Trade receivables		1,497	(1,834)	134
Inventories		(153)	333	(43)
Prepaids and other current assets		(1,189)	2,894	(2,328)
Accounts payable		1,378	203	(1,064)
Income taxes payable (a)		(242)	(1,076)	(594)
Accrued and other current liabilities (b)		2,636	2,939	2,376
Other non-current assets		--	(200)	--
Other non-current liabilities (b)		(1,043)	1,313	758
Total adjustments provided by continuing operating activities		11,338	15,001	9,233
Net cash provided by continuing operating activities		52,992	49,547	39,698
Net cash provided by discontinued operations (c)	5	206	2,660	2,471
Net cash provided by operating activities		53,198	52,207	42,169
Cash flows from investing activities:				
Capital expenditures		(13,328)	(10,789)	(10,853)
Acquisitions		--	--	(4,850)
Proceeds from sale of net assets of discontinued operations	5	9,200	--	--
Net proceeds from (expenditures for) disposal of property, plant and equipment		(1,810)	713	24
Sales (purchases) of temporary invest-				

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	Note	1993	1992	1991
ments		(250)	--	10,364
Other, net		--	--	92
Net cash used in investing activities		(6,188)	(10,076)	(5,223)
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	7	35,000	--	--
Payment of long-term debt	7	(37,500)	(16,250)	(6,250)
Distributions to Unitholders	14,15	(31,515)	(31,515)	(31,515)
Increase in minority interests		--	555	264
Net cash used in financing activities		(34,015)	(47,210)	(37,501)
Net increase (decrease) in cash and cash equivalents	2	12,995	(5,079)	(555)
Cash and cash equivalents at beginning of year	2	9,753	14,832	15,387
Cash and cash equivalents at end of year		$ 22,748	$ 9,753	$ 14,832
Supplemental cash flow information:				
Cash paid during year for:				
Interest (net of amount capitalized)		$ 26,169	$ 27,398	$ 27,541
Income taxes		242	2,632	1,965
Non-cash effect of change in accounting principle	10	--	25,544	--
Non-cash changes in property, plant and equipment		602	--	--
(a) Non-cash changes in income taxes payable		516	1,160	--
(b) Non-cash changes in accrued and other liabilities		2,657	9,277	--
(c) Non-cash changes in discontinued operations		3,259	2,537	--

</TABLE>

See notes to consolidated financial statements.

BUCKEYE PARTNERS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 1993 AND 1992 AND
FOR THE YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991

1. ORGANIZATION

Buckeye Partners, L.P. (the "Partnership") is a limited partnership organized in 1986 under the laws of the state of Delaware. The Partnership owns 99 percent limited partnership interests in Buckeye Pipe Line Company, L.P. ("Buckeye"), Laurel Pipe Line Company, L.P. ("Laurel"), Everglades Pipe Line Company, L.P. ("Everglades") and Buckeye Tank Terminals Company, L.P. ("BTT"). The foregoing entities are hereinafter referred to as the "Operating Partnerships." Laurel owns a 98.01 percent limited partnership interest in Buckeye Pipe Line Company of Michigan, L.P. ("BPL Michigan") which discontinued operations in 1993 (see Note 5).

During December 1986, the Partnership sold 12,000,000 limited partnership units ("LP Units") in a public offering representing an aggregate 99 percent limited partnership interest in the Partnership. Concurrently, the Partnership sold 121,212 units representing a 1 percent general partnership interest in the Partnership ("GP Units") to Buckeye Management Company (the "General Partner"), a wholly owned subsidiary of The Penn Central Corporation ("Penn Central"). The Partnership used the proceeds from such sales to purchase from subsidiaries of Penn Central the 99 percent limited partnership interests in the then existing Operating Partnerships and an 83 percent stock interest in Laurel Pipe Line Company ("Laurel Corp"). In December 1991, the Partnership acquired the minority interest in Laurel Corp. Laurel was formed in October 1992 and

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succeeded to the operations of Laurel Corp.

A subsidiary of the General Partner, Buckeye Pipe Line Company (the "Manager"), owns a 1 percent general partnership interest in, and serves as sole general partner and manager of, each Operating Partnership. The Manager also owns a 1 percent general partnership interest and a 0.99 percent limited partnership interest in BPL Michigan.

The Partnership maintains its accounts in accordance with the Uniform System of Accounts for Pipeline Companies, as prescribed by the Federal Energy Regulatory Commission ("FERC"). Reports to FERC differ from the accompanying consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles, generally in that such reports calculate depreciation over estimated useful lives of the assets as prescribed by FERC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Partnership have been prepared using the purchase method of accounting. An allocation of the purchase price to the net assets acquired was made on their relative fair market values as appraised. The financial statements include the accounts of the Operating Partnerships on a consolidated basis. All significant intercompany transactions have been eliminated in consolidation.

Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. Unless otherwise disclosed, the fair values of financial instruments approximate their recorded values.

Cash and Cash Equivalents

All highly liquid debt instruments purchased with a maturity of three months or less are classified as cash equivalents.

Revenue Recognition

Substantially all revenue is derived from interstate and intrastate transportation of petroleum products. Such revenue is recognized as products are delivered to customers. Such customers are major integrated oil companies, major refiners and large regional marketing companies. While the consolidated Partnership's continuing customer base numbers approximately 120, no customer during 1993 contributed more than 10 percent of total revenue. The Partnership does not maintain an allowance for doubtful accounts.

Inventories

Inventories, consisting of materials and supplies, are carried at cost which does not exceed realizable value.

Property, Plant and Equipment

Property, plant and equipment consist primarily of pipeline and related transportation facilities and equipment. For financial reporting purposes, depreciation is calculated primarily using the straight-line method over the estimated useful life of 50 years. Additions and betterments are capitalized and maintenance and repairs are charged to income as incurred. Generally, upon normal retirement or replacement, the cost of property (less salvage) is charged to the depreciation reserve, which has no effect on income.

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Net Assets of Discontinued Operations

Net assets of discontinued operations represented certain assets less liabilities of operations which were divested by the Partnership and consisted primarily of property, plant and equipment.

Income Taxes

For federal and state income tax purposes, the Partnership and Operating Partnerships are not taxable entities. Accordingly, the taxable income or loss of the Partnership and Operating Partnerships, which may vary substantially from income or loss reported for financial reporting purposes, is generally includable in the federal and state income tax returns of the individual partners. In October 1992 (see Note 1), Laurel Corp and its parent LE Holdings, Inc. ("LEH") were merged into Laurel. Laurel Corp and its parent, LEH, as corporations, had been separate taxpaying entities whose taxable income was included in a consolidated federal income tax return. As a result of the reorganization, the then existing deferred income taxes of $3,697,000 were charged directly to the Partnership's capital accounts. The provision for federal income taxes on operations of Laurel Corp and LEH prior to the reorganization approximates the statutory tax rate applied to the pretax accounting income.

Environmental Expenditures

Environmental expenditures that relate to current or future revenues are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past

operations, and do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or clean-ups are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the Partnership's commitment to a formal plan of action.

Pensions

The Manager maintains a defined contribution plan and a defined benefit plan (see Note 9) which provide retirement benefits to substantially all of its regular full-time employees. Certain hourly employees of the Manager are covered by a defined contribution plan under a union agreement.

Postretirement Benefits Other Than Pensions

The Manager provides postretirement health care and life insurance benefits for certain of its retirees. In 1992, the Manager adopted Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" ("SFAS 106") (see Note 10) to account for the cost of these plans. Certain other retired employees are covered by a health and welfare plan under a union agreement.

3. CONTINGENCIES

The Partnership, and the Operating Partnerships, in the ordinary course of business, are involved in various claims and legal proceedings, some of which are covered in whole or in part by insurance. The General Partner is unable to predict the timing or outcome of these claims and proceedings. Although it is possible that one or more of these claims or proceedings, if adversely determined, could, depending on the relative amounts involved, have a material effect on the Partnership's results of operations for a future period, the General Partner does not believe that their outcome will have a material effect on the Partnership's consolidated financial condition.

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Environmental

In accordance with its accounting policy on environmental expenditures, the Partnership recorded expenses of $3.0 million, $3.1 million and $4.2 million for 1993, 1992 and 1991, respectively, which were related to the environment. Expenditures, both capital and operating, relating to environmental matters are expected to increase due to the Partnership's commitment to maintain high environmental standards and to increasingly strict environmental laws and government enforcement policies.

In addition, certain Operating Partnerships (or their predecessors) have been named as a defendant in lawsuits or have been notified by federal or state authorities that they are a potentially responsible party ("PRP") under federal laws or a respondent under state laws relating to the generation, disposal, or release of hazardous substances into the environment. These proceedings generally relate to potential liability for clean-up costs. The total potential remediation costs relating to these clean-up sites cannot be reasonably estimated. With respect to each site, however, the Operating Partnership involved is one of several or as many as several hundred PRPs that would share in the total costs of clean-up under the principle of joint and several liability. The General Partner believes that the generation, handling and disposal of hazardous substances by the Operating Partnerships and their predecessors have been in material compliance with applicable environmental and regulatory requirements. Additional claims for the cost of cleaning up releases of hazardous substances and for damage to the environment resulting from the activities of the

Operating Partnerships or their predecessors may be asserted in the future under various federal and state laws. Although the Partnership has made a provision for certain legal expenses relating to these matters, the General Partner is unable to determine the timing or outcome of any pending proceedings or of any future claims and proceedings.

Guaranteed Investment Contract

The Buckeye Pipe Line Company Retirement and Savings Plan (the "Plan") holds a guaranteed investment contract ("GIC") issued by Executive Life Insurance Company ("Executive Life"), which entered conservatorship proceedings in the State of California in April 1991. The GIC was purchased in July 1989, with an initial principal investment of $7.4 million earning interest at an effective rate per annum of 8.98 percent through June 30, 1992. As a result of the conservatorship proceedings, no payment of principal or interest was made on the maturity date. A Plan of Rehabilitation was approved by the Superior Court of the State of California, and the Rehabilitation Plan was consummated on September 3, 1993. Various policy holders and creditors have, however, appealed certain aspects of the Plan of Rehabilitation, including the priority status of entities such as the Plan which purchased GICs subsequent to January 1, 1989. Pursuant to the Plan of Rehabilitation, the Plan will receive an interest only contract from Aurora National Life Assurance Company in substitution for its Executive Life GIC. The contract provides for semi-annual interest payments through the date of maturity of the contract which will be September 1998. In addition, the Plan is to receive certain additional cash payments, the amounts of which cannot be accurately estimated at this time, over the next five years pursuant to the Plan of Rehabilitation. The timing and amount of payment with respect to the GIC is dependent upon the outcome of the pending appeals as well as clarification of various provisions of the Rehabilitation Plan. In May 1991, the General Partner, in order to safeguard the basic retirement and savings benefits of its employees, announced its intention to enter an arrangement with the Plan that would guarantee that the Plan would receive at least its initial principal investment of $7.4 million plus interest at an effective rate per annum of 5 percent from July 1, 1989. The General Partner intends to effectuate its commitment through an agreement with the Plan that would provide, under

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certain circumstances and subject to Department of Labor approval, for its purchase of the Plan's rights with respect to the GIC. The costs and expenses of the General Partner's employee benefit plans are reimbursable by the Partnership under the applicable limited partnership and management agreements. The General Partner believes that an adequate provision has been made for costs which may be incurred by the Partnership in connection with the above mentioned guarantee.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

<TABLE>
<CAPTION>

<S>	DECEMBER 31, 1993 <C>	DECEMBER 31, 1992 <C>
	(IN THOUSANDS)	
Land	$ 9,978	$ 10,018
Buildings and leasehold improvements	23,667	23,279
Machinery, equipment and office furnishings	511,590	500,389
Construction in progress	2,735	3,185
	547,970	536,871
Less accumulated depreciation	48,895	41,330
Total	$499,075	$495,541

</TABLE>

5. DISCONTINUED OPERATIONS

In the fourth quarter of 1990, the Partnership recorded a non-cash charge to earnings of $19.1 million, net of estimated earnings during phase-out, relating to the Partnership's decision to discontinue its 16-inch crude oil pipeline and a refined products terminal. The Partnership closed the sale of the 16-inch crude oil pipeline, together with associated real and personal property to Sun Pipe Line Company on February 1, 1993. Proceeds from the sale amounted to $9.2 million. Remaining discontinued operations consisting of petroleum facilities at the refined products terminal were dismantled and removed during the first quarter 1993. Disposal of these discontinued operations resulted in a loss of $127,000.

6. ACCRUED AND OTHER CURRENT LIABILITIES

Accrued and other current liabilities consist of the following:

<TABLE>
<CAPTION>

<S>	DECEMBER 31, 1993 <C>	DECEMBER 31, 1992 <C>
	(IN THOUSANDS)	
Taxes -- other than income	$ 7,011	$ 6,793
Accrued charges due Manager	6,037	2,987
Environmental liabilities	2,069	1,719
Interest	958	1,256
Other	3,393	3,000

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Total	$19,468	$15,755

</TABLE>

7. LONG-TERM DEBT AND CREDIT FACILITIES

Long-term debt (excluding current maturities) consists of the following:

<TABLE>
<CAPTION>

	DECEMBER 31, 1993	DECEMBER 31, 1992
	(IN THOUSANDS)	
First Mortgage Notes		
9.33% Series G due December 15, 1994	$ --	$ 16,000
9.50% Series H due December 15, 1995 (see Note 11)	--	20,000
9.72% Series I due December 15, 1996	20,000	20,000
11.18% Series J due December 15, 2006 (Subject to $16.9 million annual sinking fund requirement commencing December 15, 1997)	169,000	169,000
7.11% Series K due December 15, 2007	11,000	--
7.15% Series L due December 15, 2008	11,000	--
7.19% Series M due December 15, 2009	13,000	--
Total	$224,000	$225,000

</TABLE>

Maturities of debt outstanding at December 31, 1993 are as follows: $16,000,000 in 1994 (included in current liabilities); none in 1995; $20,000,000 in 1996; $16,900,000 in 1997; $16,900,000 in 1998 and a total of $170,200,000 in the period 1999 through 2009.

The fair value of the Partnership's debt is estimated to be $285 million and $272 million as of December 31, 1993 and 1992, respectively. These values were calculated using interest rates currently available to the Partnership for issuance of debt with similar terms and remaining maturities.

The First Mortgage Notes are collateralized by a mortgage on and a security interest in substantially all of the currently existing and after-acquired property, plant and equipment (the "Mortgaged Property") of Buckeye.

The indenture pursuant to which the First Mortgage Notes were issued (the "Mortgage Note Indenture"), as amended by First, Second and Third Supplemental Indentures, contains covenants which generally (a) limit the outstanding indebtedness of Buckeye under the Mortgage Note Indenture to the amount of First Mortgage Notes currently outstanding plus up to $15 million of short-term borrowings for working capital purposes and additional debt under the Mortgage Note Indenture incurred in connection with capitalized additions, repairs and improvements to the Mortgaged Property, (b) prohibit Buckeye from creating or incurring additional liens on its property, (c) prohibit Buckeye from disposing of substantially all of its property or business to another party and (d) prohibit Buckeye from disposing of any part of the Mortgaged Property unless the proceeds in excess of $1 million in a fiscal year are available for reinvestment in assets subject to the lien of the Mortgage Note Indenture.

On December 31, 1993, Buckeye entered into an agreement to issue $35 million of additional First Mortgage Notes in accordance with provisions under a Third Supplemental Indenture and as permitted under the Mortgage Note Indenture. These additional First Mortgage Notes, which were issued on January 7, 1994,

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mature from 2007 to 2009 and bear interest at rates from 7.11 percent to 7.19 percent. A portion of the proceeds of these notes was used to complete an in-substance defeasance of principal and interest with respect to Buckeye's $20 million, 9.50 percent First Mortgage Notes (Series H) due December 1995 (see Note 11). Remaining proceeds of the additional notes are available for working capital purposes. In addition, Buckeye entered into an agreement with the purchaser of the $35 million of additional First Mortgage Notes which permits Buckeye, under certain circumstances, to issue up to $40 million of additional First Mortgage Notes to such purchaser. Any issuance of the additional First Mortgage Notes will require the prior approval of the holders of the First Mortgage Notes to an amendment to the Mortgage Note Indenture. Buckeye is currently in the process of seeking such approval.

The Amended and Restated Agreement of Limited Partnership of the Partnership (the "Partnership Agreement") contains certain restrictions which limit the incurrence of any debt by the Partnership or any Operating Partnership to the First Mortgage Notes, any additional debt of Buckeye permitted by the Mortgage Note Indenture and other debt not in excess of an aggregate consolidated principal amount of $25 million plus the aggregate proceeds from the sale of additional partnership interests.

The Partnership maintains a $15 million unsecured revolving credit facility with a commercial bank which is available to the Partnership for general purposes including capital expenditures and working capital. Interest on any borrowings under this facility is calculated on the bank's Alternate Base Rate ("ABR") or LIBOR plus one percent. ABR is defined as the highest of the bank's prime rate, the three month secondary CD rate plus one percent, and the Federal Funds Rate plus one-half of one percent. At December 31, 1993, there was no amount outstanding under this facility.

Buckeye has a line of credit from two commercial banks (the "Working Capital Facility") which permits short-term borrowings of up to $10 million outstanding at any time. Borrowings under the Working Capital Facility bear interest at each bank's prime rate and are secured by the accounts receivable of Buckeye. The Mortgage Note Indenture contains covenants requiring that, for a period of 45 consecutive days during any year, no indebtedness be outstanding under the Working Capital Facility. In addition, Laurel has an unsecured line of credit from a commercial bank which permits short-term borrowings of up to $1 million outstanding at any time. Borrowings bear interest at the bank's prime rate. Laurel's unsecured line of credit contains covenants requiring that, for a period

of 30 consecutive days during any year, no indebtedness be outstanding under this facility. At December 31, 1993, there were no amounts outstanding under either of these facilities.

8. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist of the following:
<TABLE>
<CAPTION>

	DECEMBER 31, 1993	DECEMBER 31, 1992
	(IN THOUSANDS)	
<S>	<C>	<C>
Accrued employee benefit liabilities	$33,094	$32,386
Accrued charges due Manager	--	4,719
Other	11,963	6,899
Total	$45,057	$44,004

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</TABLE>

9. PENSION PLANS

The Manager provides retirement benefits, primarily through noncontributory pension plans, for substantially all of its regular full-time employees, except those covered by certain labor contracts, under which the Manager contributes 5 percent of each covered employee's salary, and a retirement income guarantee plan (a defined benefit plan) which generally guarantees employees hired before January 1, 1986 a retirement benefit at least equal to the benefit they would have received under a previously terminated defined benefit plan. The Manager's policy is to fund amounts as are necessary to at least meet the minimum funding requirements of ERISA. All of these plans were assumed by the Manager. Net pension expense (benefit) for 1993, 1992 and 1991 for the defined benefit plans included the following components:

<TABLE>
<CAPTION>

<S>	1993	1992	1991
	(IN THOUSANDS)		
Service cost	$ 431	$ 346	$ 373
Interest cost on projected benefit obligation	784	664	687
Actual return on assets	(1,142)	(655)	(1,087)
Net amortization and deferral	229	(389)	77
Net pension expense (benefit)	$ 302	$ (34)	$ 50

</TABLE>

The pension expense for the defined contribution plan included in the consolidated statements of income approximated $1,403,000, $1,342,000 and $1,310,000 for 1993, 1992 and 1991, respectively.

The following table sets forth the funded status of the Manager's defined benefit plans and amounts recognized in the Partnership's consolidated balance sheets at December 31, 1993 and 1992 related to those plans.

<TABLE>
<CAPTION>

<S>	DECEMBER 31,	
	1993	1992
	(IN THOUSANDS)	
Actuarial present value of benefit obligations		
Vested benefit obligations	$ (4,977)	$(3,859)
Accumulated benefit obligations	$ (6,235)	$(4,621)
Projected benefit obligation	$(12,621)	$(9,806)
Plan assets at fair value	8,467	7,917
Projected benefit obligation in excess of plan assets	(4,154)	(1,889)
Unrecognized net loss (gain)	78	(1,725)
Unrecognized net asset	(1,582)	(1,742)
Pension liability recognized in the balance sheet	$ (5,658)	$(5,356)

</TABLE>

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As of December 31, 1993, approximately 29.1 percent of plan assets were invested in debt securities, 58.9 percent in equity securities and 12.0 percent in cash equivalents.

The weighted average discount rate and the rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation were 7.25 percent and 5.5 percent, respectively. The expected long-term rate of return on assets was 9.5 percent as of January 1, 1993 and 8.5 percent as of January 1, 1994.

The Manager also participates in a multi-employer retirement income plan which provides benefits to employees covered by certain labor contracts. Pension expense for the plan was $156,000, $137,000 and $131,000 for 1993, 1992 and 1991, respectively.

10. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Effective January 1, 1992, the Partnership adopted SFAS 106. This statement requires that the cost of postretirement benefits other than pensions be accrued over the employee's years of service. Prior to the adoption of SFAS 106, the cost of these postretirement benefits was expensed on a "pay as you go" basis.

The Manager provides postretirement health care and life insurance benefits to certain of its retirees. To be eligible for these benefits an employee had to be hired prior to January 1, 1991 and has to meet certain service requirements. The Manager does not prefund this postretirement benefit obligation. On January 1, 1992, the accumulated postretirement benefit obligation ("APBO") amounted to $25,544,000. The Manager chose to recognize immediately the APBO as expense in 1992 for financial reporting purposes.

