

PBF Energy Inc.
Form 8-K
September 07, 2016

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

FORM 8-K

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

Date of Report (Date of Earliest Event Reported): August 31, 2016

PBF ENERGY INC.
PBF HOLDING COMPANY LLC
(Exact Name of Registrant as Specified in its Charter)

| | | |
|---|--------------------------|--|
| Delaware | 001-35764 | 45-3763855 |
| Delaware | 333-186007 | 27-2198168 |
| (State or other jurisdiction of incorporation or organization) | (Commission File Number) | (I.R.S. Employer Identification Number) |

One Sylvan Way, Second Floor
Parsippany, New Jersey 07054
(Address of the Principal Executive Offices) (Zip Code)

(973) 455-7500
(Registrant's Telephone Number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

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

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

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- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

TVPC Acquisition Contribution Agreement

On September 1, 2016, PBF Logistics LP (the “Partnership”), a consolidated subsidiary of PBF Energy Inc. (“PBF Energy” or together with its consolidated subsidiaries, the “Company”), announced that it had entered into a Contribution Agreement dated as of August 31, 2016 between the Partnership and PBF Energy Company LLC (“PBF LLC”), a subsidiary of PBF Energy and closed the transaction contemplated by the Contribution Agreement. Pursuant to the Contribution Agreement, PBF LLC contributed to the Partnership fifty percent (50%) of the issued and outstanding limited liability company interests of Torrance Valley Pipeline Company LLC (“TVPC”), whose assets consist of the 189-mile San Joaquin Valley Pipeline system with a throughput capacity of approximately 110,000 barrels per day, including the M55, M1 and M70 pipelines, 11 pipeline stations with approximately one million barrels of combined tankage and truck unloading capability at two of the stations (collectively, the “SJV System”). The total consideration paid to PBF LLC was \$175.0 million in cash, which was funded by the Partnership with cash on hand, borrowings under its revolving credit facility and proceeds from a public offering of common units completed in August 2016. The foregoing description is not complete and is subject to and qualified in its entirety by reference to the full text of the Contribution Agreement, a copy of which is filed as Exhibit 2.1 to this Current Report on Form 8-K and incorporated herein by reference. The Contribution Agreement contains representations and warranties that the parties to the Contribution Agreement made solely for the benefit of each other. The assertions embodied in such representations and warranties are qualified by information contained in disclosure schedules that the parties exchanged in connection with signing the Contribution Agreement. In addition, these representations and warranties (i) may be intended not as statements of fact, but rather as a way of allocating risk to one of the parties if those statements prove to be inaccurate, (ii) may apply materiality standards different from what may be viewed as material to investors and (iii) were made only as of the date of the Contribution Agreement or as of such other date or dates as may be specified in the Contribution Agreement. Moreover, information concerning the subject matter of such representations and warranties may change after the date of the Contribution Agreement, which subsequent information may or may not be fully reflected in the Company’s public disclosures. Investors are urged not to rely on such representations and warranties as characterizations of the actual state of facts or circumstances at this time or any other time.

In addition, in connection with the consummation of the transactions contemplated by the Contribution Agreement, the Partnership or certain of its affiliates and PBF LLC or certain of its affiliates, as applicable, entered into the following material definitive agreements:

Fourth Amended and Restated Omnibus Agreement

On August 31, 2016, the Partnership, PBF Logistics GP LLC, PBF Holding Company LLC (“PBF Holding”), and PBF LLC entered into the Fourth Amended and Restated Omnibus Agreement (the “Fourth A&R Omnibus Agreement”) to amend and restate the Third Amended and Restated Omnibus Agreement dated as of May 15, 2015, by and among the same parties. The Fourth A&R Omnibus Agreement updates the reimbursements to be made by the Partnership to PBF LLC and from PBF LLC to the Partnership. The Fourth A&R Omnibus Agreement incorporates the SJV System into its provisions and increases the annual fee to be paid by the Partnership to PBF Energy from \$4.8 million to \$5.7 million. All fees to be paid pursuant to the Fourth A&R Omnibus Agreement are indexed for inflation.

The foregoing description is not complete and is subject to and qualified in its entirety by reference to the full text of the Fourth A&R Omnibus Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Fourth Amended and Restated Operation and Management Services and Secondment Agreement

On August 31, 2016, PBF Holding, Delaware City Refining Company LLC, Delaware City Terminaling Company LLC, Delaware Pipeline Company LLC, Delaware City Logistics Company LLC, Toledo Terminaling Company LLC, Toledo Refining Company LLC, Torrance Refining Company LLC, Torrance Logistics Company LLC, PBFX Operating Company LLC, the Partnership and PBF GP entered into the Fourth Amended and Restated Operation and Management Services and Secondment Agreement (the “Fourth A&R Services Agreement”) to govern the provision of seconded employees to or from PBF Holding, the Partnership and its affiliates as applicable. The Fourth A&R Services Agreement also governs the use of certain facilities of the parties by the various entities and the services to

be provided by the seconded employees to allow the Partnership to perform its obligations under its commercial agreements. The Fourth A&R Services Agreement incorporates the SJV System into its provisions and increases the annual fee to be paid by the Partnership from \$4.5 million to \$6.4 million. All fees to be paid pursuant to the Fourth A&R Services Agreement are indexed for inflation.

The foregoing description is not complete and is subject to and qualified in its entirety by reference to the full text of the Fourth A&R Services Agreement, which is filed as Exhibit 10.2 to this Current Report on Form 8-K and incorporated herein by

reference.