Postretirement benefit costs for 1993 and 1992 included the following components:

	1993	1992
	(IN THOUSANDS)	
Service cost	$ 442	$ 548
Interest cost on accumulated postretirement benefit obligation	1,673	2,003
Net amortization and deferral	(580)	--
Net postretirement expense	$ 1,535	$ 2,551

The following table sets forth the amounts related to postretirement benefit obligations recognized in the Partnership's consolidated balance sheets as of December 31, 1993 and 1992:

	DECEMBER 31,	
	1993	1992
	(IN THOUSANDS)	
Actuarial present value of accumulated postretirement benefits		
Retirees and dependents	$(12,373)	$(10,147)
Employees eligible to retire	(3,998)	(3,348)
Employees ineligible to retire	(7,589)	(5,892)
Accumulated postretirement benefit obligation	(23,960)	(19,387)
Unamortized gain due to plan amendment	(5,796)	(7,694)
Unrecognized net loss	2,320	51

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Postretirement liability recognized in the balance sheet	$(27,436)	$(27,030)

</TABLE>

The weighted average discount rate used in determining the APBO was 7.25 percent. The assumed rate for plan cost increases in 1993 was 13.1 percent and 10.7 percent for non-Medicare eligible and Medicare eligible retirees, respectively. The assumed annual rates of cost increase decline each year through 2005 to a rate of 5.0 percent, and remain at 5.0 percent thereafter for both non-Medicare eligible and Medicare eligible retirees. The effect of a 1 percent increase in the health care cost trend rate for each future year would have increased the aggregate of service and interest cost components by $402,000 in 1993 and the APBO would have increased by $3,953,000 as of December 31, 1993.

The Manager also contributes to a multi-employer postretirement benefit plan which provides health care and life insurance benefits to employees covered by certain labor contracts. The cost of providing these benefits was approximately $123,000, $112,000 and $99,000 for 1993, 1992 and 1991, respectively.

11. EARLY EXTINGUISHMENT OF DEBT

On December 31, 1993, Buckeye entered into an agreement to issue $35 million of additional First Mortgage Notes (Series K, L and M) bearing interest rates from 7.11 percent to 7.19 percent (see Note 7). A portion of the proceeds from the issuance of these First Mortgage Notes were used to purchase approximately $22.2 million of U.S. Government securities. These securities were deposited into an irrevocable trust to complete an in-substance defeasance of Buckeye's 9.50 percent, Series H, First Mortgage Notes. The funds in the trust will be used solely to satisfy the interest due and principle amount of $20,000,000 due at maturity in December 1995. Accordingly, such U.S. Government securities and the 9.50 percent, Series H, First Mortgage Notes have been excluded from the 1993 balance sheet. The debt extinguishment resulted in an extraordinary charge of $2,161,000.

12. LEASES

The Operating Partnerships lease certain land and rights-of-way. Minimum future lease payments for these leases as of December 31, 1993 are approximately $2.7 million for each of the next five years. Substantially all of these lease payments, however, can be cancelled at any time should they not be required for operations.

The Manager leases space in an office building and certain copying equipment and Buckeye leases certain computing equipment and automobiles. The rent on such leases is charged to the Operating Partnerships. Future minimum lease payments under these noncancellable operating leases at December 31, 1993 were as follows: $832,000 for 1994, $824,000 for 1995, $611,000 for 1996, $317,000 for 1997, $196,000 for 1998, and $209,000 thereafter.

Rent expense for all operating leases was $4,890,000, $4,417,000 and $4,496,000 for 1993, 1992 and 1991, respectively.

13. RELATED PARTY TRANSACTIONS

The Partnership and the Operating Partnerships are managed and controlled by the General Partner and the Manager. Under certain partnership agreements and management agreements, the General Partner, the Manager, and certain related parties are entitled to reimbursement of all direct and indirect costs related to the business activities of the Partnership and the Operating Partnerships. These costs, which totaled $52.7 million, $46.3 million and $46.1 million in

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1993, 1992 and 1991, respectively, include insurance fees, consulting fees, general and administrative costs, compensation and benefits payable to officers and employees of the General Partner and Manager, tax information and reporting costs, legal and audit fees and an allocable portion of overhead expenses.

In 1986, Buckeye's predecessor (then owned by Penn Central) obtained an administrative consent order ("ACO") from the New Jersey Department of Environmental Protection and Energy under the New Jersey Environmental Cleanup Responsibility Act of 1983 for all six of its facilities in New Jersey. The ACO required that a sampling plan for environmental contamination be conducted at the New Jersey facilities and that any required clean-up plan be implemented. Penn Central has agreed to fund the cost of the sampling plan and any costs of compliance. Through December 1993, Buckeye's costs of $2,286,000 have been funded by Penn Central.

14. PARTNERS' CAPITAL

Changes in partners' capital for the years ended December 31, 1991, 1992, and 1993 were as follows:

	GENERAL PARTNER	LIMITED PARTNERS	TOTAL
	(IN THOUSANDS, EXCEPT FOR UNITS)		
Partners' capital at December 31, 1990.....	$2,531	$250,573	$253,104
Net income..............................	305	30,160	30,465
Distributions...........................	(315)	(31,200)	(31,515)
Partners' capital at December 31, 1991.....	2,521	249,533	252,054
Net income..............................	90	8,912	9,002
Distributions...........................	(315)	(31,200)	(31,515)
Reversal of corporate deferred income taxes.................................	(37)	(3,660)	(3,697)
Partners' capital at December 31, 1992.....	2,259	223,585	225,844
Net income..............................	394	38,972	39,366
Distributions...........................	(315)	(31,200)	(31,515)
Partners' capital at December 31, 1993.....	$2,338	$231,357	$233,695
Units outstanding at December 31, 1993, 1992, and 1991...........................	121,212	12,000,000	12,121,212

The net income per unit for 1993, 1992 and 1991 was calculated using 12,121,212 outstanding units which include 121,212 of outstanding GP Units.

The Partnership Agreement provides that without prior approval of limited partners of the Partnership holding an aggregate of at least two-thirds of the outstanding LP Units, the Partnership cannot issue more than 4,800,000 additional LP Units, or issue any additional LP Units of a class or series having preferences or other special or senior rights over the LP Units.

15. CASH DISTRIBUTIONS

The Mortgage Note Indenture covenants permit cash distributions by Buckeye to the Partnership so long as no default exists under the Mortgage Note Indenture and provided that such distributions do not exceed Net Cash Available to Partners (generally defined to equal net income plus depreciation and

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amortization less (a) capital expenditures, (b) payments of principal of debt and (c) certain other amounts, all on a cumulative basis since the formation of the Partnership). The maximum amount available for distribution by Buckeye to the Partnership under the formula as of December 31, 1993 amounted to $18.5 million. The Partnership is also entitled to receive cash distributions from Everglades, BTT and Laurel.

The Partnership makes quarterly cash distributions to Unitholders of substantially all of its available cash, generally defined as consolidated cash receipts less consolidated cash expenditures and such retentions for working capital, anticipated cash expenditures and contingencies as the General Partner deems appropriate or as are required by the terms of the Mortgage Note Indenture. In each of 1993, 1992 and 1991, quarterly distributions of $0.65 per GP and LP Unit paid in February, May, August and November aggregated $31,515,000. All such distributions were paid on 12,121,212 GP and LP Units outstanding.

On January 28, 1994, the General Partner announced a quarterly distribution of $0.70 per GP and LP Unit payable on February 28, 1994.

16. UNIT OPTION AND DISTRIBUTION EQUIVALENT PLAN

The Partnership has a Unit Option and Distribution Equivalent Plan (the "Option Plan"), which was approved by the Board of Directors of the General Partner on April 25, 1991 and by holders of the LP Units on October 22, 1991. The Option Plan authorizes the granting of options (the "Options") to acquire LP Units to selected key employees (the "Optionees") of the General Partner or any subsidiary, not to exceed 360,000 LP Units in the aggregate. The price at which each LP Unit may be purchased pursuant to an Option granted under the Option Plan is generally equal to the market value on the date of the grant. Options may be granted with a feature that allows Optionees to apply accrued credit balances (the "Distribution Equivalents") as an adjustment to the aggregate purchase price of such Options. The Distribution Equivalents shall be an amount equal to (i) the Partnership's per LP Unit regular quarterly distribution, multiplied by (ii) the number of LP Units subject to such Options that have not vested. Vesting in the Options is determined by the number of anniversaries the Optionee has remained in the employ of the General Partner or a subsidiary following the date of the grant of the Option. Options become vested in varying amounts beginning generally three years after the date of grant and remain exercisable for a period of five years. At December 31, 1993, there were 65,650 Options outstanding. Options granted during 1993, 1992 and 1991 aggregated 23,500 units, 22,250 units and 20,100 units, respectively with a purchase price of $32.75, $27.688 and $25.875, respectively. All such Options were granted with Distribution Equivalents. As of December 31, 1993, none of these Options were exercisable and none of these Options had been exercised.

17. QUARTERLY FINANCIAL DATA (NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

Summarized quarterly financial data for 1993 and 1992 are set forth below. Quarterly results were influenced by seasonal factors inherent in the Partnership's business. Quarterly financial data for 1992 was previously restated to reflect adoption of SFAS 106 effective as of January 1, 1992.

<TABLE>
<CAPTION>

	1ST QUARTER		2ND QUARTER		3RD QUARTER		4TH QUARTER		TOTAL	
	1993	1992	1993	1992	1993	1992	1993	1992	1993	1992
	(IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)									
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue.................	$41,429	$ 37,183	$42,152	$40,153	$44,394	$41,646	$47,520	$44,082	$175,495	$163,064
Operating income........	15,734	12,822	15,773	14,669	17,627	16,362	17,717	19,383	66,851	63,236

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Income from continuing operations*............	9,338	5,754	9,765	7,582	11,190	8,834	11,361	12,376	41,654	34,546
Net income (loss).......	9,211	(19,790)	9,765	7,582	11,190	8,834	9,200	12,376	39,366	9,002
Income per Unit from continuing operations*.	0.77	0.47	0.81	0.63	0.92	0.73	0.94	1.02	3.44	2.85
Net income (loss) per Unit...................	0.76	(1.63)	0.81	0.63	0.92	0.73	0.76	1.02	3.25	0.74

</TABLE>

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* Before extraordinary charge and cumulative effect of change in accounting principle.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The Partnership does not have directors or officers. The directors and officers of the General Partner and the Manager perform all management functions. Directors and officers of the General Partner and the Manager are selected by Penn Central.

DIRECTORS AND EXECUTIVE OFFICERS OF THE GENERAL PARTNER

Set forth below is certain information concerning the directors and executive officers of the General Partner. All of such persons were elected to their present positions with the General Partner in October 1986, except as noted below.

<TABLE>
<CAPTION>

NAME, AGE AND PRESENT POSITION WITH GENERAL PARTNER	BUSINESS EXPERIENCE DURING PAST FIVE YEARS
<S>	<C>
Alfred W. Martinelli, 66 Chairman of the Board, Chief Executive Officer and Director*	Mr. Martinelli has been Chairman of the Board and Chief Executive Officer of the General Partner for more than five years. He served as President of the General Partner from February 1991 to February 1992. Mr. Martinelli has been Chairman and Chief Executive Officer of Penn Central Energy Management Company ("PCEM") for more than five years. He is also Vice Chairman and a director of Penn Central and a director of American Annuity Group, Inc.
Neil M. Hahl, 45 President and Director	Mr. Hahl was elected President of the General Partner in February 1992. He has been a director of the General Partner since February 1989. Mr. Hahl was elected a director of Penn Central in December 1992 and has been Senior Vice President of Penn Central for more than five years.
Ernest R. Varalli, 63 Executive Vice President, Chief Financial Officer, Treasurer and Director*	Mr. Varalli was elected to his present position in July 1987. He is also Executive Vice President, Chief Financial Officer and Treasurer of PCEM. Mr. Varalli has been a consultant to Penn Central for more than five years.
Brian F. Billings, 55 Director*	Mr. Billings served as President of the General Partner from October 1986 to December 1990. He was elected Chairman of the Manager in February 1991. Mr. Billings was President of the Manager from July

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	1987 to December 1990. Mr. Billings has been President of PCEM for more than five years.
A. Leon Fergenson, 81 Director	Mr. Fergenson has been a director of the General Partner since December 1986. He is also a director of American Annuity Group, Inc., Sequa Corporation, National Benefit Life Insurance Company and various mutual funds sponsored by Neuberger & Berman.

NAME, AGE AND PRESENT POSITION WITH GENERAL PARTNER	BUSINESS EXPERIENCE DURING PAST FIVE YEARS
Edward F. Kosnik, 49 Director	Mr. Kosnik has been Chairman of the Board, President and Chief Executive Officer of JWP, Inc. since May 1993. He was Executive Vice President and Chief Financial Officer of JWP, Inc. from December 1992 to April 1993. Mr. Kosnik was President of Sprague Technologies, Inc. from May 1992 to June 1992 and President and Chief Executive Officer of Sprague Technologies, Inc. from July 1987 to May 1992.
William C. Pierce, 53 Director	Mr. Pierce has been a director of the General Partner since February 1987. He has been Executive Vice President and Group Executive of Chemical Bank and Chemical Banking Corporation since November 1992. Mr. Pierce was Executive Vice President and Chief Risk Policy Officer of Chemical Bank and Chemical Banking Corporation from December 1991 to November 1992. He was Chief Credit Officer of Chemical Bank and Chemical Banking Corporation from January 1988 to December 1991.
Robert H. Young, 72 Director	Mr. Young has been a director of the General Partner since July 1987. He was Secretary of the General Partner from July 1987 through October 1991. Since October 1991, Mr. Young has been Counsel to the law firm of Morgan, Lewis & Bockius. Prior to October 1991, he was a Senior Partner with that firm for more than five years. Mr. Young is also Chairman of the Board of Directors of Independence Blue Cross.

- --------
* Also a director of the Manager.

The General Partner has an Audit Committee, which currently consists of three directors: A. Leon Fergenson, William C. Pierce and Robert H. Young. Messrs. Fergenson, Pierce and Young are neither officers nor employees of the General Partner or any of its affiliates.

The General Partner also has a Compensation Committee, which currently consists of four directors: Alfred W. Martinelli, Brian F. Billings, Ernest R. Varalli and Robert H. Young. The Compensation Committee is concerned primarily with establishing executive compensation policies for officers of the Manager and administering of the Partnership's Option Plan. See "Executive Compensation--Compensation Committee Interlocks and Insider Participation in Compensation Decisions."

DIRECTORS AND EXECUTIVE OFFICERS OF THE MANAGER

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Set forth below is certain information concerning the directors and executive officers of the Manager. Mr. Billings was elected Chairman of the Manager in February 1991, Messrs. Billings and Martinelli were elected as directors of the Manager in March 1987, and Mr. Varalli was elected as a director in July 1987.

<TABLE>
<CAPTION>

NAME, AGE AND PRESENT POSITION WITH THE MANAGER	BUSINESS EXPERIENCE DURING PAST FIVE YEARS
<S>	<C>
C. Richard Wilson, 49 President, Chief Operating Officer and Director	Mr. Wilson was named President and Chief Operating Officer in February 1991. He was Executive Vice President and Chief Operating Officer from July 1987 to February 1991. Mr. Wilson has been a director of the Manager since October 1986.
Michael P. Epperly, 50 Senior Vice President--Operations	Mr. Epperly was named Senior Vice President--Operations in March 1990. He was Vice President--Operations from October 1986 to February 1990.
Stephen C. Muther, 44 General Counsel, Vice President--Administration and Secretary*	Mr. Muther joined the Manager as General Counsel, Vice President--Administration and Secretary in May 1990. From July 1985 to April 1990 Mr. Muther was Associate Litigation and Antitrust Counsel for General Electric Company.
Steven C. Ramsey, 39 Vice President and Treasurer	Mr. Ramsey was named Vice President and Treasurer in February 1991. He was elected Treasurer in June 1989. Prior to June 1989, Mr. Ramsey served in various positions in the marketing and engineering departments of the Manager.

</TABLE>

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* Also Secretary of the General Partner since February 1992.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth the total compensation earned by the Chief Executive Officer of the General Partner and the four most highly compensated executive officers of the General Partner and the Manager for services rendered to the Partnership, the General Partner or the Manager for the fiscal year ended December 31, 1993, as well as the total compensation earned by such individuals for the two previous fiscal years. Alfred W. Martinelli, Chairman of the Board, Chief Executive Officer and Director of the General Partner, did not receive any cash compensation for serving as an officer of the General Partner in 1993, but received fees for serving as a Director of the General Partner. See "Director Compensation" below. Executive officers of the Manager, including Messrs. Wilson, Epperly, Muther and Ramsey, are compensated by the Manager and, pursuant to management agreements with each of the Operating Partnerships, such compensation is reimbursed by the Operating Partnerships in accordance with an allocation formula based upon the results of the prior year's operations.

SUMMARY COMPENSATION TABLE

<TABLE>
<CAPTION>

		ANNUAL COMPENSATION			LONG TERM COMPENSATION		
					AWARDS	PAYOUTS	
NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS(1) ($)	OTHER ANNUAL COMPENSATION($)	SECURITIES UNDERLYING OPTIONS(2) (#)	LTIP PAYOUTS(3) ($)	ALL OTHER COMPENSATION ($)

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<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Alfred W. Martinelli...	1993	0	0	5,539(5)	0	0	22,500(7)
Chairman of the Board	1992	218,750(4)	0	(6)	0	0	9,500(7)
and Chief Executive	1991	375,000(4)	0	(6)	0	0	
Officer of the General Partner							
C. Richard Wilson......	1993	206,667	105,000	(6)	7,500	37,050	20,977(8)
President and Chief	1992	188,333	73,101	(6)	7,500	40,400	31,469(8)
Operating Officer of	1991	172,500	52,802	(6)	5,850	39,556	
the Manager							
Michael P. Epperly.....	1993	143,333	60,000	(6)	3,750	30,729	19,901(8)
Senior Vice	1992	135,833	37,595	(6)	3,750	29,556	17,929(8)
President--Operations	1991	126,250	27,155	(6)	3,750	28,278	
of the Manager							
Stephen C. Muther......	1993	144,167	45,000	(6)	3,000	20,000	17,550(8)
General Counsel, Vice	1992	126,667	31,329	(6)	3,000	20,000	14,930(8)
President--	1991	119,167	22,629	(6)	3,000	15,000	
Administration and Secretary of the Manager							
Steven C. Ramsey.......	1993	126,667	45,000	(6)	2,500	20,377	15,800(8)
Vice President and	1992	108,667	31,329	(6)	2,500	15,750	13,130(8)
Treasurer of the	1991	94,000	22,629	(6)	2,500	5,875	
Manager							

</TABLE>

- --------

(1) Represents amounts awarded by the Compensation Committee as cash bonuses earned under the Manager's Annual Incentive Compensation Plan ("AIC Plan"). Under the AIC Plan, individual awards are granted to participants based upon satisfaction of such participant's target award opportunities and such awards are paid to participants as soon as practicable after they are granted.

(2) Represents options granted under the Partnership's Unit Option and Distribution Equivalent Plan (the "Option Plan"). See "Long Term Compensation--Option Plan" below. Certain officers of the Manager are also eligible to participate in the Penn Central Stock Option Plan (the "Penn Central Option Plan"). No cost or expense relating to the Penn Central Option Plan is borne by the Partnership. No options were awarded in 1992 or 1993 under the Penn Central Option Plan to the Chief Executive Officer of the General Partner or the four most highly compensated executive officers of the General Partner and Manager. After taking into account the spinoff of General Cable Corporation ("General Cable") to Penn Central's stockholders in June 1992, Mr. Muther received, in 1991, options to purchase 2,727 shares of Penn Central and 625 shares of General Cable.

(3) Represents payments received during the applicable year under the Manager's Long Term Incentive Compensation Plans (the "LTIC Plans"). See "Long Term Compensation--Long Term Incentive Plans" below.

(4) Represents consulting fees paid by PCEM and reimbursed by the Partnership prior to the termination of Mr. Martinelli's consulting arrangement in July 1992.

(5) Represents lease payments made by the Partnership for an automobile used by Mr. Martinelli.

(6) During the year indicated, no perquisites or non-cash compensation exceeded the lesser of $50,000 or an amount equal to 10 percent of such person's salary and bonus.

(7) Represents director fees which commenced in July 1992. See "Director Compensation" below.

(8) Represents the amount contributed by the Manager to the Manager's defined contribution retirement plan (the "New Retirement Plan") and Manager's matching contributions under Manager's Savings Plan and, for Mr. Wilson and Mr. Epperly an additional $733 and $379, respectively, under the Manager's Benefit Equalization Plan for 1993. For 1992, Mr. Wilson received an additional $10,748 under the Manager's Benefit Equalization Plan. In addition to participation in the New Retirement Plan, Messrs. Wilson, Epperly and Ramsey are guaranteed certain defined benefits upon retirement

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under the Manager's retirement income guarantee plan. See "Retirement and Savings Plans" below.

LONG TERM COMPENSATION

Option Plan

The following table sets forth additional information regarding options granted under the Option Plan to the Chief Executive Officer of the General Partner and the four most highly compensated executive officers of the General Partner and Manager during 1993.

OPTION GRANTS IN LAST FISCAL YEAR

<TABLE>
<CAPTION>

	INDIVIDUAL GRANTS				POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF LP UNIT PRICE APPRECIATION FOR OPTION TERM	
NAME	SECURITIES UNDERLYING OPTIONS GRANTED (1) (#)	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE ($/UNIT)	EXPIRATION DATE	5% ($) (2)	10% ($) (2)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Alfred W. Martinelli....	0	--	--	--	--	--
C. Richard Wilson.......	7,500	31.9%	32.750	2/3/2003	154,500	391,500
Michael P. Epperly......	3,750	16.0%	32.750	2/3/2003	77,200	195,700
Stephen C. Muther.......	3,000	12.8%	32.750	2/3/2003	61,800	156,600
Steven C. Ramsey........	2,500	10.6%	32.750	2/3/2003	51,500	130,500

</TABLE>

- --------

(1) Represents LP Unit options granted under the Option Plan. Options shown in the table were granted with a feature that allows optionees to apply accrued credit balances (the "Distribution Equivalents") as a reduction to the aggregate purchase price of such options. The Distribution Equivalents are equal to (i) the Partnership's per LP Unit regular quarterly distribution as declared from time to time by the Board of Directors of the General Partner, multiplied by (ii) the number of LP Units subject to options that have not vested. Vesting in the options is determined by the number of anniversaries the optionee has remained in the employ of the General Partner or a subsidiary following the date of the grant of the option. Vesting shall be at the rate of 0 percent if the number of anniversaries are less than three, 60 percent if the number of anniversaries are three but less than four, 80 percent if the number of anniversaries are four but less than five and 100 percent if the number of anniversaries are five or more. In addition, the optionee may become fully vested upon death, retirement, disability or a determination by the Board of Directors of the General Partner or the Compensation Committee that acceleration of the vesting in the option would be desirable for the Partnership. Up to 95 percent of the LP Unit purchase price and up to 100 percent of any taxes required to be withheld in connection with the purchase of the LP Units pursuant to such options may be financed through a loan program established by the General Partner.

(2) The dollar amounts under these columns are the values of options (not including accrual of any Distribution Equivalents) at the 5 percent and 10 percent rates set by the Securities and Exchange Commission and therefore are not intended to forecast possible future appreciation, if any, of the price of LP Units. No alternative formula for a grant date valuation was

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used, as the General Partner is not aware of any formula which will determine with reasonable accuracy a present value based on future unknown or volatile factors.

The following table sets forth information regarding options exercised in 1993 and values of unexercised options as of December 31, 1993 for the Chief Executive Officer of the General Partner and the four most highly compensated executive officers of the General Partner and the Manager.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

NAME	LP UNITS ACQUIRED ON EXERCISE (#)	VALUE REALIZED ($)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT DECEMBER 31, 1993 (#) EXERCISABLE/ UNEXERCISABLE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT DECEMBER 31,1993 ($)(1) EXERCISABLE/ UNEXERCISABLE
Alfred W. Martinelli....	0	--	0/0	--
C. Richard Wilson.......	0	--	0/20,850	0/216,300
Michael P. Epperly......	0	--	0/11,250	0/119,300
Stephen C. Muther.......	0	--	0/9,000	0/95,400
Steven C. Ramsey........	0	--	0/7,500	0/79,500

- --------

(1) The values of the unexercised options do not include any accrual for Distribution Equivalents.

In 1993, Messrs. Wilson, Epperly and Muther exercised options to purchase 11,294 shares, 1,636 shares and 1,090 shares of Penn Central, respectively, acquired pursuant to the Penn Central Option Plan with a net value realized of $63,559, $22,141 and $8,916, respectively. No cost or expense relating to the exercise of these options was incurred by the Partnership.

Long-Term Incentive Plans

Prior to 1991 when the Option Plan went into effect, the Manager created an LTIC Plan each year which permitted the Board of Directors of the General Partner or the Compensation Committee to grant cash awards to certain significant employees of the Manager for performance during three-year periods. Although cash award payments continue under these LTIC Plans through 1994, no new LTIC plans were established for the period 1991 through 1993, 1992 through 1994 or 1993 through 1995. In addition to the LTIC Plans, the Manager created a transition plan which grants to each participant an additional cash award in an amount equal to the difference between the target amount under the 1990-1992 LTIC Plan and the sum of (i) amounts received pursuant to LTIC Plans and (ii) the value of Distribution Equivalents vested under the Option Plan for each year from 1992 through 1995.

Awards under LTIC Plans are based on achievement of certain long-term financial performance goals for the Partnership and may not exceed 150 percent of the target award opportunity established by the Board of Directors of the General Partner or the Compensation Committee at the beginning of such period (or as soon as practicable thereafter) for such period. A participant's target

award opportunity under the LTIC Plans may not exceed 25 percent of such participant's aggregate base salary earned during the three-year period. If the Partnership meets or exceeds the interim financial performance goals under the LTIC Plans, cash payments up to the full amount of the target award are made in

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the following installments: 10 percent in the second year of the award period, 30 percent in the third year of the award period and 60 percent in the first year following the award period. Any cash award in excess of the target award is paid in the second year following the award period with 10 percent simple interest.

RETIREMENT AND SAVINGS PLANS

Effective December 31, 1985, Pipe Line terminated its defined benefit retirement plan (the "Retirement Plan") and adopted a new defined contribution plan (the "New Retirement Program"). Those employees hired prior to January 1, 1986 are covered by a retirement income guarantee plan (the "RIGP"). These plans were assumed by the Manager.

The Operating Partnerships reimburse the Manager for payments made to employees pursuant to the New Retirement Program, the RIGP, the Equalization Plan (described below) and the Savings Plan (described below).

Under the New Retirement Program, the Manager makes contributions equal to 5 percent of an employee's covered compensation, which includes base salary plus overtime, annual cash bonuses and any periodic salary continuance payments but does not include extraordinary cash bonuses, deferred awards, other forms of deferred compensation, lump-sum severance pay, fees or any other kind of special or extra compensation. Employees may elect to have the Manager's contributions invested in any of five investment funds.

The RIGP generally provides for an additional retirement benefit equal to the amount, if any, by which the aggregate of the annuity equivalent of the employee's accrued benefit under the former Retirement Plan at December 31, 1985 plus the annuity equivalent of the vested portion of employer contributions under the New Retirement Program for the account of such employee (plus or minus aggregate investment gains or losses thereon) is less than the retirement benefit that the employee would have received if the former Retirement Plan had continued. The vesting formula for the New Retirement Program and the RIGP provides for 100 percent vesting after 5 years of service. Service under the former Retirement Plan is carried over to the new plans. The minimum retirement benefit guaranteed under the RIGP is based on the highest average compensation during any five consecutive calendar years of employment within the last ten years of employment preceding retirement ("Highest Average Compensation"). For purposes of the RIGP, compensation is defined to include the same components as under the New Retirement Program, except that periodic salary continuance payments are not included. The former Retirement Plan benefit, which the RIGP was established to guarantee, provides for a retirement benefit equal to 1.75 percent per year of service (maximum of 60 percent) of the Highest Average Compensation, reduced by 1.46 percent for each year of service (with a maximum offset of 50 percent) of the estimated primary insurance amount that an employee is entitled to receive upon retirement, other termination of employment or, if earlier, attainment of age 65 under the Social Security Act.

The Manager also assumed Pipe Line's Benefit Equalization Plan (the "Equalization Plan"), which generally makes up the reductions caused by Internal Revenue Code limitations in the annual retirement benefit determined pursuant to the RIGP and in the Manager's contributions on behalf of an employee pursuant to the New Retirement Program and the Savings Plan. Those amounts not payable under the RIGP (or under affiliated company retirement plans and employee transfer policies), the New Retirement Program or the Savings Plan are payable under the Equalization Plan.

Estimated annual benefits under the RIGP and the Equalization Plan, calculated under the single life annuity option form of pension, payable to participants at the normal retirement age of 65, are illustrated in the following table.

<TABLE>
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ESTIMATED ANNUAL RETIREMENT BENEFIT

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AVERAGE OF 5 HIGHEST ANNUAL COMPENSATION LEVELS	YEARS OF SERVICE				
	15	20	25	30	35
$100,000	$23,236	$ 30,981	$ 38,726	$ 46,471	$ 53,117
150,000	36,361	48,481	60,601	72,721	83,121
200,000	49,486	65,981	82,476	98,971	113,124
250,000	62,611	83,481	104,351	125,221	143,128
300,000	75,736	100,981	126,226	151,471	173,132
350,000	88,861	118,481	148,101	177,721	203,136
400,000	101,986	135,981	169,976	203,971	233,140

The amounts shown in the above table have been reduced by the percentage equal to 1.46 percent for each year of service of the estimated maximum annual benefits payable under the Social Security Act in respect of each category. The amounts shown in the table would be further reduced, as described above, by the accrued benefit under the former Retirement Plan as of December 31, 1985, as well as by the aggregate amount of vested employer contributions under the New Retirement Program (plus or minus aggregate investment gains or losses thereon).

Messrs. Wilson, Epperly and Ramsey have 19, 28 and 12 full credited years of service with the Manager and its affiliates, respectively, under the New Retirement Program, the RIGP and the Equalization Plan. Each of them is 100 percent vested under such plans. Mr. Muther has three full years of credited service with the Manager. He is not covered under the RIGP and is currently vested under the New Retirement Program.

Officers of the Manager are also eligible to participate on a voluntary basis in the Manager's Savings Plan (the "Savings Plan"). An employee may elect to contribute to the Savings Plan annually a specified percentage of his pay, subject to certain limitations. The Manager will contribute to the Savings Plan, out of its current or accumulated profits, for the benefit of each participating employee, an amount equal to his contributions up to a maximum of 5 percent of his pay (6 percent of pay if the employee has completed 20 or more years of service). Employees may elect to have the Manager's contributions invested in any of four investment funds. The Manager's contributions vest immediately for the first 2 percent of the employee's pay and at the rate of 20 percent per year of service (excluding the first year of service) for the remainder, with 100 percent vesting upon death, disability, retirement or attainment of age 65. Benefits are payable, at the election of the employee, in a lump-sum cash distribution after termination of employment or as an annuity upon retirement or a combination of the two.

DIRECTOR COMPENSATION

The fee schedule for directors of the General Partner other than Messrs. Martinelli and Hahl is as follows: annual fee, $10,000; attendance fee for each Board of Directors meeting, $750; and attendance fee for each committee meeting, $500. Directors' fees paid by the General Partner in 1993 to such directors amounted to $94,583.

Mr. Martinelli, Chairman of the Board, Chief Executive Officer and Director of the General Partner is entitled to receive the following fees as Chairman of the Board of Directors: annual fee $15,000; attendance fee for each Board of Directors meeting, $1,000; and attendance fee for each committee meeting, $750. Director's fees paid by the General Partner in 1993 to Mr. Martinelli amounted to $22,500.

Mr. Hahl, President and Director of the General Partner, is an employee of Penn Central and devotes substantially all of his time to Penn Central rather than to the General Partner or the Partnership. Consequently, no compensation or other benefits payable to Mr. Hahl is paid or reimbursed by the Partnership for Mr. Hahl's services as a director of the General Partner.

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Members of the Board of Directors of the Manager were not compensated for their services as directors, and it is not currently anticipated that any such compensation will be paid in the future to directors of the Manager who are full-time employees of the Manager or any of its affiliates.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION IN COMPENSATION DECISIONS

The Compensation Committee consists of Messrs. Martinelli, Varalli, Billings and Young. Messrs. Martinelli and Varalli are executive officers of the General Partner and Mr. Billings is a former executive officer of the General Partner. Mr. Martinelli is on the Penn Central Compensation Committee. The members of the Board of Directors of the General Partner are chosen by Penn Central, as beneficial owner of all outstanding capital stock of the General Partner. See "Certain Relationships and Related Transactions." Mr. Hahl, the President and Director of the General Partner, also serves as Senior Vice President and Director of Penn Central, although he does not serve on the Compensation Committee. Mr. Young, who is also a member of the Compensation Committee, is counsel to the law firm of Morgan, Lewis and Bockius, which supplies legal services to the Partnership.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

No person or group is known to be the beneficial owner of more than 5 percent of the LP Units as of February 1, 1994.

On May 25, 1993, Penn Central, the beneficial owner of the General Partner, sold 2,308,900 LP Units representing all of its interest in LP Units of the Partnership.

The following table sets forth certain information, as of February 1, 1994, concerning the beneficial ownership of LP Units by each director of the General Partner, the Chief Executive Officer of the General Partner, the four most highly compensated officers of the General Partner and the Manager and by all directors and executive officers of the General Partner and the Manager as a group. Such information is based on data furnished by the persons named. Based on information furnished to the General Partner by such persons, no director or executive officer of the General Partner or the Manager owned beneficially, as of February 1, 1994, more than 1 percent of any class of equity securities of the Partnership or any of its subsidiaries outstanding at that date.

NAME	NUMBER OF LP UNITS (1)
Brian F. Billings	7,500
Michael P. Epperly	25(2)
A. Leon Fergenson	200
Neil M. Hahl	2,500
Edward F. Kosnik	5,000
Alfred W. Martinelli	4,500
William C. Pierce	800(2)
Steven C. Ramsey	300(2)
Ernest R. Varalli	6,500
C. Richard Wilson	1,500
Robert H. Young	2,500
All directors and executive officers as a group (consisting of 12 persons, including those named above)	31,325(2)

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(1) Unless otherwise indicated, the persons named above have sole voting and investment power over the LP Units reported.

(2) The LP Units owned by Messrs Epperly, Pierce and Ramsey have shared voting

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and investment power with their respective spouses.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Partnership and the Operating Partnerships are managed and controlled by the General Partner and the Manager, respectively, pursuant to the Amended and Restated Agreement of Limited Partnership of the Partnership (the "Partnership Agreement"), the several Amended and Restated Agreements of Limited Partnership of the Operating Partnerships (the "Operating Partnership Agreements") and the several Management Agreements between the Manager and the Operating Partnerships (the "Management Agreements").

Under the Partnership Agreement and the Operating Partnership Agreements, as well as the Management Agreements, the General Partner, the Manager and certain related parties are entitled to reimbursement of all direct and indirect costs and expenses related to the business activities of the Partnership and the Operating Partnerships. These costs and expenses include insurance fees, consulting fees, general and administrative costs, compensation and benefits payable to officers and other employees of the General Partner and Manager, tax information and reporting costs, legal and audit fees and an allocable portion of overhead expenses. Such reimbursed amounts constitute a substantial portion of the revenues of the General Partner and the Manager. These costs and expenses reimbursed by the Partnership totaled $52.3 million in 1993.

The Partnership receives management consulting services from PCEM. The cost of this management consulting service allocated to the Partnership in 1993 totaled $385,900. See "Executive Compensation--Summary Compensation and Compensation Committee Interlocks and Insider Participation in Compensation Decisions."

The Partnership and the General Partner have entered into incentive compensation arrangements which provide for incentive compensation payable to the General Partner in the event quarterly or special distributions to Unitholders exceed certain specified targets. In general, subject to certain limitations and adjustments, if a quarterly cash distribution exceeds a target of $0.65 per LP Unit, the Partnership will pay the General Partner, in respect of each outstanding LP Unit, incentive compensation equal to (i) 15 percent of that portion of the distribution per LP Unit which exceeds the target quarterly amount of $0.65 but is not more than $0.75 plus (ii) 25 percent of the amount, if any, by which the quarterly distribution per LP Unit exceeds $0.75. The General Partner is also entitled to incentive compensation, under a comparable formula, in respect of special cash distributions exceeding a target special distribution amount per LP Unit. The target special distribution amount generally means the amount which, together with all amounts distributed per LP Unit prior to the special distribution compounded quarterly at 13 percent per annum, would equal $20.00 (the initial public offering price of the LP Units) compounded quarterly at 13 percent per annum from the date of the closing of the initial public offering.

On January 28, 1994, the General Partner announced a quarterly distribution of $0.70 per GP and LP Unit payable on February 28, 1994. As such distribution exceeds a target of $0.65 per LP Unit, the Partnership will pay the General Partner incentive compensation aggregating $90,000 as a result of this distribution.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as a part of this Report:

(1) and (2) Financial Statements and Financial Statement Schedules--see Index to Financial Statements and Financial Statement Schedules appearing on page 22.

(3) Exhibits, including those incorporated by reference. The following is a list of exhibits filed as part of this Annual Report on Form 10-K. Where

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so indicated by footnote, exhibits which were previously filed are incorporated by reference. For exhibits incorporated by reference, the location of the exhibit in the previous filing is indicated in parentheses.

EXHIBIT NUMBER (REFERENCED TO ITEM 601 OF REGULATION S-K)	
3.1	--Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of December 23, 1986.(1) (Exhibit 3.1)
3.2	--Amended and Restated Certificate of Limited Partnership of the Partnership, dated as of November 18, 1986.(1) (Exhibit 3.1)
4.1	--Indenture of Mortgage and Deed of Trust and Security Agreement, dated as of December 15, 1986, by Buckeye to Pittsburgh National Bank and J. G. Routh, as Trustees.(1) (Exhibit 4.1)
4.2	--Note Purchase Agreement, dated as of December 15, 1986, among Buckeye and the several purchasers named therein relating to $300,000,000 of First Mortgage Notes.(1) (Exhibit 4.2)
4.3	--First Supplemental Indenture of Mortgage and Deed of Trust and Security Agreement, dated as of December 1, 1987, by Buckeye Pipe Line Company, L.P., to Pittsburgh National Bank and J. G. Routh, as Trustees.(2) (Exhibit 4.4)
4.4	--Second Supplemental Indenture and Deed of Trust and Security Agreement, dated as of November 30, 1992 by Buckeye Pipe Line Company, L.P. to Pittsburgh National Bank and J. G. Routh, as Trustees.(3) (Exhibit 4.5)
*4.5	--Third Supplemental Indenture and Deed of Trust and Security Agreement, dated as of December 31, 1993, by Buckeye Pipe Line Company, L.P. to Pittsburgh National Bank and J. G. Routh, as Trustees.
*4.6	--Note Purchase and Private Shelf Agreement, dated as of December 31, 1993 between Buckeye Pipe Line Company, L.P. and The Prudential Insurance Company of America.
4.7	--Certain instruments with respect to long-term debt of the Operating Partnerships which relate to debt that does not exceed 10 percent of the total assets of the Partnership and its consolidated subsidiaries are omitted pursuant to Item 601(b) (4) (iii) (A) of Regulation S-K, 17 C.F.R. (S)229.601. The Partnership hereby agrees to furnish supplementally to the Securities and Exchange Commission a copy of each such instrument upon request.
10.1	--Amended and Restated Agreement of Limited Partnership of Buckeye, dated as of December 23, 1986.(1)(4) (Exhibit 10.1)
10.2	--Purchase Agreement, dated December 23, 1986, between the Partnership and Marathon Energy Holdings, Inc. providing for the purchase by the Partnership of the 99 percent limited partnership interests in Buckeye, BTT and Everglades.(1) (Exhibit 10.2)

EXHIBIT NUMBER (REFERENCED TO ITEM 601 OF REGULATION S-K)	
10.3	--Purchase Agreement, dated December 23, 1986, between LEH and Pennsylvania Company providing for the purchase by LEH of the 83 percent stock interest in Laurel.(1) (Exhibit 10.3)
10.4	--Management Agreement, dated November 18, 1986, between the

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	Manager and Buckeye.(1)(5) (Exhibit 10.4)
10.5	--Distribution Support, Incentive Compensation and APU Redemption Agreement, dated as of December 15, 1986, among the General Partner, the Partnership and Penn Central.(1) (Exhibit 10.6)
10.6	--Annual Incentive Compensation Plan for key employees of the Manager.(1)(6) (Exhibit 10.8)
10.7	--Form of Long-Term Incentive Compensation Plan for key employees of the Manager.(1)(6) (Exhibit 10.9)
10.8	--Unit Option and Distribution Equivalent Plan of Buckeye Partners, L.P.(6)(7) (Exhibit 10.10)
10.9	--Buckeye Management Company Unit Option Loan Program.(6)(7) (Exhibit 10.11)
10.10	--Buckeye Pipe Line Company Benefit Equalization Plan.(3)(6) (Exhibit 10.10)
*11.1	--Computation of earnings per Unit.
*21.1	--List of subsidiaries of the Partnership.

</TABLE>

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(1) Previously filed with the Securities and Exchange Commission as the Exhibit to the Buckeye Partners, L.P. Annual Report on Form 10-K for the year 1986.

(2) Previously filed with the Securities and Exchange Commission as the Exhibit to the Buckeye Partners, L.P. Quarterly Report on Form 10-Q for the quarter ended March 31, 1988.

(3) Previously filed with the Securities and Exchange Commission as the Exhibit to Buckeye Partners, L.P. Annual Report on Form 10-K for the year 1992.

(4) The Amended and Restated Agreements of Limited Partnership of the other Operating Partnerships are not filed because they are identical to Exhibit 10.1 except for the identity of the partnership.

(5) The Management Agreements of the other Operating Partnerships are not filed because they are identical to Exhibit 10.4 except for the identity of the partnership.

(6) Represents management contract or compensatory plan or arrangement.

(7) Previously filed with the Securities and Exchange Commission as the Exhibit to the Buckeye Partners, L.P. Quarterly Report on Form 10-Q for the quarter ended September 30, 1991.

* Filed herewith

(b) Reports on Form 8-K filed during the quarter ended December 31, 1993:

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.

Buckeye Partners, L.P.
(Registrant)

By: Buckeye Management Company,
as General Partner

/s/ Alfred W. Martinelli

Dated: March 15, 1994 By: ________________________________

Alfred W. Martinelli
Chairman of the Board

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PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT AND IN THE CAPACITIES AND ON THE DATES INDICATED.