Transportation Services Agreements

On August 31, 2016, PBF Holding and TVPC entered into a ten-year transportation services agreement (including the services orders thereunder, collectively the “Transportation Services Agreement”) under which the Partnership, through TVPC, will provide transportation and storage services to PBF Holding in return for throughput fees. The Transportation Services Agreement can be extended by PBF Holding for two additional five-year periods.

Transportation Services. The minimum throughput commitment for transportation services on the northern portion of the SJV System is approximately 50,000 barrels per day for a fee equal to \$0.5625 per barrel of crude throughput up to the minimum throughput commitment and in excess of the minimum throughput commitment. If PBF Holding does not throughput the aggregate amounts equal to the minimum throughput commitment described above, PBF Holding will be required to pay a shortfall payment equal to the shortfall volume multiplied by the fee of \$0.5625 per barrel.

The minimum throughput commitment for the southern portion of the SJV System is approximately 70,000 bpd with a fee equal to approximately \$1.5625 per barrel and a fee of \$0.3125 per barrel for amounts in excess of the minimum throughput commitment. If PBF Holding does not throughput the aggregate amounts equal to the minimum throughput commitment described above, PBF Holding will be required to pay a shortfall payment equal to the shortfall volume multiplied by the fee of \$1.5625 per barrel; provided, however, that PBF Holding will receive a credit to PBF Holding’s account for the amount of such shortfall, and such credit will be applied in subsequent monthly invoices against excess throughput fees during any of the succeeding three (3) months.

Storage Services. PBF Holding will pay TVPC \$0.85 per barrel fixed rate for the shell capacity of the Midway tank, which rate includes throughput equal to the shell capacity of the tank. PBF Holding or its designee will pay \$0.85 per barrel fixed rate for each of the Belridge and Emidio storage tanks (together, the “Throughput Storage Tanks”), which rate includes throughput equal to the shell capacity of each individual Throughput Storage Tank, subject to adjustment. PBF Holding will also pay \$0.425 per barrel for throughput in excess of the shell capacity (“Excess Storage Throughput Rate”) for each Throughput Storage Tank; provided that PBF Holding has a commitment for a minimum incremental throughput in excess of the shell capacity of (A) 715,000 barrels per month for the Belridge Tank (the “Belridge Storage MTC”), and (B) 600,000 barrels per month for the Emidio tank (the “Emidio Storage MTC”) and together with the Belridge Storage MTC, the “Throughput Storage MTC”). If, during any month, actual throughput in excess of the shell capacity of all Throughput Storage Tanks by PBF Holding or its designee (the “Actual Excess Volumes”) is less than the Throughput Storage MTC, then PBF Holding will pay TVPC an amount equal to the Excess Storage Throughput Rate multiplied by the Throughput Storage MTC less the Actual Excess Volumes.

The Partnership is required to maintain the SJV System in a condition and with a capacity sufficient to handle a volume of PBF Holding’s crude at least equal to the current operating capacity or the reserved crude capacity, as the case may be, subject to interruptions for routine repairs and maintenance and force majeure events. Failure to meet such obligations may result in a reduction of fees payable under the Transportation Services Agreement.

The foregoing description is not complete and is subject to and qualified in its entirety by reference to the full text of the Transportation Services Agreement and the related service orders, which are filed as Exhibits 10.3 through 10.7 to this Current Report on Form 8-K and incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets

The description in Item 1.01 above of the completion of the transactions set forth in the Contribution Agreement is incorporated in this Item 2.01 by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| Exhibit No. | Description |
|-------------|--|
| 2.1 | Contribution Agreement dated as of August 31, 2016 by and between PBF Energy Company LLC and PBF Logistics LP |
| 10.1 | Fourth Amended and Restated Omnibus Agreement dated as of August 31, 2016 among PBF Holding Company LLC, PBF Energy Company LLC, PBF Logistics GP LLC and PBF Logistics LP |
| 10.2 | Fourth Amended and Restated Operation and Management Services and Secondment Agreement dated as of August 31, 2016 among PBF Holding Company LLC, Delaware City Refining Company LLC, Toledo Refining Company LLC, Torrance Refining Company LLC, Torrance Logistics Company LLC, PBF Logistics GP LLC, PBF Logistics LP, Delaware City Terminaling Company LLC, Delaware Pipeline Company LLC, Delaware City Logistics Company LLC, Toledo Terminaling Company LLC and PBFX Operating Company LLC |
| 10.3 | Transportation Services Agreement dated as of August 31, 2016 among PBF Holding Company LLC and Torrance Valley Pipeline Company LLC |
| 10.4 | Pipeline Service Order dated as of August 31, 2016, by and between Torrance Valley Pipeline Company LLC, and PBF Holding Company LLC |
| 10.5 | Pipeline Service Order dated as of August 31, 2016, by and between Torrance Valley Pipeline Company LLC, and PBF Holding Company LLC |
| 10.6 | Dedicated Storage Service Order dated as of August 31, 2016, by and between Torrance Valley Pipeline Company LLC, and PBF Holding Company LLC |
| 10.7 | Throughput Storage Service Order dated as of August 31, 2016, by and between Torrance Valley Pipeline Company LLC, and PBF Holding Company LLC |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

Dated: September 7, 2016

PBF Energy Inc.
(Registrant)

By: /s/ Trecia Canty
Name: Trecia Canty
Senior Vice
Title: President,
General Counsel

Dated: September 7, 2016

PBF Holding Company
LLC
(Registrant)

By: /s/ Trecia Canty
Name: Trecia Canty
Senior Vice
Title: President,
General Counsel

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