Dated: March 15, 1994	By: /s/ Brian F. Billings Brian F. Billings Director
Dated: March 15, 1994	By: /s/ A. Leon Fergenson A. Leon Fergenson Director
Dated: March 15, 1994	By: /s/ Neil M. Hahl Neil M. Hahl President and Director
Dated: March 15, 1994	By: /s/ Edward F. Kosnik Edward F. Kosnik Director
Dated: March 15, 1994	By: /s/ Alfred W. Martinelli Alfred W. Martinelli Chairman of the Board and Director (Principal Executive Officer)
Dated: March 15, 1994	By: /s/ William C. Pierce William C. Pierce Director
Dated: March 15, 1994	By: /s/ Ernest R. Varalli Ernest R. Varalli Executive Vice President, Chief Financial Officer, Treasurer and Director (Principal Accounting and Financial Officer)
Dated: March 15, 1994	By: /s/ Robert H. Young Robert H. Young Director

INDEPENDENT AUDITORS' REPORT

To the Partners of Buckeye Partners, L.P.:

We have audited the consolidated financial statements of Buckeye Partners, L.P. and its subsidiaries as of December 31, 1993 and 1992, and for each of the three years in the period ended December 31, 1993, and have issued our report thereon dated February 14, 1994; such report is included elsewhere in this Form 10-K. Our audits also included the consolidated financial statement schedules of Buckeye Partners, L.P. and subsidiaries referred to in Item 14. These consolidated financial statement schedules are the responsibility of the Partnership's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

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Deloitte & Touche

Philadelphia, Pennsylvania
February 14, 1994

SCHEDULE II

BUCKEYE PARTNERS, L.P.
AMOUNTS RECEIVABLE FROM RELATED PARTIES AND UNDERWRITERS, PROMOTERS AND EMPLOYEES OTHER THAN RELATED PARTIES
FOR THE YEARS ENDED DECEMBER 31, 1993, 1992, AND 1991
(IN THOUSANDS)

NAME OF DEBTOR	BALANCE AT BEGINNING OF PERIOD	ADDITIONS	DEDUCTIONS: AMOUNTS COLLECTED	DEDUCTIONS: AMOUNTS WRITTEN OFF	DEDUCTIONS: OTHER	BALANCE AT END OF PERIOD: CURRENT	BALANCE AT END OF PERIOD: NONCURRENT
The Penn Central Corporation							
Year ended December 31, 1993	$207	$127	$282	--	--	$ 52	--
Year ended December 31, 1992	234	460	487	--	--	207	--
Year ended December 31, 1991	165	448	379	--	--	234	--

SCHEDULE III

BUCKEYE PARTNERS, L.P.
REGISTRANT'S CONDENSED FINANCIAL STATEMENTS
(IN THOUSANDS)

BALANCE SHEETS

	DECEMBER 31, 1993	DECEMBER 31, 1992
Assets		
Current assets		
Cash and cash equivalents	$ 1,412	$ 40
Temporary investments	250	--
Other current assets	18	360
Total current assets	1,680	400
Investments in and advances to subsidiaries (at equity)	233,707	225,849
Total assets	$235,387	$226,249
Liabilities and partners' capital		
Current liabilities	$ 1,692	$ 405
Partners' capital		
General Partner	2,338	2,259
Limited Partners	231,357	223,585

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Total partners' capital	233,695	225,844
Total liabilities and partners' capital	$235,387	$226,249

</TABLE>

STATEMENTS OF INCOME

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	YEAR ENDED DECEMBER 31, 1993	1992	1991
Equity in income of subsidiaries	$ 39,462	$ 8,484	$ 29,290
Operating expenses	(10)	(135)	(54)
Interest income	--	780	1,232
Interest and debt expense	(86)	(127)	(3)
Net income	$ 39,366	$ 9,002	$ 30,465

STATEMENTS OF CASH FLOWS

<CAPTION>

	YEAR ENDED DECEMBER 31, 1993	1992	1991
Cash flows from operating activities:			
Net income	$ 39,366	$ 9,002	$ 30,465
Adjustments to reconcile net income to net cash provided by operating activities:			
Undistributed earnings of subsidiaries	(7,858)	22,403	(576)
Change in assets and liabilities:			
Other current assets	342	(359)	134
Current liabilities	1,287	(693)	(15,228)
Net cash provided by operating activities	33,137	30,353	14,795
Cash flows from investing activities:			
Sales (purchases) of temporary investments	(250)	1,139	9,225
Cash flows from financing activities:			
Distributions to Unitholders	(31,515)	(31,515)	(31,515)
Net increase (decrease) in cash and cash equivalents	1,372	(23)	(7,495)
Cash and cash equivalents at beginning of period	40	63	7,558
Cash and cash equivalents at end of period	$ 1,412	$ 40	$ 63

</TABLE>

See footnotes to consolidated financial statements of Buckeye Partners, L.P.

SCHEDULE V

BUCKEYE PARTNERS, L.P.

CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT
(IN THOUSANDS)

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CLASSIFICATION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS AT COST	RETIREMENTS	OTHER CHANGES ADD(DEDUCT)	BALANCE AT END OF PERIOD
<S>	<C>	<C>	<C>	<C>	<C>
Year ended December 31, 1993					
Land.....................	$ 10,018	$ --	$ (40)	$ --	$ 9,978
Buildings and leasehold improvements............	23,279	1,106	(179)	(539)	23,667
Machinery, equipment and office furnishings......	500,389	12,672	(2,010)	539	511,590
Construction in progress.	3,185	(450)	--	--	2,735
	$536,871	$ 13,328	$ (2,229)	$ 0	$547,970
Year ended December 31, 1992					
Land.....................	$ 10,018	$ --	$ --	$ --	$ 10,018
Buildings and leasehold improvements............	22,554	780	(54)	(1)	23,279
Machinery, equipment and office furnishings......	489,338	17,151	(6,101)	1	500,389
Construction in progress.	10,327	(7,142)	--	--	3,185
	$532,237	$ 10,789	$ (6,155)	$ 0	$536,871
Year ended December 31, 1991					
Land.....................	$ 9,992	$ --	$ (7)	$ 33	$ 10,018
Buildings and leasehold improvements............	22,466	57	(86)	117	22,554
Machinery, equipment and office furnishings......	481,965	5,023	(1,401)	3,751	489,338
Construction in progress.	4,554	5,773	--	--	10,327
	$518,977	$ 10,853	$ (1,494)	$3,901 (a)	$532,237

</TABLE>

- --------

(a) Increase in property, plant, and equipment upon acquisition of minority interest in Laurel Corp.

SCHEDULE VI

BUCKEYE PARTNERS, L.P.

CONSOLIDATED ACCUMULATED DEPRECIATION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT
(IN THOUSANDS)

<TABLE>
<CAPTION>

CLASSIFICATION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS AT COST	RETIREMENTS	OTHER CHANGES ADD(DEDUCT)	BALANCE AT END OF PERIOD
<S>	<C>	<C>	<C>	<C>	<C>
Year ended December 31, 1993					
Buildings and leasehold improvements............	$ 1,674	$ 457	$ (180)	$ (48)	$ 1,903
Machinery, equipment and office furnishings......	39,656	10,545	(1,447)	(1,762)	46,992

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	$41,330	$11,002	$(1,627)	$(1,810) (a)	$48,895
	=======	=======	=======	=======	=======
Year ended December 31, 1992					
Buildings and leasehold improvements............	$ 1,276	$ 452	$ (54)	$ --	$ 1,674
Machinery, equipment and office furnishings......	34,751	10,293	(6,101)	713	39,656
	-------	-------	-------	-------	-------
	$36,027	$10,745	$(6,155)	$ 713 (b)	$41,330
	=======	=======	=======	=======	=======
Year ended December 31, 1991					
Buildings and leasehold improvements............	$ 830	$ 448	$ (86)	$ 84	$ 1,276
Machinery, equipment and office furnishings......	26,575	9,644	(1,401)	(67)	34,751
	-------	-------	-------	-------	-------
	$27,405	$10,092	$(1,487)	$ 17	$36,027
	=======	=======	=======	=======	=======

</TABLE>

- --------

(a) Represents proceeds from sales of property of $88,000 offset by removal costs of $1,898,000.

(b) Represents proceeds from sales of property of $905,000 offset by removal costs of $192,000.

SCHEDULE VIII

BUCKEYE PARTNERS, L.P.
VALUATION AND QUALIFYING ACCOUNTS
(IN THOUSANDS)

<TABLE>
<CAPTION>

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COSTS AND EXPENSES, NET	CHARGED TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT END OF PERIOD
<S>	<C>	<C>	<C>	<C>	<C>
Year ended December 31, 1993					
Reserve for discontinued operations.............	$21,768	$127	$ --	$21,895 (a)	$ --
	=======	====	======	=======	=======
Year ended December 31, 1992					
Reserve for discontinued operations.............	$19,231	$--	$2,537 (b)	$ --	$21,768
	=======	====	======	=======	=======
Year ended December 31, 1991					
Reserve for discontinued operations.............	$19,231	$--	$ --	$ --	$19,231
	=======	====	======	=======	=======

</TABLE>

- --------

(a) Represents disposition of discontinued operations upon sale of net assets of discontinued operations during 1993.

(b) Reversal of corporate deferred income taxes.

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BUCKEYE PARTNERS, L.P.
SUPPLEMENTARY CONSOLIDATED INCOME STATEMENT INFORMATION
(IN THOUSANDS)

The following have been charged to income:

	YEAR ENDED DECEMBER 31,		
	1993	1992	1991
1. Maintenance and repairs	$11,481	$9,982	$10,400
2. Depreciation and amortization of intangible assets, preoperating costs and similar deferrals	*	*	*
3. Taxes, other than payroll and income taxes: Property and other	$8,019	$8,717	$ 3,126
4. Advertising costs	*	*	*
5. Research and development costs	None	None	None

- --------
* Indicates less than one percent of revenue.

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION	PAGE
4.6	Third Supplemental Indenture and Deed of Trust and Security Agreement, dated as of December 31, 1993, by Buckeye Pipe Line Company, L.P. to Pittsburgh National Bank and J.G. Routh, as Trustees.	
4.7	Note Purchase and Private Shelf Agreement, dated as of December 31, 1993 between Buckeye Pipe Line Company, L.P. and The Prudential Insurance Company of America.	
11.1	Computation of earnings per Unit.	
21.1	List of subsidiaries of the Partnership.	

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EXHIBIT 4.5

SUPPLEMENTAL INDENTURE

Third Supplemental Indenture of Mortgage and Deed of Trust and Security Agreement, dated as of December 31, 1993 (this "Third Supplement"), made by and among Buckeye Pipe Line Company, L.P., a Delaware limited partnership (the "Company"), and PNC Bank, National Association, formerly Pittsburgh National Bank, a national banking association, having its principal corporate trust office at One Oliver Plaza, Pittsburgh, Pennsylvania 15265 (the "Trustee"), and J.G. Routh, residing at 308 Depot Street, Jamestown, Pennsylvania 16134 (the "Individual Trustee"), as Trustees (together, the "Trustees") under the Indenture of Mortgage and Deed of Trust and Security Agreement, dated as of December 15, 1986 (the "Indenture"), by and among the Company and each of the Trustees, and recorded on the date and in the location shown on Schedule 1 attached hereto and made a part hereof, as amended by the First Supplemental Indenture dated as of December 1, 1987 ("First Supplement") and the Second Supplemental Indenture dated as of November 30, 1992 ("Second Supplement"). Exhibit A attached hereto and made a part hereof sets forth the jurisdictions in which the Company has fee-owned real property or rights-of-way. The First Supplement is attached hereto as Schedule 2 and made a part hereof. The Second Supplement is attached hereto as Schedule 3 and made a part hereof.

PRELIMINARY STATEMENT

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Company has entered into the Indenture with the Trustees. The Company and the Trustees are entering into this Third Supplement in accordance with the provisions of Article Twelve of the Indenture in order to set forth, as permitted and provided by Sections 3.01, 3.03(d) and 12.01(f) of the Indenture, the terms of three series of Additional Notes under the Indenture. Such Additional Notes are the Company's First Mortgage Pipe Line Notes, aggregating $35,000,000 principal amount, consisting of the following series: (i) $11,000,000 principal amount of 7.11% Series K Notes due December 15, 2007; (ii) $11,000,000 principal amount of 7.15% Series L Notes due December 15, 2008; and (iii) $13,000,000 principal amount of 7.19% Series M Notes due December 15, 2009. Pursuant to Article Twelve of the Indenture, all other acts and things necessary to make this Third Supplement a valid instrument have been done and performed. All covenants and agreements made by the Company

This instrument prepared by:
James H. Carroll, Esq.
Morgan, Lewis & Bockius
2000 One Logan Square
Philadelphia, PA 19103

---

herein are for the benefit and security of the Noteholders and the Trustees. The Company is entering into this Third Supplement, and the Trustees are accepting this Third Supplement, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

The Company represents that this Third Supplement does not encumber real property improved or to be improved by one or more structures containing in the aggregate not more than six residential dwelling units, each having its own cooking facilities.

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1. Amendment to the Recitals of the Indenture. The language set forth below shall be added on page 6 of the Indenture after the paragraph beginning with the word "WHEREAS" and immediately before the paragraph beginning with the words "NOW, THEREFORE":

WHEREAS, all necessary action has been duly taken by the Company to authorize the execution and delivery of a Third Supplemental Indenture and the issue and sale hereunder of certain Additional Notes herein defined as the "1993 Notes", consisting of three series, the Notes of such series being designated and referred to in the Indenture as set forth in (S) 2.13 and having the aggregate principal amount, maturing at the date, and bearing interest, payable semi-annually on June 15 and December 15 in each year, at the annual rate set forth in (S) 2.13, and being subject to optional redemption pursuant to the provisions of (S) 2.13; and

WHEREAS, the 1993 Notes are to be substantially in the forms following respectively with changes only as to series designations and interest rates:

[Form of Note of Series K through M]
BUCKEYE PIPE LINE COMPANY, L.P.
(A limited partnership organized under
the laws of the State of Delaware)
First Mortgage Pipe Line Note, __ % Series __ Due ____
No._________ $_____________

Buckeye Pipe Line Company, L.P., a limited partnership organized and existing under the laws of the State of Delaware (the "Company"), for value received, hereby promises to pay to ___________________________ or registered assigns, on December 15, ____, the sum of $_______________ Dollars in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts and to pay interest thereon in like coin or currency (i) from the interest payment date next preceding the date of this Note until payment of the principal hereof becomes due and payable, at the rate of ___% per annum, payable semi-annually, on the fifteenth day of June and

December in each year and (ii) on any overdue payment of principal (and to the extent permitted by law, on any overdue payment of premium or interest thereon), payable semi-annually as aforesaid (or at the option of the holder hereof, on demand) at a rate per annum from time to time equal to the greater of (x) [insert rate equal to one percent over the above rate] or (y) the rate of interest publicly announced by Morgan Guaranty Trust Company of New York from time to time in New York City as its prime rate, as shall be determined by the Trustee. In accordance with Section 15.05 of the "Indenture" referred to below, principal of, and interest on, and any premium payable with respect to, this Note are payable at the principal corporate trust office of the Trustee hereinafter mentioned or any successor as Trustee under such Indenture.

This Note is one of a series designated as the "First Mortgage Pipe Line Notes, ___% Series __ due ____" of the Company, limited in aggregate principal amount to $____________ and issued under and secured by an Indenture of Mortgage and Deed of Trust and Security Agreement, dated as of December 15, 1986 (as amended by the First Supplemental Indenture dated as of December 1, 1987, the Second Supplemental Indenture dated as of November 30, 1992, and the Third Supplemental Indenture dated as of December 31, 1993 and as amended and supplemented from time to time hereafter, the "Indenture"), from the Company to PNC Bank, National Association, formerly Pittsburgh National Bank (the "Trustee"), and J.G. Routh (the "Individual Trustee"), as Trustees (together, the "Trustees"). Contemporaneously with the issuance of the Notes of this series, the Company is issuing Notes under the Indenture of two other series

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which, together with the Notes of this series (collectively, the "1993 Notes"), are in the aggregate principal amount of $35,000,000. Reference is made to that certain Note Purchase and Private Shelf Agreement dated as of December 31, 1993 (as amended from time to time, the "Note Agreement") between the Company and The Prudential Insurance Company of America and each "Prudential Affiliate" (as defined in the Note Agreement) which becomes a party thereto for a further statement of the terms applicable to the 1993 Notes. The 1993 Notes constitute Additional Notes under the Indenture and together with the "1986 Notes" (as defined in the Indenture) and any Additional Notes issued after the date hereof, are secured equally and ratably by the Lien of the Indenture. The 1993 Notes, 1986 Notes and any Additional Notes are collectively referred to herein as the "Notes". Reference is made to the Indenture and all Indentures Supplemental thereto for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the Holders of the Notes and of the Trustees in respect thereof, and the terms and conditions upon which the Notes are, and are to be, secured. The Notes of the several series issued and to be issued under the Indenture from time to time may vary in aggregate principal amount, may mature at different times, may bear interest at

different rates and may otherwise differ as in the Indenture provided.

As provided in the Indenture, the 1993 Notes are subject to mandatory and optional redemption on the terms specified in the Indenture.

To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture, or of any Indenture Supplemental thereto, and of the rights and obligations with respect to the Indenture of the Company and of the Holders of the Notes may be made with the consent of the Company upon the written consent of the Holders of not less than 66 2/3% in aggregate principal amount of the Notes entitled to vote thereon then Outstanding, or by an affirmative vote of the Holders of not less than 66 2/3% in aggregate principal amount of the Notes entitled to vote thereon then Outstanding, at a meeting of Noteholders called and held as provided in the Indenture or as otherwise provided in the Indenture; provided, however, that no such modification or alteration shall be made without the consent of the Holder hereof which will (a) affect the right of such Holder to receive payment of principal, or interest or premium (if any) on, this Note, or to institute suit for the enforcement of such payment on or after the respective due dates expressed herein, or (b) otherwise than as permitted by the Indenture, permit the creation of any lien ranking prior to, or on a parity with, the Lien of the Indenture with respect to any property covered thereby, or (c) reduce the percentage of the aggregate principal amount of Notes required to authorize any such modification or alteration.

In case an Event of Default, as defined in the Indenture, shall occur and be continuing, the principal of all the Notes at any such time Outstanding under the Indenture may be declared or may become due and payable upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be rescinded by the Holders of 66 2/3% in aggregate principal amount of the Notes then Outstanding.

This Note is transferable by the Holder hereof, in person or by duly authorized attorney, on books of the Company to be kept for that purpose at the principal corporate trust office of the Trustee, upon surrender and cancellation of this Note and on presentation of a duly executed written instrument of transfer, and thereupon a new Note or Notes of the same series, of the same aggregate principal amount and in authorized denominations, will be issued to the transferee or transferees in exchange theretofore; and this Note, with or without others of the same series, may in like manner be exchanged for one or more new Notes of the same series of other authorized denominations but of the same aggregate principal amount; all upon payment of

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the charges and subject to the terms and conditions set forth in the Indenture.

The Company and the Trustees may deem and treat the Person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon, and for all other purposes, and neither the Company nor the Trustees shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of, or the interest or premium (if any) on, this Note, or for any claim based hereon or on the Indenture or any Indenture Supplemental thereto, against any partner, past, present or future, of the Company (including the General Partner), or of any predecessor or successor, heir or assignee of any such partner as such, or any stockholder, director, officer or employee of any such partner, either directly or through the Company or any such predecessor or successor, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, being released by every owner hereof by the acceptance of this Note and as part of the consideration for the issue hereof, and being likewise released by the terms of the Indenture.

This Note shall not be entitled to any benefit under the Indenture or any Indenture Supplemental thereto, or become valid or obligatory for any purpose, until PNC Bank, National Association, formerly Pittsburgh National Bank, the Trustee under the Indenture, or a successor Trustee thereto under the Indenture, shall have signed the form of certificate imprinted hereon.

THIS NOTE IS BEING DELIVERED AND IS INTENDED TO BE PERFORMED IN THE STATE OF NEW YORK, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF SUCH STATE.

IN WITNESS WHEREOF, Buckeye Pipe Line Company, L.P., has caused this Note to be signed in its name by its General Partner.

Dated

BUCKEYE PIPE LINE COMPANY, L.P.

By Buckeye Pipe Line Company,
a Delaware Corporation
as General Partner

By............................
[Vice] President

(Corporate Seal)
Attest:

....
[Assistant] Secretary of
Buckeye Pipe Line
Company, a Delaware
Corporation

[FORM OF TRUSTEE'S CERTIFICATE]

This Note is one of the 1993 Notes, of the series designated therein,

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described in the within-mentioned Indenture.

PNC BANK, NATIONAL ASSOCIATION
formerly Pittsburgh National
Bank
Trustee,

By............................
Authorized Signatory

; and

WHEREAS, all the requirements of law and the Partnership Agreement have been fully complied with and all other acts and things necessary to make the 1993 Notes, when executed by the Company, authenticated and delivered by the Trustee and duly issued, the valid and legally binding obligations of the Company, and to constitute the Indenture a valid, binding and legal instrument for the security of the Notes, have been done and performed;

2. Amendments to Article One of the Indenture.

(a) The definition of the term "Called Principal" set forth in Article One of the Indenture is hereby amended in its entirety to read as follows:

"Called Principal" shall mean, with respect to any 1986 Note or 1993 Note, the principal of such Note that is to be redeemed pursuant to (S) 2.12 hereof or (S) 2.13 hereof, respectively, or is declared to be immediately due and payable pursuant to Article Eight.

(b) The definition of the term "Discounted Value" set forth in Article One of the Indenture is hereby amended in its entirety to read as follows:

"Discounted Value" shall mean, with respect to the Called Principal of any 1986 Note or 1993 Note, the amount calculated by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on a semiannual basis) equal to the Reinvestment Yield with respect to such Called Principal.

(c) Definitions of two new defined terms in the Indenture shall be inserted into Article One of the Indenture as follows:

"1993 Notes" shall have the meaning set forth in (S) 2.13.

"1993 Note Purchase Agreement" shall mean the Note Purchase and Private Shelf Agreement dated as of December 31, 1993 between the Company and each of the purchasers of the 1993 Notes.

(d) The definition of the term "Note Purchase Agreements" set forth in Article One of the Indenture is hereby amended in its entirety to read as follows:

"Note Purchase Agreements" shall mean, collectively (i) the several Note Purchase Agreements as of December 15, 1986 between the Company and each of the purchasers of the 1986 Notes named in the

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Schedule of Purchasers attached thereto, and (ii) the 1993 Note Purchase Agreement.

(e) The definition of the term "Reinvestment Yield" set forth in Article One of the Indenture is hereby amended in its entirety to read as follows:

"Reinvestment Yield" shall mean, with respect to the Called Principal of any 1986 Note, the yield to maturity implied by the Treasury Constant Maturity Series yields reported (for the latest day for which such yields shall have been so reported at the commencement of business on the Business Day next preceding the Settlement Date with respect to such Called Principal or, in the case of a redemption pursuant to (S) 2.12(b), the Business Day next preceding the date of the notice with respect to such Called Principal mailed to Holders of 1986 Notes pursuant to (S) 5.01) in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the remaining weighted average life to final maturity (calculated in accordance with accepted financial practice) of such Called Principal as of such Settlement Date. Such implied yield shall be determined (a) by calculating the remaining weighted average life to final maturity of such Called Principal rounded to the nearest quarter-year and (b) if necessary, by interpolating linearly between Treasury Constant Maturity Series yields.

With respect to the Called Principal of any 1993 Note, "Reinvestment Yield" shall mean the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City local time) on the Business Day next preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page 678" on the Telerate Service (or such other display as may replace Page 678 on the Telerate Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, (ii) the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield shall be determined, if necessary, by (a) converting U.S.

Treasury bill quotations to bond-equivalent yield in accordance with accepted financial practice and (b) interpolating linearly between yields reported for various maturities.

(f) A definition of a new defined term in the Indenture shall be inserted into Article One of the Indenture as follows:

"Remaining Average Life" shall mean, with respect to the Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the

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nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

(g) The definition of the term "Settlement Date" set forth in Article One of the Indenture is hereby amended in its entirety to read as follows:

"Settlement Date" shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal is to be redeemed pursuant to (S) 2.12 or (S) 2.13, as appropriate, or is declared to be immediately due and payable pursuant to Article Eight.

(h) The definition of the term "Yield-Maintenance Premium" set forth in Article One of the Indenture is hereby amended in its entirety to read as follows:

"Yield-Maintenance Premium" shall mean, with respect to any 1986 Note, Series K Note before December 15, 2001, Series L Note or Series M Note, a premium equal to the excess, if any, of the Discounted Value of the Called Principal of such Note over the sum of such Called Principal plus interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. With respect to any Series K Note on or after December 15, 2001, "Yield-Maintenance Premium" shall mean the amount determined in accordance with the following schedule with respect to each Series K Note so redeemed:

Date of Redemption	Yield Maintenance Premium Expressed as Percentage of the Principal Amount Redeemed
After December 14, 2001 and on or before December 14, 2002	7.11%
After December 14, 2002 and on or before December 14, 2003	5.93%
After December 14, 2003 and on or before December 14, 2004	4.74%
After December 14, 2004 and on or before December 14, 2005	3.56%
After December 14, 2005 and on or before December 14, 2006	2.37%
After December 14, 2006 and on or before December 14, 2007	1.19%
After December 14, 2007	0%

The Yield Maintenance Premium shall in no event be less than zero.

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3. Amendment to Article Two of the Indenture. Article Two of the Indenture is hereby amended by adding a new Section 2.13 to read as follows:

(S) 2.13. The first three series of Additional Notes to be executed, authenticated and delivered under and secured by this Indenture shall be the Series K through M Notes, aggregating $35,000,000 principal amount (collectively, the "1993 Notes"), each series designated as set forth in the following table:

<TABLE>
<CAPTION>

Designation	Referred to herein as	Maturity	Annual Interest Rate	Maximum Aggregate Principal Amount*
First Mortgage Pipe Line Notes, Series K due 2007	Series K Notes	December 15, 2007	7.11%	$11,000,000
First Mortgage Pipe Line Notes, Series L due 2008	Series L Notes	December 15, 2008	7.15%	$11,000,000
First Mortgage Pipe Line Notes, Series M due 2009	Series M Notes	December 15, 2009	7.19%	$13,000,000

</TABLE>

- -------------

*Except as expressly provided in (S) 2.04, (S) 2.07, and (S) 2.10 of the Indenture.

and the Notes of each such series shall be issuable in denominations of $1,000 and any integral multiple thereof, shall be substantially in the form set forth in the recitals hereto, shall be executed, authenticated and delivered in accordance with, and subject to, all of the terms, conditions and covenants of this Indenture, and shall have the following further terms and provisions:

(a) Interest on the principal amount of each of the 1993 Notes from the date of original issue until due and payable, shall be paid, at the rate specified in the Note, semi-annually on June 15 and December 15 in each year and on any overdue payment of principal or (to the extent not prohibited by law) premium or interest thereon on the dates specified above or, at the option of the Noteholders, on demand at the greater of (i) 1% over the rate specified above or (ii) the rate of interest publicly announced by Morgan Guaranty Trust Company of New York, from time to time in New York City, as its prime rate, as shall be determined by the Trustee.

(b) Subject to the limitations set forth below, the Notes of each series of the 1993 Notes shall be subject to redemption, in whole at any time or from time to time in part (in $100,000 increments and not less than $5,000,000 per occurrence), at the option of the Company, upon notice given to the holders of the 1993 Notes to be redeemed in the manner provided in the Indenture, at a redemption price equal to 100% of the principal amount so redeemed plus all interest accrued and unpaid at the redemption date plus (to the extent not prohibited by law) the Yield-Maintenance Premium, if any, with respect to each Note so redeemed.

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Notwithstanding the foregoing, no redemption of the Series K Notes may be made on or after December 15, 2001 pursuant to this paragraph 2.13(b).

(c) Subject to the limitations set forth below, the Series K Notes shall be subject to redemption subsequent to December 15, 2001, in whole or from time to time in part (in $100,000 increments and not less than $5,000,000 per occurrence), at the option of the Company, upon notice given to the holders of the Series K Notes to be redeemed in the manner provided in the Indenture, at a redemption price equal to 100% of the principal amount so redeemed plus all interest accrued and unpaid at the redemption date plus (to the extent not prohibited by law) the Yield Maintenance Premium determined in accordance with the following schedule with respect to each Series K Note so redeemed:

Date of Redemption	Yield Maintenance Premium Expressed as Percentage of the Principal Amount Redeemed
After December 14, 2001 and on or before December 14, 2002	7.11%
After December 14, 2002 and on or before December 14, 2003	5.93%
After December 14, 2003 and on or before December 14, 2004	4.74%
After December 14, 2004 and on or before December 14, 2005	3.56%
After December 14, 2005 and on or before December 14, 2006	2.37%
After December 14, 2006 and on or before December 14, 2007	1.19%
After December 14, 2007	0%

(d) The 1993 Notes are also subject to redemption in the circumstances set forth in (S) 7.01(c).

The principal amount of any series of Notes to be redeemed pursuant to the provisions of (S) 2.13(b) or 2.13(c) and the principal amount of any Notes to be redeemed pursuant to (S) 7.01(c) shall be pro-rated among the Holders of the Notes of said series in the proportion that their respective holdings bear to the aggregate principal amount of Notes of said series

Outstanding on the date of selection. The Trustee shall make such adjustments in the principal amount of the Notes of each Holder to be redeemed so that such amount shall, in every case, be $1,000 or an integral multiple thereof.

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4. Amendments to Article Five of the Indenture. Section 5.01 of the Indenture is hereby amended by adding a new paragraph to such Section as its third paragraph to read as follows:

> With respect to 1993 Notes, the Company's notice of redemption shall also specify whether the optional redemption is being made pursuant to (S)2.13(b) or (S)2.13(c) hereof. Once notice of redemption has been given as hereinabove provided, the principal amount of the 1993 Notes specified in such notice, together with (to the extent not prohibited by law) the Yield-Maintenance Premium (if any) with respect thereto shall become due and payable on the redemption date and, as to principal, applied to required payments thereon in the inverse order of their scheduled due dates.

5. This Third Supplement may be executed in several counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Company has caused this Third Supplement to be executed on its behalf by its General Partner, by the President or one of the Vice President of the General Partner, and the corporate seal of the General Partner to be hereto affixed and said seal and this Indenture to be attested by the General Partner's Secretary or one of its Assistant Secretaries; and the Trustee has caused this Third Supplement to be executed on its behalf by one of its Vice Presidents, and its corporate seal to be hereto affixed and said seal and this Indenture to be attested by one of its Assistant Secretaries; and the Individual Trustee has affixed his hand and seal hereto; all as of the 31st day of December, one thousand nine hundred and ninety-three.

Witness	BUCKEYE PIPE LINE COMPANY, L.P.
/s/ James H. Carroll James H. Carroll	By: BUCKEYE PIPE LINE COMPANY, a Delaware corporation, as general partner
Witness	By: /s/ Steven C. Ramsey Name: Steven C. Ramsey Title: Vice President (Corporate Seal)
/s/ C. Richard Wilson C. Richard Wilson	Attest: /s/ Arthur Rosenblatt Name: Arthur Rosenblatt Title: Assistant Secretary
Witness	PNC BANK, NATIONAL ASSOCIATION, formerly Pittsburgh National Bank, as Trustee
/s/ Kathy DiPasquale Kathy DiPasquale	By: /s/ F.J. Deramo

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- ----------------------------- Name: F.J. Deramo
Title: Vice President

Witness

/s/ Sherri Locke
- ----------------------------- (Corporate Seal)
Sherri Locke Attest:
- -----------------------------

/s/ Amy R. Howeroft

Name: Amy R. Howeroft
Title: Assistant Vice President

Witness J.G. ROUTH, as Individual Trustee

/s/ Sherri Locke By: /s/ J.G. Routh
- ----------------------------- --------------------------------
Sherri Locke Name: J.G. Routh
- ----------------------------- Title: Vice President

Witness

/s/ Kathy DiPasquale
- -----------------------------
Kathy DiPasquale
- -----------------------------

I hereby certify that the correct address
of the Trustee is:
One Oliver Plaza
Pittsburgh, PA 15265

By: /s/

For Trustee

I hereby certify that the correct address
of the Individual Trustee is:
308 Depot Street
Jamestown, PA 16134

By: /s/

For Trustee

This instrument prepared by:
James H. Carroll, Esq.
Morgan, Lewis & Bockius
2000 One Logan Square
Philadelphia, PA 19103

COMMONWEALTH OF PENNSYLVANIA)

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) ss.:
COUNTY OF LEHIGH)

On the 31st day of December, 1993, before me personally came Steven C. Ramsey, to me known, who, being by me duly sworn, did depose and say that he resides at No. 598 Bair Road, Berwyn, Pennsylvania 19312; that he is the Vice President of Buckeye Pipe Line Company, the corporation described in and which executed the foregoing instrument; which corporation is a general partner of Buckeye Pipe Line Company, L.P., the Delaware limited partnership described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

/s/ Ruth E. Synder

Notary Public

NOTARIAL SEAL
RUTH E. SYNDER, Notary Public
Allentown, Lehigh County, PA
My Commission Expires July 25, 1994

COMMONWEALTH OF PENNSYLVANIA)
) ss.:
COUNTY OF ALLEGHENY)

On the 3rd day of January, 1994, before me personally came F.J. Deramo, to me known, who, being by me duly sworn, did depose and say that (s)he resides at No. 217 Chesnut Road, Sewickly, PA 15143; that (s)he is the Vice President of PNC Bank, National Association, the corporation described in and which executed the foregoing instrument; that (s)he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that (s)he signed his/her name thereto by like order.

/s/ Mark C. Baker

Notary Public

NOTARIAL SEAL
Mark C. Baker, Notary Public
Pittsburgh, Allegheny County
My Commission Expires July 13, 1996

Member, Pennsylvania Association of Notaries

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COMMONWEALTH OF PENNSYLVANIA)
) ss.:
COUNTY OF ALLEGHENY)

On the 3rd day of January, 1994, before me personally came J. G. Routh, to me known to be the individual described in and who executed the foregoing instrument in the capacity therein stated, and acknowledged that he executed the same.

/s/ Mark C. Baker

Notary Public

NOTARIAL SEAL
Mark C. Baker, Notary Public
Pittsburgh, Allegheny County
My Commission Expires July 13, 1996

Member, Pennsylvania Association of Notaries

SCHEDULE 1

The Indenture of Mortgage and Deed of Trust and Security Agreement, dated as of December 15, 1986, was recorded on ______________________, 198__ in the land records in and for the [Town] [County] of ____________________, State of __________________ at Mortgage Book (Folio) _____________, Page _______________.

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EXHIBIT 4.6

- --

- --

BUCKEYE PIPE LINE COMPANY, L.P.

NOTE PURCHASE AND PRIVATE SHELF AGREEMENT

$11,000,000 7.11% Series K First Mortgage Notes
Due December 15, 2007

$11,000,000 7.15% Series L First Mortgage Notes
Due December 15, 2008

$13,000,000 7.19% Series M First Mortgage Notes
Due December 15, 2009

$40,000,000 Maximum Aggregate Principal Amount
Private Shelf Facility

Dated as of December 31, 1993

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BUCKEYE PIPE LINE COMPANY, L.P.
3900 Hamilton Boulevard
Allentown, Pennsylvania 18103

As of December 31, 1993

To: The Prudential Insurance Company
of America (herein called "Prudential")
Each Prudential Affiliate which becomes
bound by this Agreement as hereinafter
provided (together with Prudential
the "Purchasers")

Ladies and Gentlemen:

The undersigned, Buckeye Pipe Line Company, L.P., a Delaware limited partnership (herein called the "Partnership"), hereby agrees with you as set forth below. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Indenture of Mortgage and Deed of Trust and Security Agreement attached hereto as Exhibit E. Reference is made to paragraph 7 hereof for definitions of certain capitalized terms used herein.

1. AUTHORIZATION OF ISSUE OF NOTES.

1A. Authorization of Issue of Initial Notes. The Partnership will authorize the issue of the following (herein called the "Initial Notes"):

(i) its first mortgage notes in the aggregate principal amount of $11,000,000 (herein called the "Series K Notes"), to be dated the date of issue thereof, to mature on December 15, 2007, to bear interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable at the rate of 7.11% per annum and on overdue principal, Yield-Maintenance Premium (to the extent not prohibited by applicable law) and interest at the rate specified therein, to be entitled to the benefits of the Indenture and to be substantially in the form of Exhibit A attached hereto. The terms "Series K Note" and "Series K Notes" as used herein shall include each Series K Note delivered pursuant to any provision of this

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Agreement and each Series K Note delivered in substitution or exchange for any such Series K Note pursuant to any such provision;

(ii) its first mortgage notes in the aggregate principal amount of $11,000,000 (herein called the "Series L Notes"), to be dated the date of issue thereof, to mature on December 15, 2008, to bear interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable at the rate of 7.15% per annum and on overdue principal, Yield-Maintenance Premium (to the extent not prohibited by applicable law) and interest at the rate specified therein, to be entitled to the benefits of the Indenture and to be substantially in the form of Exhibit A attached hereto. The terms "Series L Note" and "Series L Notes" as used herein shall include each Series L Note delivered pursuant to any provision of this Agreement and each Series L Note delivered in substitution or exchange for any such Series L Note pursuant to any such provision; and

(iii) its first mortgage notes in the aggregate principal amount of $13,000,000 (herein called the "Series M Notes"), to be dated the date of issue thereof, to mature on December 15, 2009, to bear interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable at the rate of 7.19% per annum and on overdue principal, Yield-Maintenance Premium (to the extent not prohibited by applicable law) and interest at the rate specified therein, to be entitled to the benefits of the Indenture and to be substantially in the form of Exhibit A attached hereto. The terms "Series M Note" and "Series M Notes" as used herein shall include each Series M Note delivered pursuant to any provision of this Agreement and each Series M Note delivered in substitution or exchange for any such Series M Note pursuant to any such provision.

1B. Authorization of Issue of Private Shelf Notes. The Partnership will authorize the issue of (but, except as provided in paragraph 2B(5), shall not be obligated to issue) its additional first mortgage notes (herein called the "Private Shelf Notes") in the aggregate principal amount of $40,000,000, to be dated the date of issue thereof, to mature, in the case of each Private Shelf Note so issued, no later than December 15, 2013, to have an average life of not more than seventeen (17) years, to bear interest on the unpaid balance thereof from the date thereof at the rate per annum (and to have such other particular terms)

as shall be set forth in the Confirmation of Acceptance with respect to such Private Shelf Note delivered pursuant to paragraph 2B(5), and to be substantially in the form of Exhibit A attached hereto. The terms "Private Shelf Note" and "Private Shelf Notes" as used herein shall include each Private Shelf Note delivered pursuant to any provision of this Agreement and each

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Private Shelf Note delivered in substitution or exchange for any such Private Shelf Note pursuant to any such provision. The terms "Note" or "Notes" as used herein shall include each Initial Note and each Private Shelf Note (whether designated a Series N Note, Series O Note, Series P Note, Series Q Note, Series R Note, Series S Note or Series T Note, etc.) delivered pursuant to any provision of this Agreement and each Note delivered in substitution or exchange for any such Note pursuant to any such provision. Notes issued hereunder which have (i) the same final maturity, (ii) the same mandatory redemption dates, (iii) the same mandatory redemption amounts (as a percentage of the original principal amount of each Note), (iv) the same interest rate, (v) the same interest payment periods, and (vi) which are otherwise designated a "Series" hereunder or in the Confirmation of Acceptance whether or not the foregoing conditions are satisfied, are herein called a "Series" of Notes.

1C. Security and Financial Assurances. The Notes shall be issued under, entitled to the benefits of, and shall be secured by, the Indenture, which Indenture constitutes a mortgage lien on and security interest in the Trust Estate. The Notes shall constitute Additional Notes under the Indenture.

2. PURCHASE AND SALE OF NOTES.

2A. Purchase and Sale of Initial Notes. The Partnership hereby agrees to sell to Prudential and, subject to the terms and conditions herein set forth, Prudential agrees to purchase from the Partnership the aggregate principal amount of Initial Notes set forth opposite its name in the Purchaser Schedule attached hereto at 100% of such aggregate principal amount. The Partnership will deliver to Prudential at the offices of Morgan, Lewis & Bockius, 101 Park Avenue, New York, New York, one or more Initial Notes registered in its name, evidencing the aggregate principal amount of Initial Notes to be purchased by Prudential and in the series and denomination or denominations specified with respect to Prudential in the Purchaser Schedule attached hereto, against payment of the purchase price thereof by transfer of immediately available funds for credit to the Partnership's account # 324-005091 at Chemical Bank, New York, New York, ABA Routing Number 0210-0012-8, on the date of closing, which shall be January 7, 1994 or any other date on or before February 1,

1994 upon which the Partnership and the Purchasers of the Initial Notes may mutually agree (herein called the "Initial Notes Closing Day").

2B. Purchase and Sale of Private Shelf Notes.

2B(1). Facility. Prudential is willing to consider, in its sole discretion and within limits which may be authorized for purchase by Prudential and the Prudential Affiliates from time to time, the purchase of Private Shelf Notes pursuant to this Agreement. The willingness of Prudential to consider such purchase of Private Shelf Notes is herein called the "Facility". At any time, the aggregate principal amount of Private Shelf Notes stated in paragraph 1B, minus the aggregate principal amount of Private Shelf Notes purchased and sold pursuant to this Agreement prior to such time, minus the aggregate principal amount of Accepted Notes (as hereinafter defined) which have not yet

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been purchased and sold hereunder prior to such time is herein called the "Available Facility Amount" at such time. NOTWITHSTANDING THE WILLINGNESS OF PRUDENTIAL TO CONSIDER PURCHASES OF PRIVATE SHELF NOTES, THIS AGREEMENT IS ENTERED INTO ON THE EXPRESS UNDERSTANDING THAT NEITHER PRUDENTIAL NOR ANY PRUDENTIAL AFFILIATE SHALL BE OBLIGATED TO MAKE OR ACCEPT OFFERS TO PURCHASE PRIVATE SHELF NOTES, OR TO QUOTE RATES, SPREADS OR OTHER TERMS WITH RESPECT TO SPECIFIC PURCHASES OF PRIVATE SHELF NOTES, AND (EXCEPT AS PROVIDED IN PARAGRAPH 2B(5) RELATING TO ACCEPTED NOTES) THE FACILITY SHALL IN NO WAY BE CONSTRUED AS A CAPITAL COMMITMENT BY PRUDENTIAL OR ANY PRUDENTIAL AFFILIATE.

2B(2). Issuance Period. Private Shelf Notes may be issued and sold pursuant to this Agreement until the earlier of (i) (a) in the event the Facility shall not have been extended in accordance with the last sentence of this paragraph 2B(2), the date which is the second anniversary date of the Initial Notes Closing Day or (b) in the event that the Facility shall have been extended in accordance with the last sentence of this paragraph 2B(2), the date which is the fourth anniversary date of the Initial Notes Closing Day and (ii) the thirtieth day after Prudential shall have given to the Partnership, or the Partnership shall have given to Prudential, a notice stating that it elects to terminate the issuance and sale of Private Shelf Notes pursuant to this Agreement (or if such thirtieth day is not a Business Day, the Business Day next preceding such thirtieth day). The period during which Private Shelf Notes may be issued and sold pursuant to this Agreement is herein called the "Issuance Period". Unless the Facility shall have been terminated in accordance with the terms hereof, the Partnership may, at its option, extend the stated expiration date of the

Facility from the date which is the second anniversary date of the Initial Notes Closing Day to the date which is the fourth anniversary date of the Initial Notes Closing Day upon written notice to Prudential and the payment of a fee (the "Renewal Fee") to Prudential which shall be equal to the greater of (a) $25,000 or (b) an amount equal to 0.125% of the Available Facility Amount on January 7, 1996.

2B(3). Request for Purchase. The Partnership may from time to time during the Issuance Period make requests for purchases of Private Shelf Notes (each such request being herein called a "Request for Purchase"). Each Request for Purchase shall be made to Prudential by telecopier and confirmed by nationwide overnight delivery service, and shall (i) specify the aggregate principal amount of Private Shelf Notes covered thereby, which shall not be less than $10,000,000 and shall not be greater than the Available Facility Amount at the time such Request for Purchase is made, (ii) specify the principal amounts, final maturities (not later than December 15, 2013 and to have an average life not to exceed seventeen (17) years), principal payment dates and amounts and interest payment periods (semi-annually in arrears) of the Private Shelf Notes covered thereby, (iii) specify the use of proceeds of such Private Shelf Notes, (iv) specify the proposed day for the closing of the purchase and sale of such Private Shelf Notes, which shall be a Business Day during the Issuance Period not less than five (5) Business Days and not more than thirty (30) days after the making of such Request for Purchase, (v) specify the number of the account

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and the name and address of the depository institution to which the purchase prices of such Private Shelf Notes are to be transferred on the Private Shelf Closing Day for such purchase and sale, (vi) certify that the representations, covenants and warranties contained in paragraph 5 hereof are true on and as of the date of such Request for Purchase except to the extent of changes caused by the transac-tions herein contemplated and that there exists on the date of such Request for Purchase no Event of Default or Default (and that no Event of Default or Default shall arise as the result of the purchase and sale of such Private Shelf Notes), and (vii) be substantially in the form of Exhibit B attached hereto. Each Request for Purchase shall be in writing and shall be deemed made when received by Prudential.

2B(4). Rate Quotes. Not later than five (5) Business Days after the Partnership shall have given Prudential a Request for Purchase pursuant to paragraph 2B(3), Prudential may provide (by telephone and promptly thereafter confirmed by telecopier, in each case no earlier than 9:30 A.M. and no later than 1:00 P.M. New York City local time) interest rate quotes for the several

principal amounts, maturities, mandatory redemption schedules and interest payment periods of Private Shelf Notes specified in such Request for Purchase. Each quote shall represent the interest rate per annum payable on the outstanding principal balance of such Private Shelf Notes until such balance shall have become due and payable, at which Prudential or a Prudential Affiliate would be willing to purchase such Private Shelf Notes at 100% of the principal amount thereof.

2B(5). Acceptance. Within thirty (30) minutes after Prudential shall have provided any interest rate quotes pursuant to paragraph 2B(4) or such shorter period as Prudential may specify to the Partnership (such period herein called the "Acceptance Window"), the Partnership may, subject to the terms of paragraph 2B(6), elect to accept such interest rate quotes as to not less than $10,000,000 aggregate principal amount of the Private Shelf Notes specified in the applicable Request for Purchase. Such election shall be made by an Authorized Officer of the Partnership notifying Prudential by telephone or telecopier within the Acceptance Window (but not earlier than 9:30 A.M. or later than 1:30 P.M., New York City local time) that the Partnership elects to accept such interest rate quotes, specifying the Private Shelf Notes (each such Private Shelf Note being herein called an "Accepted Note") as to which such accep-tance (herein called an "Acceptance") relates. The day the Partnership notifies Prudential of an Acceptance with respect to any Accepted Notes is herein called the "Acceptance Day" for such Accepted Notes. Any interest rate quotes as to which Prudential does not receive an Acceptance within the Acceptance Window shall expire, and no purchase or sale of Private Shelf Notes hereunder shall be made based on such expired interest rate quotes. Subject to paragraph 2B(6) and the other terms and conditions hereof, the Partnership agrees to sell to Prudential or a Prudential Affiliate, and Prudential agrees to purchase, or to cause the purchase by a Prudential Affiliate of, the Accepted Notes at 100% of the principal amount of such Notes. Prior to the close of business on the Business Day next following the Acceptance Day, the Partnership, Prudential and

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each Prudential Affiliate which is to purchase any such Accepted Notes will execute a confirmation of such Acceptance substantially in the form of Exhibit C attached hereto (herein called a "Confirmation of Acceptance").

2B(6). Market Disruption. Notwithstanding the provisions of paragraph 2B(5), if Prudential shall have provided interest rate quotes pursuant to paragraph 2B(5) and thereafter, prior to the time an Acceptance with respect to such quotes shall have been notified to Prudential in accordance with paragraph 2B(5),

there shall occur a general suspension, material limitation, or significant disruption of trading in securities generally on the New York Stock Exchange or in the market for U.S. Treasury securities and other financial instruments, then such interest rate quotes shall expire, and no purchase or sale of Private Shelf Notes hereunder shall be made based on such expired interest rate quotes. If the Partnership thereafter notifies Prudential of the Acceptance of any such interest rate quotes, such Acceptance shall be ineffective for all purposes of this Agreement, and Prudential shall promptly notify the Partnership that the provisions of this paragraph 2B(6) are applicable with respect to such Acceptance.

2B(7). Private Shelf Closing. Not later than 11:30 A.M. (New York City local time) on the Private Shelf Closing Day for any Accepted Notes, the Partnership will deliver to each Purchaser listed in the Confirmation of Acceptance relating thereto at the place of closing designated in the Confirmation of Acceptance, the Private Shelf Notes to be purchased by such Purchaser in the form of a single Accepted Note for the Accepted Notes which have exactly the same terms (or such greater number of Notes in authorized denominations as such Purchaser may request) dated the Private Shelf Closing Day and registered in such Purchaser's name (or in the name of its nominee), against payment of the purchase price thereof by transfer of immediately available funds for credit to the Partnership's account specified in the Request for Purchase of such Private Shelf Notes. If the Partnership fails to tender to any Purchaser the Accepted Notes to be purchased by such Purchaser on the scheduled Private Shelf Closing Day for such Accepted Notes as provided above in this paragraph 2B(7), or any of the conditions specified in paragraph 3 shall not have been fulfilled by the time required on such scheduled Private Shelf Closing Day, the Partnership shall, prior to 1:00 P.M., New York City local time, on such scheduled Private Shelf Closing Day notify such Purchaser in writing whether (x) such closing is to be rescheduled (such rescheduled date to be a Business Day during the Issuance Period not less than one Business Day and not more than thirty (30) Business Days after such scheduled Private Shelf Closing Day (the "Rescheduled Closing Day")) and certify to such Purchaser that the Partnership reasonably believes that it will be able to comply with the conditions set forth in paragraph 3 on such Rescheduled Closing Day and that the Partnership will pay the Delayed Delivery Fee, if any, in accordance with paragraph 2B(8)(ii) or (y) such closing is to be cancelled as provided in paragraph 2B(8)(iii). In the event that the Partnership shall fail to give such notice referred to in the preceding sentence, such Purchaser may at its election, at any time after 1:00

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P.M., New York City local time,

on such scheduled Private Shelf Closing Day, notify the Partnership in writing that such closing is to be cancelled as provided in paragraph 2B(8)(iii).

2B(8). Fees.

2B(8)(i) Facility Fee. The Partnership will pay to Prudential in immediately available funds a fee (herein called the "Facility Fee") on each Private Shelf Closing Day which occurs after March 31, 1994 in an amount equal to 0.125% of the aggregate principal amount of Notes sold on such Private Shelf Closing Day.

2B(8)(ii) Delayed Delivery Fee. If the closing of the purchase and sale of any Accepted Note is delayed for any reason beyond the original Closing Day for such Accepted Note, the Partnership will pay to Prudential on the last Business Day of each calendar month, commencing with the first such day to occur more than thirty (30) days after the Acceptance Day for such Accepted Note and ending with the last such day to occur prior to the Cancellation Date or the actual closing date of such purchase and sale, and on the Cancellation Date or actual closing date of such purchase and sale (if such Cancellation Date or closing date occurs more than thirty (30) days after the Acceptance Day for such Accepted Note), a fee (herein called the "Delayed Delivery Fee") calculated as follows:

(BEY - MMY) X DTS/360 X Full Price

where "BEY" means Bond Equivalent Yield, i.e., the bond equivalent yield per annum of such Accepted Note; "MMY" means Money Market Yield, i.e., the yield per annum on an alternative investment selected by Prudential on the date Prudential receives notice of the delay in the closing for such Accepted Notes having a maturity date or dates the same as, or closest to, the Rescheduled Closing Day or Rescheduled Closing Days (a new alternative investment being selected by Prudential each time such closing is delayed); "DTS" means Days to Settlement, i.e., the number of actual days elapsed from and including the thirty-first (31st) day after the Acceptance Day of such Accepted Note (in the case of the first such payment with respect to such Accepted Note) or from and including the date of the immediately preceding payment (in the case of any subsequent delayed delivery fee payment with respect to such Accepted Note) to but excluding the date of such payment; and "Full Price" means the principal amount, i.e., the principal amount of the Accepted Note for which such calculation is being made. In no case shall the Delayed Delivery Fee be less than zero. Nothing contained herein shall

obligate any Purchaser to purchase any Accepted Note on any day other than the Closing Day for such Accepted Note, as the same may be rescheduled from time to time in compliance with paragraph 2B(7).

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2B(8)(iii) Cancellation Fee. If the Partnership at any time notifies the Purchaser in writing that the Partnership is canceling the closing of the purchase and sale of any Accepted Note, or if the Purchaser notifies the Partnership in writing under the circumstances set forth in the last sentence of paragraph 2B(7) that the closing of the purchase and sale of such Accepted Note is to be canceled, or if the closing of the purchase and sale of such Accepted Note is not consummated on or prior to the last day of the Issuance Period (the date of any such notification, or the last day of the Issuance Period, as the case may be, being herein called the "Cancellation Date"), the Partnership will pay Prudential in immediately available funds an amount (the "Cancellation Fee") calculated as follows:

PI X Full Price

where "PI" means Price Increase, i.e., the quotient (expressed in decimals) obtained by dividing (a) the excess of the ask price (as determined by Prudential in its reasonable discretion) of the Hedge Treasury Note(s) on the Cancellation Date over the bid price (as determined by Prudential in its reasonable discretion) of the Hedge Treasury Note(s) on the Acceptance Day for such Accepted Note by (b) such bid price; and "Full Price" has the meaning set forth in paragraph 2B(8)(ii), above. The foregoing bid and ask prices shall be as reported by Telerate Systems, Inc. (or, if such data for any reason ceases to be available through Telerate Systems, Inc., any publicly available source of similar market data selected by Prudential). Each price shall be based on a U.S. Treasury security having a par value of $100.00 and shall be rounded to the second decimal place. In no case shall the Cancellation Fee be less than zero.

2B(8)(iv) Renewal Fee. In the event that the Partnership elects to extend the stated expiration date of the Facility pursuant to paragraph 2B(2), the Partnership shall pay the Renewal Fee to Prudential on or before January 7, 1996.

3. CONDITIONS OF CLOSING. Prudential's obligation to purchase the Initial Notes, and the obligation of any Purchaser to purchase and pay for any Private Shelf Notes, is subject in each case to the satisfaction, on or before the applicable Closing Day for such Notes, of the following conditions as applicable:

3A(1). Opinion of Partnership's Counsel. On the Initial Notes Closing Day, the Purchasers shall have received from Morgan, Lewis & Bockius, special counsel for the Partnership, a favorable opinion satisfactory to the Purchasers and substantially in the form of Exhibit D-1 attached hereto.

3A(2). Opinion of Trustee's Counsel. On the Initial Notes Closing Day, the Purchasers shall have received from Eckert Seamans Cherin & Mellott, special counsel for the Trustee, a favorable opinion satisfactory to the Purchasers and substantially in the form of Exhibit D-2 attached hereto.

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3A(3). Opinion of Partnership's Counsel. On each Private Shelf Closing Day, each Purchaser shall have received from special counsel to the Partnership (which counsel shall be Morgan, Lewis & Bockius, or other counsel reasonably acceptable to the Purchasers), a favorable opinion satisfactory to the Purchasers and substantially in the form of Exhibit D-3 attached hereto. To the extent the opinion of the Partnership's special counsel relies upon the opinion of local or other counsel, then any such opinion so relied upon shall be in form and substance acceptable to the Purchasers.

3A(4). Opinion of Trustee's Counsel. On each Private Shelf Closing Day, each Purchaser shall have received from special counsel to the Trustee (which counsel shall be Eckert Seamans Cherin & Mellott, or other counsel reasonably acceptable to the Purchasers), a favorable opinion satisfactory to the Purchasers and substantially in the form of Exhibit D-4 attached hereto.

3B. Representations and Warranties of the Partnership; No Default; Compliance. Each of the representations and warranties of the Partnership contained in paragraph 5 of this Agreement shall be true on and as of the Closing Day with the same effect as though such representations and warranties had been made on and as of the applicable Closing Day; there shall exist on the applicable Closing Day no Event of Default or Default and the Partnership shall be in compliance with all of its covenants and undertakings set forth in the Indenture and in this Agreement; on the applicable Closing Day all agreements to be performed by the Partnership shall have been performed in all material respects on or before the applicable Closing Day; all conditions to be satisfied hereunder shall have been satisfied in all material respects on or before the applicable Closing Day; there shall have been no material adverse change in the business or condition, financial or otherwise, of the Partnership or any condition, event or act which would materially adversely affect the Partnership's ability to perform its obligations under this

Agreement, the Indenture and any supplement thereto or the Notes; and the Partnership shall have delivered to you an Officers' Certificate, dated the applicable Closing Day, to all such effects.

3C. Fees. On or before the Initial Notes Closing Day, the Partnership shall have paid to Prudential (i) a structuring fee in the amount of $100,000, (ii) a closing fee in the amount of $69,100 and (iii) any Delayed Delivery Fee required to be paid pursuant to the commitment letter dated December 8, 1993 ("Commitment Letter") between the Partnership and Prudential relating to the transactions contemplated by this Agreement. Prudential acknowledges receipt of $50,000 of the structuring fee paid on December 8, 1993, the balance of the fees ($119,100 plus any Delayed Delivery Fees) shall be due and payable on the Initial Notes Closing Day. On or before each Private Shelf Closing Day, the Partnership shall have paid in full to Prudential any fee required by paragraph 2B(8).

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3D. The Indenture. The Indenture (including any supplement relating thereto contemplated hereunder or contemplated by any Confirmation of Acceptance) shall be in full force and effect. The conditions set forth in Section 3.03 of the Indenture shall have been satisfied in a manner acceptable to the Purchasers. The Notes to be issued on the applicable Closing Day shall be entitled to the benefits of the Indenture.

3E. Partnership Agreement. The Purchasers shall have received a true and correct copy of the Partnership Agreement to be in effect as of and immediately following the applicable Closing Day which shall be satisfactory to the Purchasers and their counsel. Prior to the applicable Closing Day, no term of such Partnership Agreement shall have been amended, supplemented or otherwise modified, except with the prior consent of the Purchasers. The Partnership shall have delivered to you an Officers' Certificate to the foregoing effects.

3F. Transactional Litigation. On the applicable Closing Day, there shall not be threatened or pending any suit, action, proceeding or investigation, whether at law, in equity or otherwise, before any court, arbitrator, administrative agency or other regulatory or governmental authority of any jurisdiction which (a) brings into question, or involves the question of, the authenticity, validity or enforceability, in any respect material to the Partnership as a whole of (i) any transaction contemplated by this Agreement or (ii) the certificates, permits, policies, appraisals, authorizations and other documents and instruments referred to in this Agreement, or (b) makes a material challenge

to the ownership or operation by the Partnership of the BP Pipeline System, or the validity or enforceability of the Lien of the Indenture with respect to any material portion of the BP Pipeline System.

3G. Possession of Franchises, Permits, etc. On the applicable Closing Day, the Partnership shall possess all franchises, rights, certificates, variances, licenses and permits, Federal, state or local, and all other authorizations, consents and approvals from administrative, regulatory or governmental bodies, necessary for the use, occupancy, ownership and maintenance of the BP Pipeline System and the operation of the business of the Partnership (except such as are of a routine nature not customarily obtained, effected or made prior to transactions such as those contemplated hereby or are of an administrative nature expected to be obtained in the ordinary course of business subsequent to the applicable Closing Day, or if not obtained, effected or made, would not have a Material Adverse Effect), and the Partnership shall have delivered to the Purchasers an Officers' Certificate, dated the applicable Closing Day, to such effect.

3H. Equipment and Personal Property Not Damaged or Destroyed. At the applicable Closing Day the Partnership shall be operating the BP Pipeline System in the ordinary course of business; the BP Pipeline System shall not have been materially injured or damaged by fire or other casualty, and the Purchasers shall have received an Officers' Certificate from the Partnership to such effect.

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3I. Recordation, Taxes, etc. Except as the Purchasers may otherwise approve at or prior to the applicable Closing Day, the Supplemental Indenture with respect to the Notes to be issued and any necessary documents relating thereto (including Uniform Commercial Code financing statements) shall have been filed for recording or shall have been delivered to a title company or companies that shall have been instructed by instructions satisfactory to the Purchasers and their counsel or local counsel to record and file the same in all public offices and which such recordation or filing is necessary in order to provide constructive notice that the Notes to be issued are entitled to the benefits of the Lien of the Indenture under applicable recording laws to third parties and in order to provide that the Lien of the Indenture shall secure the obligations represented by the Notes to be issued; and payment in full of, or arrangements for the payment in full of, all taxes, fees and other charges payable in connection with the execution, delivery, recording, publishing and filing of such instruments, agreements and

documents and the offer, issue, sale and delivery of the Notes to be delivered on the applicable Closing Day, shall have been made by the Partnership.

3J. Evidence of Insurance. The Partnership shall have delivered to the Purchasers a certificate of an insurance broker satisfactory to the Purchasers, dated not more than five (5) days prior to the applicable Closing Day, setting forth the particulars of all insurance maintained by the Partnership in respect of the BP Assets, and specifying that the same is in full force and effect and will continue to be in full force and effect on and after the applicable Closing Day, and an Officers' Certificate from the Partnership to the effect that such insurance complies with the requirements of the Indenture and that all premiums then due thereon have been paid in full.

3K. Legality of Investment. At the date of purchase thereof, each Note purchased by each Purchaser pursuant to this Agreement shall be a permitted investment under the laws and regulations of the state in which such Purchaser is incorporated; and the Partnership shall have delivered to each Purchaser such certificates or other evidence as it may request to establish compliance with this condition.

3L. Purchase Permitted By Applicable Laws. The purchase of and payment for each Note to be purchased by a Purchaser on the applicable Closing Day on the terms and conditions provided herein (including the use of the proceeds of each of the Notes by the Partnership) shall not be prohibited by any then applicable law or governmental regulation (including, without limitation, Regulations G, T and X of the Board of Governors of the Federal Reserve System) and shall not subject any Purchaser on issuance to any tax, penalty, liability or other condition under or pursuant to any then applicable law or governmental regulation, and each Purchaser shall have received such certificates or other evidence as it may request to establish compliance with this condition.

3M. Sale of Notes of Same Series to Other Purchasers. The Partnership

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shall have sold to the other Purchasers (if any) the Notes of the same Series to be purchased by them at the closing and shall have received payment in full therefor.

3N. Proceedings and Documents. All opinions, certificates, and other instruments and all proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Purchasers and their counsel. The Purchasers shall have received copies of all instruments and

other evidence as they may reasonably request, in form and substance satisfactory to the Purchasers and their counsel, with respect to such transactions and the taking of all corporate proceedings in connection therewith. If any provision of this Agreement shall require the certification of the existence or non-existence of any particular fact or impose as a condition the existence or non-existence of such fact, then the Purchasers shall be free to establish to their satisfaction the existence or non-existence of such fact.

4. REDEMPTION. The Initial Notes shall be subject to redemption and prepayment only with respect to the optional redemption permitted by paragraph 4B and under the circumstances set forth in subsection 7.01(c) of the Indenture. The Private Shelf Notes shall be subject to redemption and prepayment only under the circumstances specified in paragraph 4A and optional redemption as may be set forth in the applicable Confirmation of Acceptance.

4A. Required Redemption of Private Shelf Notes. Until each respective Series of Private Shelf Notes shall be paid in full, each respective Series of Private Shelf Notes shall be subject to such mandatory redemption, if any, as are specified for such Series of Private Shelf Notes in accordance with the provisions of paragraph 2B(3) hereof and under the circumstances set forth in subsection 7.01(c) of the Indenture. Any redemption made by the Partnership pursuant to subsection 7.01(c) of the Indenture or any other provision of this paragraph 4 shall not reduce or otherwise affect its obligation to make any redemption as specified in the respective Series of Private Shelf Notes.

4B(1). Optional Redemption with Yield-Maintenance Premium. Subject to the limitations set forth below and only to the extent permitted by the Indenture, the Notes of each Series shall be subject to redemption, in whole at any time or from time to time in part (in $100,000 increments and not less than $5,000,000 per occurrence), at the option of the Partnership, at 100% of the principal amount so redeemed plus interest thereon to the redemption date and the Yield-Maintenance Premium (to the extent not prohibited by applicable law), if any, with respect to each Note so redeemed. Notwithstanding the foregoing, no redemption of the Series K Notes may be made on or after December 15, 2001, pursuant to this paragraph 4B(1).

4B(2). Optional Redemption of Series K Notes Subsequent to December 14, 2001. Subject to the limitations set forth below and only to the extent permitted by the Indenture, the Series K Notes shall be subject to redemption

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subsequent to December 14,

2001, in whole or from time to time in part (in $100,000 increments and not less than $5,000,000 per occurrence), at the option of the Partnership, at 100% of the principal amount so redeemed plus interest thereon to the redemption date, and a Yield-Maintenance Premium (to the extent not prohibited by applicable law) determined in accordance with the following schedule with respect to each Series K Note so redeemed:

Date of Redemption	Yield-Maintenance Premium Expressed as Percentage of the Principal Amount Redeemed
After December 14, 2001 and on or before December 14, 2002	7.11%
After December 14, 2002 and on or before December 14, 2003	5.93%
After December 14, 2003 and on or before December 14, 2004	4.74%
After December 14, 2004 and on or before December 14, 2005	3.56%
After December 14, 2005 and on or before December 14, 2006	2.37%
After December 14, 2006 and on or before December 14, 2007	1.19%
After December 14, 2007	0%

4C. Notice of Optional Redemption. The Partnership shall give to the holder of each Note of a Series irrevocable written notice of any optional redemption pursuant to paragraph 4B with respect to such Series not more than sixty (60) days or less than ten (10) Business Days prior to the redemption date, specifying (i) such redemption date, (ii) the aggregate principal amount of the Notes of such Series to be redeemed on such date, (iii) the principal amount of the Notes of such holder to be redeemed on that date, and (iv) stating that such optional redemption is to be made pursuant to paragraph 4B(1) or 4B(2), as the case may be. Notice of optional redemption having been given as aforesaid, the principal amount of the Notes specified in such notice, together with interest thereon to the redemption date and together with the Yield-

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Maintenance Premium (to the extent not prohibited by applicable law) (if any) with respect thereto, shall become due and payable on such redemption date and, as to principal, applied to required payments thereon in the inverse order of their scheduled due dates.

4D. Partial Payments Pro Rata. In the case of each redemption pursuant to paragraphs 4A or 4B of less than the

entire unpaid principal amount of all outstanding Notes of any Series, the amount to be redeemed shall be applied pro rata to all outstanding Notes of such Series according to the respective unpaid principal amounts thereof.

4E. Retirement of Notes. The Partnership shall not, and shall not permit any of its Subsidiaries or Affiliates to, redeem, prepay or otherwise retire in whole or in part prior to their stated final maturity (other than (i) by redemption by the Partnership pursuant to paragraphs 4A or 4B or (ii) upon acceleration of such final maturity pursuant to Article 8 of the Indenture), or purchase or otherwise acquire, directly or indirectly, Notes held by any holder.

5. REPRESENTATIONS, COVENANTS AND WARRANTIES. The Partnership represents, covenants and warrants with and to the Purchasers and the holders of the Notes as follows:

5A. Organization and Qualification. The Partnership is a partnership duly organized and existing under the laws of the State of Delaware; the Partnership has the partnership power and authority to own its property and to carry on its business as now being conducted; and the Partnership is duly qualified to transact business in every jurisdiction in which the nature of the business conducted by it makes such qualification necessary, except in such jurisdictions in which, in the aggregate, the failure of the Partnership to be so qualified will not subject it to any liability or disability which could have a Material Adverse Effect.

5B. Valid and Binding Obligations. The Partnership has the partnership power and authority to enter into this Agreement, to issue the Notes and to perform its obligations under this Agreement, the Indenture and the Notes; this Agreement and the Indenture constitute and the Notes upon execution, authentication and delivery, will constitute, the Partnership's valid and binding obligations, enforceable in accordance with their respective terms subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

5C. Litigation. Except as set forth in Schedule I hereto, there is no action, suit, investigation or proceeding pending or, to the knowledge of the Partnership, threatened against the Partnership or any properties or rights of the Partnership, by or before any court, arbitrator or administrative or governmental body, which could, in the reasonable judgment of the Partnership, have a Material Adverse Effect, or which in any manner questions the validity of

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this Agreement, the Indenture or the Notes, or any of the transactions contemplated thereby or in connection

therewith, and there is no basis known to the Partnership for any such action, suit, investigation or proceeding.

5D. Title to Pipeline Assets; Lien of Indenture. The Partnership has not caused any title search to be made in connection with this Agreement; however, based on, among other things, the operating history of the BP Pipeline System and such investigation conducted from time to time in the past of the instruments conveying to the Partnership or otherwise evidencing the ownership or lease of, easement over, on or under, right to use, or other interest in, any of the BP Assets for the purpose of determining what action would be required to perfect the interest of the Partnership therein, the Partnership is not aware of any defect in or challenge to its ownership of or rights or other interests in any of the BP Assets (other than defects or challenges which will not have a Material Adverse Effect), and (i) the Partnership will at the applicable Closing Day and at all times thereafter have sufficient title to its properties and possess all authorizations, rights and franchises from state and local governmental and regulatory authorities necessary to conduct its business substantially in accordance with past practice, subject only to Permitted Liens, encumbrances, restrictions and other imperfections and other than authorizations, rights and franchises which in the aggregate are expected not to have a Material Adverse Effect, and (ii) the Lien of the Indenture will be valid and enforceable in accordance with its terms on all the Partnership's right, title and interest to and in the BP Assets (other than Excepted Property), subject only to Permitted Liens and to the encumbrances, restrictions and other imperfections noted above.

5E(1). Historic Financial Statements. The Partnership has furnished each Purchaser of Initial Notes and any Accepted Notes with the following financial statements: (i) consolidated balance sheets of the Partnership and its subsidiaries as at the last day in each of the five fiscal years of the Partnership most recently completed prior to the date as of which this representation is made or repeated to such Purchaser (other than fiscal years completed within 120 days prior to such date for which audited financial statements have not been released) and consolidated statements of income and cash flows of the Partnership and its subsidiaries for each such year, reported on by independent public accountants of recognized national standing; and (ii) consolidated balance sheets of the Partnership and its subsidiaries as at the end of the quarterly period (if any) most recently completed prior to such date and after the end of such fiscal year (other than quarterly periods completed within 60 days prior to such date for which financial statements have not been released) and the comparable quarterly period in the preceding fiscal year and consolidated statements of income and statements of cash flows for the periods from the beginning of

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the fiscal years in which such quarterly periods are included to the end of such quarterly periods, prepared by the Partnership. Such financial statements (including any related schedules and/or notes) are true and correct in all material respects (subject, as to interim statements, to changes resulting from audits and year-end adjustments), have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods involved and show all liabilities, direct and contingent, of the Partnership and its subsidiaries required to be shown in accordance with such principles. The balance sheets fairly present the financial position of the Partnership and its subsidiaries as at the dates thereof, and the statements of income and statements of cash flows fairly present in all material respects the results of the operations and cash flows of the Partnership and its subsidiaries for the periods indicated.

5E(2). Financial Statements and Other Reports. The Partnership will file with the Trustee and deliver to each of the holders of the Notes:

(i) as soon as practicable and in any event within 120 days after the end of each fiscal year, a statement of income and retained earnings and changes in financial position of the Partnership and its subsidiaries on a consolidating and consolidated basis, for such year, and a balance sheet of the Partnership and its subsidiaries on a consolidating and consolidated basis, as of the end of such year, setting forth, in the case of the consolidated statements, in comparative form, which need be shown only on a consolidated basis, corresponding figures for the period covered by the preceding annual audit, all in reasonable detail, satisfactory (in the reasonable exercise of discretion) in scope to the Holders of 66 2/3% of the aggregate principal amount of the First Mortgage Notes then Outstanding (to the extent that such Holders shall have notified the General Partner of any requests or concerns at least 45 days prior to the end of the fiscal year to which such financial statements relate, it being understood that such other additional information as any holder of a Note may reasonably request shall be made available pursuant to paragraph 5E(2)(iv)), prepared in accordance with generally accepted accounting principles applied on a consistent basis from period to period, and certified by independent public accountants of recognized national standing selected by the Partnership;

(ii) as soon as practicable and in any event within 60 days after the end of the first three quarterly periods in each fiscal year, a statement of income and retained earnings and changes in financial position of the Partnership and its subsidiaries on a consolidated basis and

a balance sheet of the Partnership and its subsidiaries on a consolidating and consolidated basis, as at the end of such quarter, setting forth in the case of consolidated statements, in comparative form, which need be shown only on a consolidated basis, figures for the corresponding periods in the preceding fiscal year and for the current year's business plan, all in reasonable detail and satisfactory (in the reasonable exercise of

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discretion) in scope to the Holders of 66 2/3% of the aggregate principal amount of the First Mortgage Notes then Outstanding (to the extent that such Holders shall have notified the General Partner of any requests or concerns at least 30 days prior to the end of the fiscal quarter to which such financial statements relate, it being understood that such other additional information as any holder of a Note may reasonably request shall be made available pursuant to paragraph 5E(2)(iv)), accompanied by a certificate of the Chief Financial Officer, Chief Accounting Officer or Treasurer of the General Partner, subject to changes resulting from audit and year-end adjustments;

(iii) promptly upon receipt thereof, a copy of each other report submitted to the Partnership by independent accountants in connection with any annual, interim or special audit made by them of the books of the Partnership, including, without limitation, any final comment letter submitted by such accountants to management in connection with the Partnership's annual audit, and a copy of each report submitted to the Partnership by such accountants concerning their respective accounting practices and systems; and

(iv) promptly, from time to time, such other information regarding the operations, business, affairs and financial condition of the Partnership and its Subsidiaries and Owned Entities as the holders of the Notes may reasonably request.

Each Purchaser and each Transferee is hereby authorized to deliver a copy of any financial statement, certificate, report or information delivered to it pursuant to this paragraph 5 to any regulatory body having jurisdiction over it.

5F. Conflicting Agreements and Other Matters. Except for this Agreement and the Indenture and the transactions contemplated thereby, the Partnership is not a party to any contract or agreement or subject to any charter or other restriction which, either individually or in the aggregate, materially adversely affects its business, property or assets, or financial condition. Neither execution or delivery of this Agreement, any supplement to the Indenture or any of the Notes,

nor the offering, issuance and sale of the Notes, nor fulfillment of nor compliance with the terms and provisions of this Agreement, any supplement to the Indenture and the Notes will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any lien other than the Lien of the Indenture, upon any of the properties or assets of the Partnership pursuant to, the Partnership Agreement, or any award of any arbitrator or any other agreement (including any agreement with general or limited partners of the Partnership), instrument, order, judgment, decree, statute, law, rule or regulation to which the Partnership is subject (other than conflicts, breaches, defaults, violations or liens which will not have a Material Adverse Effect). Except for this Agreement, the Commitment Letter, the Indenture and the Revolving Credit Agreement and the instruments relating thereto, the Partnership

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is not a party to, or otherwise subject to any provision contained in, any instrument evidencing indebtedness of the Partnership, any agreement relating thereto or any other contract or agreement which limits the amount of, or otherwise imposes restrictions on the incurring of, indebtedness.

5G. Offering of Notes. Neither the Partnership nor any agent acting on its behalf has, directly or indirectly, offered any of the Notes or any similar security of the Partnership for sale to, or solicited any offers to buy any of the Notes or any similar security of the Partnership from, or otherwise approached or negotiated with respect thereto with, any Person other than Institutional Investors or entities acting on behalf of Institutional Investors, and, assuming the accuracy of the representations contained in paragraph 6 of this Agreement, neither the Partnership nor any agent acting on its behalf has taken or will take any action which would subject the offering, issuance or sale of any of the Notes to the provisions of Section 5 of the Securities Act of 1933, as amended, or to the provisions of any securities or Blue Sky law of any applicable jurisdiction.

5H. Regulation G, etc. Neither the Partnership nor any Subsidiary owns or has any present intention of acquiring any "margin stock" as defined in Regulation G (12 CFR Part 207) of the Board of Governors of the Federal Reserve System (herein called "margin stock"). The proceeds of sale of the Initial Notes will be used for purposes of permanently financing Capital Improvements as permitted by the Indenture and as specifically contemplated by Section 3.03(f)(1) thereof and the proceeds of the sale of any Private Shelf Notes will be used for the purposes stated in the relevant Request for Purchase. None of the proceeds of sale of the Notes to you will be used by the Partnership, directly or indirectly, for the purpose of purchasing or carrying any margin stock or for the purpose of maintaining, reducing or retiring any indebtedness which was

originally incurred to purchase or carry a margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of said Regulation G. Neither the Partnership nor any agent acting on its behalf has taken or will take any action which might cause this Agreement, the Indenture or any of the Notes to violate Regulation G, Regulation T, Regulation X or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, in each case as in effect now or as the same may hereinafter be in effect.

5I. Governmental Consent. Neither the execution and delivery of this Agreement or any supplement to the Indenture, nor the offer, issue, sale or delivery of any of the Notes or fulfillment of or compliance with the terms and provisions of this Agreement, the Indenture or any of the Notes, is such as to require any consent, approval or other action by or any notice to or filing with any court or administrative or governmental body (other than consents, approvals, other actions, notices or filings which (a) have been, or prior to the applicable Closing Day, will be, obtained, effected or made, (b) are of a routine nature not customarily obtained, effected or made prior to transactions such as those contemplated hereby or are of an administrative nature expected to

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be obtained in the ordinary course of business subsequent to the applicable Closing Day, or (c) if not obtained, effected or made, would not, individually or in the aggregate, have a Material Adverse Effect).

5J. Holding Company and Investment Company Status. The Partnership is not a "holding company", or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company", or a "public utility", within the meaning of the Public Utility Holding Company Act of 1935, as amended, or a "public utility" within the meaning of the Federal Power Act, as amended. The Partnership is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or an "investment adviser" within the meaning of the Investment Advisers Act of 1940, as amended.

5K. No Conflicting Requirements. The Partnership is not in violation of or in default under any term or provision of any charter, by-law, partnership agreement, mortgage, indenture, agreement, instrument, statute, rule, regulation, judgment, decree, order, writ or injunction applicable to it, such that such violations or defaults might materially and adversely affect the ability of the Partnership to perform its obligations under this Agreement, the Indenture or the Notes or the satisfaction of any of the conditions to your obligation to purchase the Notes to be purchased by you on any applicable Closing Day.

5L. Compliance with Laws. The Partnership and each of its

Subsidiaries is in compliance with all applicable laws, rules and regulations (including environmental protection laws and regulations), other than such laws, rules or regulations the validity or applicability of which it is contesting in good faith by appropriate proceedings, or the noncompliance with which would not have a Material Adverse Effect.

5M. Accuracy of Certificates, etc. Neither (i) this Agreement nor (ii) taken as a whole, all other documents, certificates and written statements furnished to you by or on behalf of the Partnership in connection with the execution and delivery of this Agreement or pursuant thereto (other than financial projections), contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein and therein, in light of the circumstances under which they were made, not misleading, in either case which has not been corrected, supplemented or remedied by subsequent documents furnished or statements made in writing to you.

5N. ERISA Matters. Schedule II lists all employee benefit plans, as defined in Section 3(3) of ERISA, maintained for the Partnership or to which the Partnership contributes. The Partnership covenants that as soon as practicable after, and in any event within 30 days after, the Partnership knows or has reason to know of any of the following events: (i) the occurrence of any Reportable Event with respect to any Single Employer Plan or (ii) the institution of proceedings or the taking or expected taking of any other action of PBGC or the Partnership to terminate, withdraw or partially withdraw from any

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Plan and, with respect to a Multiemployer Plan, the reorganization or insolvency of the Plan, the Partnership shall, in addition to any other notice required to be delivered hereunder, deliver to you so long as you shall hold any of the Notes and to each other holder of a Note whichever of the following may be applicable: (A) an Officers' Certificate of the Partnership setting forth details as to such Reportable Event and the action that the Partnership proposes to take with respect thereto, together with a copy of any notice that may be required to be filed with PBGC, or (B) any notice delivered by PBGC evidencing its intent to institute such proceedings or any notice to PBGC that such Plan is to be terminated, as the case may be. The execution and delivery of this Agreement and the issuance and sale of the Notes will be exempt from, or will not involve any transaction which is subject to the prohibitions of, section 406 of ERISA and will not involve any transaction in connection with which a penalty could be imposed under section 502(i) of ERISA or a tax could be imposed pursuant to section 4975 of the Code. The representation by the Partnership in the immediately preceding sentence is made in reliance upon and subject to the accuracy of each Purchaser's representation in paragraph 6B. For all purposes of this

paragraph 5N, the Partnership shall be deemed to have all knowledge, including knowledge of all facts, attributable to the administrator of such Plan. At December 31, 1992, the aggregate unfunded past services liability of the Partnership under all employees benefit plans was $15,737,219. For purposes of this paragraph 5N, Reportable Event, Single Employer Plan, PBGC, Multiemployer Plan and Plan shall have the meanings ascribed to them in ERISA.

5O. Hostile Tender Offers. None of the proceeds of the sale of any Notes will be used to finance a Hostile Tender Offer.

5P. Certain Additional Covenants.

(1) The Partnership will at any and all times upon the written request of the Trustee and in any event in December of each calendar year, beginning with the year 1994, furnish to the Trustee and to the Holders of the Notes an Officers' Certificate stating in substance that the Partnership has complied with all the terms and conditions of subsections 4.05(a) and (b) of the Indenture and containing a detailed statement of the insurance then outstanding and in force provided for under subsection 4.05(a) of the Indenture, including the amounts thereof, the names of the insurers, and the property, hazards and risks covered thereby.

(2) The Partnership shall permit any Person designated by the Trustee or the holders of the Notes to visit and inspect any of the properties, books or financial records of the Partnership and General Partner and to discuss the affairs, finances and accounts of the Partnership and the General Partner with the officers of the General Partner and representatives of Deloitte & Touche (or any other firm of independent public accountants employed by the Partnership), at such reasonable times and as often as may reasonably be requested.

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(3) Provided that the Partnership shall have been given reasonably sufficient time to comply, the Partnership shall deliver to the holders of the Notes with each delivery of financial reports and statements required by subsections 4.07(b)(1) and (2) of the Indenture an Officers' Certificate regarding such financial and other matters as the holders of the Notes may reasonably request.

(4) In the event that the Indenture shall have been qualified under the Trust Indenture Act of 1939, as amended, the Partnership will file with the holders of the Notes, copies of all information, documents and reports with respect to compliance by the Partnership with the conditions and covenants provided for in the Indenture as it may be

required to file with the Securities and Exchange Commission in accordance with the rules and regulations prescribed from time to time by the Securities and Exchange Commission.

(5) The Partnership will not permit any of its Subsidiaries and Owned Entities to, so long as any of the Notes are Outstanding, declare or otherwise authorize, or make any payment or distribution of property, other assets or cash in respect of partnership interests to the Partnership's partners, except that, so long as there shall not, on the date of any such distribution occur or be continuing any Default or Event of Default, the Partnership may make cash distributions to its partners from time to time; provided that, at the time of declaration of each such distribution, which shall not precede the date of payment by more than 45 days (and after giving effect to such distribution), the aggregate amount of all such distributions shall not exceed the Net Cash Available to Partners at such time.

(6) The Partnership covenants and agrees to use its best efforts to promptly amend the Indenture to delete the reference to the "1986 Notes" appearing in Section 6.06 of the Indenture and in the definitions of "Owned Entities" and "Subsidiaries" and to substitute therefor a reference to the "Notes" (as defined in the Indenture).

6. REPRESENTATIONS OF THE PURCHASERS.

Each Purchaser represents as follows:

6A. Nature of Purchase. Such Purchaser is not acquiring the Notes to be purchased by it hereunder with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act, provided that the disposition of such Purchaser's property shall at all times be and remain within its control.

6B. Source of Funds. No part of the funds used by such Purchaser to pay the purchase price of the Notes being purchased by such Purchaser hereunder constitutes assets allocated to any separate account maintained by such Purchaser in which any employee benefit plan, other than employee benefit plans

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identified on a list which has been furnished by such Purchaser to the Partnership, participates to the extent of 10% or more. For the purpose of this paragraph 6B, the terms "separate account" and "employee benefit plan" shall have the respective meanings specified in section 3 of ERISA.

7. DEFINITIONS. For the purpose of this Agreement, the terms defined in paragraphs 1 and 2 shall have the respective

meanings specified therein, and the following terms shall have the meanings specified with respect thereto below:

7A. Yield-Maintenance Terms.

"Called Principal" shall mean, with respect to any Note, the principal of such Note that is to be redeemed pursuant to paragraph 4B(1) or is declared to be immediately due and payable pursuant to Article 8 of the Indenture as the context requires.

"Discounted Value" shall mean, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on a semiannual basis) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" shall mean, with respect to the Called Principal of any Note, the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City local time) on the Business Day next preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page 678" on the Telerate Service (or such other display as may replace Page 678 on the Telerate Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, (ii) the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between yields reported for various maturities.

"Remaining Average Life" shall mean, with respect to the Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated

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to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called

Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" shall mean, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date.

"Settlement Date" shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to paragraph 4B(1) or is declared to be immediately due and payable pursuant to Article 8 of the Indenture as the context requires.

"Yield-Maintenance Premium" shall mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Called Principal of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. With respect to any Series K Note on or after December 15, 2001, "Yield-Maintenance Premium" shall mean the amount determined in accordance with the following schedule with respect to each Series K Note so redeemed:

<TABLE>
<CAPTION>

Date of Redemption	Yield-Maintenance Premium Expressed as Percentage of the Principal Amount Redeemed
<S>	<C>
After December 14, 2001 and on or before December 14, 2002	7.11%
After December 14, 2002 and on or before December 14, 2003	5.93%
After December 14, 2003 and on or before December 14, 2004	4.74%
After December 14, 2004 and on or before December 14, 2005	3.56%
After December 14, 2005 and on or before December 14, 2006	2.37%
After December 14, 2006 and on or before December 14, 2007	1.19%

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After December 14, 2007	0%

</TABLE>

The Yield-Maintenance Premium shall in no event be less than zero.

7B. Other Terms.

"Acceptance" shall have the meaning specified in paragraph 2B(5).

"Acceptance Day" shall have the meaning specified in paragraph 2B(5).

"Acceptance Window" shall have the meaning specified in paragraph 2B(5).

"Accepted Note" shall have the meaning specified in paragraph 2B(5).

"Authorized Officer" shall mean (i) in the case of the Partnership, the chief executive officer, the chief operating officer, the chief financial officer, the chief accounting officer, the Vice President-Finance, the Treasurer and any vice president of the General Partner designated as an "Authorized Officer" of the Partnership for the purpose of this Agreement in an Officer's Certificate executed by the General Partner's chief operating officer or chief financial officer and delivered to Prudential, and (ii) in the case of Prudential, any officer of Prudential designated as its "Authorized Officer" in the Information Schedule or any officer designated as its "Authorized Officer" for the purpose of this Agreement in a certificate executed by one of its Authorized Officers or a member of its law department. Any action taken under this Agreement on behalf of the Partnership by any individual who on or after the date of this Agreement shall have been an Authorized Officer of the Partnership and whom Prudential in good faith believes to be an Authorized Officer of the Partnership at the time of such action shall be binding on the Partnership even though such individual shall have ceased to be an Authorized Officer of the Partnership, and any action taken under this Agreement on behalf of Prudential by any individual who on or after the date of this Agreement shall have been an Authorized Officer of Prudential and whom the Partnership in good faith believes to be an Authorized Officer of Prudential at the time of such action shall be binding on Prudential even though such individual shall have ceased to be an Authorized Officer of Prudential.

"Available Facility Amount" shall have the meaning specified in paragraph 2B(1).

"Business Day" shall mean any day other than (i) a Saturday or a Sunday, (ii) a day on which commercial banks in New York City are required or authorized to be closed and (iii) for purposes of paragraph 2B(2) hereof only, a day on which The Prudential Insurance Company of America is not open for business.

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"Cancellation Date" shall have the meaning specified in paragraph 2B(8)(iii).

"Cancellation Fee" shall have the meaning specified in paragraph 2B(8)(iii).

"Closing Day" shall mean the Initial Notes Closing Day or a Private Shelf Closing Day, as the case may be.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commitment Letter" shall have the meaning specified in paragraph 3C.

"Confirmation of Acceptance" shall have the meaning specified in paragraph 2B(5).

"Delayed Delivery Fee" shall have the meaning specified in paragraph 2B(8)(ii).

"Dollars" and "$" shall mean the lawful money of the United States of America.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Facility" shall have the meaning specified in paragraph 2B(1).

"Facility Fee" shall have the meaning specified in paragraph 2B(8)(i).

"First Mortgage Notes" shall mean and include the Notes and any other notes issued prior to the date hereof and from time to time under the Indenture.

"Hedge Treasury Note(s)" shall mean, with respect to any Accepted Note, the United States Treasury Note or Notes whose duration (as determined by Prudential in its reasonable discretion) most closely matches the duration of such Accepted Note.

"Hostile Tender Offer" shall mean, with respect to the use of proceeds of any Note, any offer to purchase, or any purchase of, shares of capital stock of any corporation or equity interests in any other entity, or securities convertible into or representing the beneficial ownership of, or rights to acquire, any such shares or equity interests, if such shares, equity interests, securities or rights are of a class which is publicly traded on any securities exchange or in any over-the-counter

market, other than purchases of such shares, equity interests, securities or rights representing less than 5% of the equity interests or beneficial ownership of such corporation or other entity for portfolio investment purposes, and such offer or purchase has not been duly approved by the board of directors of such

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corporation or the equivalent governing body of such other entity prior to the date on which the Partnership makes the Request for Purchase of such Note.

"Indenture" shall mean that certain Indenture of Mortgage and Deed of Trust and Security Agreement attached hereto as Exhibit E as amended, supplemented and otherwise modified from time to time in accordance with its terms.

"Initial Notes" shall have the meaning specified in paragraph 1A.

"Institutional Investor" shall mean Prudential, any Prudential Affiliate or any bank, bank affiliate, financial institution, insurance company, pension fund, endowment or other organization which regularly acquires debt instruments for investment.

"Issuance Period" shall have the meaning specified in paragraph 2B(2).

"Notes" shall have the meaning specified in paragraph 1B.

"Officer's Certificate" shall mean a certificate signed in the name of the Partnership by an Authorized Officer of the General Partner.

"Partnership" shall mean Buckeye Pipe Line Company, L.P., a limited partnership organized under the laws of Delaware.

"Person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

"Private Shelf Closing Day" for any Accepted Note shall mean the Business Day specified for the closing of the purchase and sale of such Private Shelf Note in the Request for Purchase of such Private Shelf Note, provided that (i) if the Acceptance Day for such Accepted Note is less than five Business Days after the Partnership shall have made such Request for Purchase and the Partnership and the Purchaser which is obligated to purchase such Private Shelf Note agree on an earlier Business Day for such closing, the "Private Shelf Closing Day" for such Accepted Note shall be such earlier Business Day, and (ii) if the closing of the purchase and sale of such Accepted Note is rescheduled

pursuant to paragraph 2B(7), the Private Shelf Closing Day for such Accepted Note, for all purposes of this Agreement except paragraph 2B(8)(iii), shall mean the Rescheduled Closing Day with respect to such Closing.

"Private Shelf Note" and "Private Shelf Notes" shall have the meaning specified in paragraph 1B.

"Prudential" shall mean The Prudential Insurance Company of America.

"Prudential Affiliate" shall mean any corporation or other entity all of the Voting Stock (or equivalent voting securities or interests) of which is

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owned by Prudential either directly or through Prudential Affiliates.

"Purchasers" shall mean Prudential as purchaser of the Initial Notes and, with respect to any Accepted Notes, Prudential or a Prudential Affiliate purchasing such Accepted Notes.

"Renewal Fee" shall have the meaning specified in paragraph 2B(2).

"Request for Purchase" shall have the meaning specified in paragraph 2B(3).

"Rescheduled Closing Day" shall have the meaning specified in paragraph 2B(7).

"Responsible Officer" shall mean the chief executive officer, chief operating officer, chief financial officer or chief accounting officer of the General Partner or any other officer of the General Partner involved principally in the Partnership's financial administration or its controllership function.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Series" shall have the meaning specified in paragraph 1B.

"Supplemental Indenture" shall mean the Third Supplemental Indenture of Mortgage and Deed of Trust and Security Agreement dated as of December 31, 1993 among the Partnership and PNC Bank, National Association, formerly known as Pittsburgh National Bank, and J.G. Routh, as trustees, in the form of Exhibit F attached hereto with such changes thereto as may be acceptable to the Purchasers of the Initial Notes.

"Transferee" shall mean any direct or indirect transferee of all or any part of any Note purchased by any Purchaser under this

Agreement.

"Unused Facility Amount" shall have the meaning specified in paragraph 2B(8)(i).

"Voting Stock" shall mean, with respect to any corporation, any shares of stock of such corporation whose holders are entitled under ordinary circumstances to vote for the election of directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

8. MISCELLANEOUS.

8A. Note Payments. The Partnership agrees that, so long as any Purchaser shall hold any Note, it will make payments of principal of, interest on and any Yield-Maintenance Premium payable with respect to such Note, which comply with the terms of this Agreement, by wire transfer of immediately available funds for

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credit (not later than 12:00 noon, New York City time, on the date due) to (i) such Purchaser's account or accounts as specified in the Purchaser Schedule attached hereto (in the case of the Initial Notes), (ii) the account or accounts specified in the applicable Confirmation of Acceptance (in the case of any Private Shelf Note) or (iii) such other account or accounts in the United States as such Purchaser may designate in writing, notwithstanding any contrary provision herein, in the Indenture or in any Note with respect to the place of payment. Each Purchaser agrees that, before disposing of any Note, such Purchaser will make a notation thereon (or on a schedule attached thereto) of all principal payments previously made thereon and of the date to which interest thereon has been paid. The Partnership agrees to afford the benefits of this paragraph 8A to any Institutional Noteholder which is the direct or indirect transferee of any Note purchased by you hereunder.

8B. Expenses. The Partnership agrees, whether or not the transactions contemplated hereby shall be consummated, to pay, and save Prudential, each Purchaser and any Transferee harmless against liability for the payment of, all out-of-pocket expenses arising in connection with such transactions, including without limitation all stamp and other taxes (including any intangible personal property tax) due on the issuance of the Notes, together in each case with interest and penalties, if any, which may be payable in respect of the execution and delivery of this Agreement, the execution and delivery and recording and filing of any supplement to the Indenture or the execution and delivery of any Note issued under or pursuant to this Agreement, all costs and expenses in connection with the mortgaging of and creating a security interest in the Trust Estate pursuant to the Indenture, all printing costs, all fees and expenses of the Trustee

(including the fees and expenses of its special counsel and all local counsel engaged by such special counsel) in connection with this transaction and the fees and expenses of your special counsel (including all local counsel) in connection with this Agreement, the Indenture and the Notes, any modification hereof or thereof or any waiver hereunder or thereunder. Notwithstanding the foregoing, the Partnership shall have no obligation under this paragraph 8B to reimburse any Purchaser for out-of-pocket costs and expenses (including attorneys fees and expenses but excluding any applicable Delayed Delivery Fee or Cancellation Fee) of such Purchaser incurred in connection with the negotiation and closing of this Agreement or the closing of any draw made under the Facility unless the Partnership agrees in writing to reimburse such Purchaser for any such expenses. The obligations of the Partnership under this paragraph 8B shall survive the transfer of any Note or portion thereof or interest therein by any Purchaser or any Transferee and the payment of any Note.

8C. Consent to Amendments. Except as provided in (S)13.06 of the Indenture, this Agreement may be amended, and the Partnership may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Partnership shall obtain the written consent to such amendment, action or omission to act, of at least 66 2/3% of the principal amount of the Notes Outstanding at the time except that (i) with the written

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consent of Prudential (and not without the written consent of Prudential) the provisions of paragraph 2 may be amended or waived (except insofar as any such amendment or waiver would affect any rights or obligations with respect to the purchase and sale of Notes which shall have become Accepted Notes prior to such amendment or waiver), and (ii) with the written consent of all of the Purchasers which shall have become obligated to purchase Accepted Notes of any Series (and not without the written consent of all such Purchasers), any of the provisions of paragraphs 2 and 3 may be amended or waived insofar as such amendment or waiver would affect only rights or obligations with respect to the purchase and sale of the Accepted Notes of such Series or the terms and provisions of such Accepted Notes. Each holder of any Note at the time or thereafter Outstanding shall be bound by any consent authorized by this paragraph 8C, whether or not such Note shall have been marked to indicate such consent, but any Notes issued thereafter may contain a reference or bear a notation referring to any such consent. No course of dealing between the Partnership and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein and in the Notes, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

8D. Survival of Representations and Warranties. All representations and warranties contained herein or made in writing by the Partnership in connection herewith shall survive the execution and delivery of this Agreement and the Notes, the transfer by any Purchaser of any Note and the payment of any Note, regardless of any investigation made at any time by or on behalf of any Purchaser or any Transferee.

8E. Successors and Assigns. All covenants and other agreements in this Agreement contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any Transferee) whether so expressed or not.

8F. Notices. All written communications provided for hereunder (other than communications provided for under paragraph 2B) shall be sent by first class mail or nationwide overnight delivery service (with charges prepaid) (i) if to any Purchaser, addressed to such Purchaser at the address specified for such communications in the Purchaser Schedule attached hereto (in the case of the Initial Notes) or in the Confirmation of Acceptance (in the case of any Private Shelf Notes), or at such other address as any Purchaser shall have specified in writing to the Partnership, and (ii) if to any other holder of any Note, addressed to such other holder at such address as such other holder shall have specified in writing to the Partnership or, if any such other holder shall not have so specified an address to the Partnership, then addressed to such other holder in care of the last holder of such Note which shall have so specified an address to the Partnership, and (iii) if to the Partnership, addressed to the Partnership c/o Buckeye Pipe Line Company, 3900 Hamilton Boulevard, Allentown, Pennsylvania 18103, Attention: President, or at such other address as the Partnership shall have specified to the holder of each Note in

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writing. Any communication pursuant to paragraph 2B shall be made by the method specified for such communication in paragraph 2B, and shall be effective to create any rights or obligations under this Agreement only if, in the case of a telephone communication, an Authorized Officer of the party conveying the information and of the party receiving the information are parties to the telephone call, and in the case of a telecopier communication, the communication is signed by an Authorized Officer of the party conveying the information, addressed to the attention of an Authorized Officer of the party receiving the information, and in fact received at the telecopier terminal the number of which is listed for the party receiving the communication in the Information Schedule or at such other telecopier terminal as the party receiving the information shall have specified in writing to the party sending such information.

8G. Descriptive Headings. The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

8H. Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to any Purchaser or to any holder of Notes, the determination of such satisfaction shall be made by such Purchaser or such holder, as the case may be, in the sole and exclusive judgment (exercised in good faith) of the Person or Persons making such determination.

8I. GOVERNING LAW. THIS AGREEMENT IS BEING DELIVERED AND IS INTENDED TO BE PERFORMED IN THE STATE OF NEW YORK, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF SUCH STATE. This Agreement may not be changed orally, but (subject to the provisions of subparagraph 8C of this Agreement) only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

8J. Reproduction and Counterparts. This Agreement and all documents relating hereto, including, without limitation (a) consents, waivers and modifications which may hereafter be executed, (b) documents received by you and the other Purchasers at the closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to you and the other Purchasers, may be reproduced by you and the other Purchasers by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process and may destroy any original document so reproduced. The Partnership agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not originals are in existence) and that any enlargement, facsimile or further reproduction shall likewise be admissible in evidence. This Agreement may be signed in counterparts, each of which would be deemed an original and all of which together shall constitute but one instrument.

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Very truly yours,

BUCKEYE PIPE LINE COMPANY, L.P.

BY BUCKEYE PIPE LINE COMPANY,
a Delaware corporation, as
General Partner

By: /s/

Name:
Title:

The foregoing Agreement is
hereby accepted as of the
date first above written.

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA

By: /s/

Vice President

LIST OF ATTACHMENTS TO THE AGREEMENT

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EXHIBIT A -- FORM OF FIRST MORTGAGE NOTE

The remaining Exhibits and Schedules do not contain information which is material and not otherwise disclosed in the agreement. Buckeye Partners, L.P. agrees to furnish supplementally to the Commission a copy of any omitted Exhibits and Schedules upon request.

EXHIBIT A

[FORM OF FIRST MORTGAGE NOTES]

BUCKEYE PIPE LINE COMPANY, L.P.
(A limited partnership organized under the laws of the State of Delaware)

FIRST MORTGAGE PIPE LINE NOTE, ____% SERIES ___ DUE _______, ____
NO. ____ $_____________

BUCKEYE PIPE LINE COMPANY, L.P., a limited partnership organized and

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existing under the laws of the State of Delaware (the "Company"), for value received, hereby promises to pay to ___________________________ or registered assigns, on December 15, _____, the sum of __________________ Dollars in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts and to pay interest thereon in like coin or currency (i) from the date hereof until payment of the principal hereof becomes due and payable, at the rate of _____% per annum, payable semi-annually, on the fifteenth day of June and December in each year and (ii) on any overdue payment of principal (and to the extent permitted by law, on any overdue payment of premium or interest thereon), payable semi-annually as aforesaid (or at the option of the holder hereof, on demand) at a rate per annum from time to time equal to the greater of (x) [insert rate equal to one percent over the above rate] or (y) the rate of interest publicly announced by Morgan Guaranty Trust Company of New York from time to time in New York City as its prime rate, as shall be determined by the Trustee. In accordance with Section 15.05 of the "Indenture" referred to below, principal of, and interest on, and any premium payable with respect to, this Note are payable at the principal corporate trust office of the Trustee or any successor as Trustee under such Indenture.

This Note is one of a series designated as the "First Mortgage Pipe Line Notes, _____% Series _____ due ___________" of the Company, limited in aggregate principal amount to $__________ and issued under and secured by an Indenture of Mortgage and Deed of Trust and Security Agreement, dated as of December 15, 1986 (as amended by the First Supplemental Indenture dated as of December 1, 1987, the Second Supplemental Indenture dated as of November 30, 1992, and the Third Supplemental Indenture dated as of December 31, 1993 and as amended and supplemented from time to time hereafter, the "Indenture"), from the Company to PNC Bank,

National Association, formerly Pittsburgh National Bank (the "Trustee"), and J.G. Routh (the "Individual Trustee"), as Trustees (together, the "Trustees"). Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Indenture. Contemporaneously with the issuance of the Notes of this series, the Company is issuing Notes under the Indenture of two other series which, together with the Notes of this series (collectively, the "1993 Notes"), are in the aggregate principal amount of $35,000,000. Reference is made to that certain Note Purchase and Private Shelf Agreement dated as of December 31, 1993 (as amended from time to time, the "Note Agreement") between the Company and The Prudential Insurance Company of America and each "Prudential Affiliate" (as defined in the Note Agreement) which becomes a party thereto for a further statement of the terms applicable to the 1993 Notes. The 1993 Notes constitute Additional Notes under the Indenture and together with the "1986 Notes" (as defined in the Indenture) and any Additional Notes issued after the date hereof, are secured equally and ratably by the Lien of the Indenture. The 1993 Notes, 1986 Notes and any Additional Notes are collectively referred to herein as, the "Notes". Reference is made to the Indenture and all Indentures Supplemental thereto for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the Holders of the Notes and of the Trustees in respect thereof, and the terms and conditions upon which the Notes are, and are to be, secured. The Notes of the several series issued

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and to be issued under the Indenture from time to time may vary in aggregate principal amount, may mature at different times, may bear interest at different rates and may otherwise differ as in the Indenture provided.

As provided in the Indenture, the 1993 Notes are subject to mandatory and optional redemption on the terms specified in the Indenture.

To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture, or of any Indenture Supplemental thereto, and of the rights and obligations with respect to the Indenture of the Company and of the Holders of the Notes may be made with the consent of the Company upon the written consent of the Holders of not less than 66 2/3% in aggregate principal amount of the Notes then Outstanding, or by an affirmative vote of the Holders of not less than 66 2/3% in aggregate principal amount of the Notes entitled to vote thereon then Outstanding, at a meeting of Noteholders called and held as provided in the Indenture or as otherwise provided in the Indenture; provided, however, that no such modification or alteration shall be made without the consent of the Holder hereof which will (a) affect the right of such Holder to receive payment of principal of, or interest or premium (if any) on, this Note, or to institute suit for the enforcement of such payment on or after the respective due dates expressed herein, or (b) otherwise

than as permitted by the Indenture, permit the creation of any lien ranking prior to, or on a parity with, the Lien of the Indenture with respect to any property covered thereby, or (c) reduce the percentage of the aggregate principal amount of Notes required to authorize any such modification or alteration.

In case an Event of Default, as defined in the Indenture, shall occur and be continuing, the principal of all the Notes at any such time Outstanding under the Indenture may be declared or may become due and payable upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be rescinded by the Holders of 66 2/3% in aggregate principal amount of the Notes then Outstanding.

This Note is transferable by the Holder hereof, in person or by duly authorized attorney, on books of the Company to be kept for that purpose at the principal corporate trust office of the Trustee, upon surrender and cancellation of this Note and on presentation of a duly executed written instrument of transfer, and thereupon a new Note or Notes of the same series, of the same aggregate principal amount and in authorized denominations, will be issued to the transferee or transferees in exchange theretofore; and this Note, with or without others of the same series, may in like manner be exchanged for one or more new Notes of the same series of other authorized denominations but of the same aggregate principal amount; all upon payment of the charges and subject to the terms and conditions set forth in the Indenture.

The Company and the Trustees may deem and treat the Person in whose

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name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon, and for all other purposes, and neither the Company nor the Trustees shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of, or the interest or premium (if any) on, this Note, or for any claim based hereon or on the Indenture or any Indenture Supplemental thereto, against any partner, past, present or future, of the Company (including the General Partner), or of any predecessor or successor, heir or assignee of any such partner as such, or any stockholder, director, officer or employee of any such partner, either directly or through the Company or any such predecessor or successor, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, being released by every owner hereof by the acceptance of this Note and as part of the consideration for the issue hereof, and being likewise released by the terms of the Indenture.

This Note shall not be entitled to any benefit under the Indenture or any Indenture Supplemental thereto, or become valid or obligatory for any purpose, until Pittsburgh National Bank, the Trustee under the Indenture, or a successor Trustee thereto under the Indenture, shall have signed the form of certificate imprinted hereon.

THIS NOTE IS BEING DELIVERED AND IS INTENDED TO BE PERFORMED IN THE STATE OF NEW YORK, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF SUCH STATE.

IN WITNESS WHEREOF, Buckeye Pipe Line Company, L.P., has caused this Note to be signed in its name by its General Partner.

Dated

BUCKEYE PIPE LINE COMPANY, L.P.

By: Buckeye Pipe Line Company,
a Delaware Corporation,
as General Partner

By:

[Vice] President

(Corporate Seal)

Attest:

- ----------------------------

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[Assistant] Secretary of
Buckeye Pipe Line
Company, a Delaware
corporation

[FORM OF TRUSTEE'S CERTIFICATE]

This Note is one of the 1993 Notes, of the series designated therein, described in the within-mentioned Indenture.

PNC BANK, NATIONAL ASSOCIATION
formerly Pittsburgh National
Bank, Trustee

By:

Authorized Signatory

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EXHIBIT 11.1

BUCKEYE PARTNERS, L.P.
COMPUTATION OF EARNINGS PER UNIT
(IN THOUSANDS, EXCEPT FOR UNITS AND PER UNIT AMOUNTS)

	YEAR ENDED DECEMBER 31,		
	1993	1992	1991
Income from continuing operations before extraordinary charge and cumulative effect of change in accounting principle..........	$41,654	$ 34,546	$30,465
Loss from disposal of discontinued operations................................	(127)	--	--
Extraordinary charge on early extinguishment of debt.....................................	(2,161)	--	--
Cumulative effect of change in accounting principle.................................	--	(25,544)	--
Net income..................................	$39,366	$ 9,002	$30,465
Primary earnings per Unit:			
Income from continuing operations before extraordinary charge and cumulative effect of change in accounting principle.	$ 3.43	$ 2.85	$ 2.51
Loss from disposal of discontinued operations..............................	(0.01)	--	--
Extraordinary charge on early extinguishment of debt..................	(0.18)	--	--
Cumulative effect of change in accounting principle...............................	--	(2.11)	--
Net income..............................	$ 3.24	$ 0.74	$ 2.51
Fully-diluted earnings per Unit:			
Income from continuing operations before extraordinary charge and cumulative effect of change in accounting principle.	$ 3.43	$ 2.85	$ 2.51
Loss from disposal of discontinued operations..............................	(0.01)	--	--
Extraordinary charge on early extinguishment of debt..................	(0.18)	--	--
Cumulative effect of change in accounting principle...............................	--	(2.11)	--

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Net income	$ 3.24	$ 0.74	$ 2.51
Average number of Units outstanding:			
Units outstanding at December 31,	12,121,212	12,121,212	12,121,212
Exercise of Options reduced by the number of Units purchased with proceeds (Primary)	18,945	6,566	477
Total Units outstanding--Primary	12,140,157	12,127,778	12,121,689
Units outstanding at December 31,	12,121,212	12,121,212	12,121,212
Exercise of Options reduced by the number of Units purchased with proceeds (Fully-diluted)	25,589	8,612	637
Total Units outstanding--Fully-diluted	12,146,801	12,129,824	12,121,849

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Although not required to be presented in the income statement under provisions of APB Opinion No. 15, this calculation is submitted in accordance with Regulations S-K item 601(b)(11).

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EXHIBIT 21.1

BUCKEYE PARTNERS, L.P.
SUBSIDIARIES OF THE REGISTRANT

The following table lists each significant subsidiary of Buckeye Partners, L.P. and its jurisdiction of organization.

<TABLE>
<CAPTION>

SUBSIDIARY	JURISDICTION OF ORGANIZATION
<S>	<C>
Buckeye Pipe Line Company, L.P. (99% owned)......................	Delaware
Buckeye Tank Terminals Company, L.P. (99% owned)................	Delaware
Everglades Pipe Line Company, L.P. (99% owned)...................	Delaware
Laurel Pipe Line Company, L.P. (99% owned)........................	Delaware

</TABLE>

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