

Shell Midstream Partners, L.P.
Form 424B5
March 02, 2016
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Filed pursuant to Rule 424(b)(5)
Registration No. 333-208932

PROSPECTUS SUPPLEMENT

(To Prospectus dated March 2, 2016)

Common Units Representing Limited Partner Interests Having an Aggregate Offering Price of up to \$300,000,000

We have entered into an equity distribution agreement with Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc. and Morgan Stanley & Co. LLC, as our sales agents, relating to common units representing limited partner interests in Shell Midstream Partners, L.P. offered by this prospectus supplement and the accompanying base prospectus. In accordance with the terms of the equity distribution agreement, we may, through our sales agents, offer and sell from time to time our common units having an aggregate offering price of up to \$300,000,000.

Our common units trade on the New York Stock Exchange (NYSE) under the symbol SHLX. On March 1, 2016, the last sales price of the common units as reported on the NYSE was \$35.77 per common unit.

Sales of common units, if any, under this prospectus supplement and the accompanying base prospectus may be made in negotiated transactions or transactions that are deemed to be at the market offerings as defined in Rule 415 under the Securities Act of 1933, as amended (the Securities Act), including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange. Each of the sales agents will make all sales on a best efforts basis using commercially reasonable efforts consistent with its normal trading and sales practices, on mutually agreed terms between the sales agents and us.

The compensation of each sales agent for sales of common units shall be at fixed commission rates of up to 2% of the gross sales price per common unit. In connection with the sale of the common units on our behalf, each of the sales agents may be deemed to be an underwriter within the meaning of the Securities Act, and the compensation of the sales agents may be deemed to be underwriting commissions or discounts. Under the terms of the equity distribution agreement, we also may sell common units to one or more of the sales agents as principal for its own

account at a price agreed upon at the time of the sale. If we sell common units to one or more of the sales agents as principal, we will enter into a separate agreement with such sales agent, and we will describe that agreement in a separate prospectus supplement or pricing supplement.

Investing in the common units involves risks. You should carefully consider each of the risk factors described in the Risk Factors section on page S-3 of this prospectus supplement and page 3 of the accompanying base prospectus.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Citigroup

BofA Merrill Lynch

Barclays

Morgan Stanley

The date of this prospectus supplement is March 2, 2016

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This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of common units. The second part is the accompanying base prospectus, which gives more general information, some of which may not apply to this offering of common units. Generally, when we refer only to the prospectus, we are referring to both this prospectus supplement and the accompanying base prospectus combined. If the information relating to the offering varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus or in a document incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that another statement contained in another prospectus supplement, pricing supplement or in any other subsequently filed document that is also incorporated by reference into this prospectus modifies or supersedes the earlier statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We have not, and the sales agents have not, authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement, the accompanying base prospectus and any free writing prospectuses we have prepared. We and the sales agents take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying base prospectus do not constitute an offer to sell or the solicitation of an

offer to buy securities other than the securities described in this prospectus supplement or an

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offer to sell or the solicitation of an offer to buy any securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement or the accompanying base prospectus nor any sale made under this prospectus supplement or the accompanying base prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of Shell Midstream Partners, L.P. since the date of this prospectus supplement or that the information contained or incorporated by reference in this prospectus supplement or the accompanying base prospectus is correct as of any time subsequent to the date of such information.

Unless the context otherwise requires, references in this prospectus to Shell Midstream Partners, the Partnership, us, our, we, or similar expressions for time periods from November 3, 2014, the closing date of our Initial Public Offering (IPO), refer to Shell Midstream Partners, L.P. and its subsidiaries. References to the Partnership or other expressions defined above for time periods prior to our IPO refer to our predecessor for accounting purposes. The predecessor's financial results included in our condensed consolidated statements of income and condensed consolidated statements of cash flows contain the financial results of the following entities for the time periods indicated below.

For the accounting periods prior to June 30, 2014, the predecessor's financial results are those of the crude oil pipeline system from Houston, Texas to Houma, Louisiana (Ho-Ho) wholly owned by Shell Pipeline Company LP (SPLC), and the retrospectively adjusted financial results of the Shell Auger and Lockport Operations. On July 1, 2014, SPLC formed a wholly owned subsidiary, Zydeco Pipeline Company LLC (Zydeco), to receive the fixed assets and certain agreements of Ho-Ho and other related fixed assets of SPLC. For the accounting periods between July 1, 2014 and November 2, 2014, the predecessor's financial results are those of Zydeco and the retrospectively adjusted financial results of the Shell Auger and Lockport Operations. The periods described above have not been adjusted to give effect to our acquisitions of additional equity interests in Zydeco and Colonial Pipeline Company (Colonial) effective April 1, 2015 and an equity interest in Poseidon Oil Pipeline Company, L.L.C. (Poseidon) effective July 1, 2015.

Our general partner, Shell Midstream Partners GP LLC, is a Delaware limited liability company and has ultimate responsibility for conducting our business and managing our operations.

References to Shell refer collectively to Royal Dutch Shell plc and its controlled affiliates, other than us, our subsidiaries and our general partner.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information included or incorporated by reference in this prospectus supplement and the accompanying base prospectus. It does not contain all of the information that you should consider before investing in the common units. You should read carefully the entire prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein and therein for a more complete understanding of this offering. Please read "Risk Factors" on page S-3 of this prospectus supplement, on page 3 of the accompanying base prospectus and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and our other filings with the SEC, which are incorporated by reference herein, for information regarding risks you should consider before making a decision to purchase any common units in this offering.

Shell Midstream Partners, L.P.

Shell Midstream Partners, L.P. (NYSE: SHLX) is a fee-based, growth-oriented master limited partnership formed by Shell to own, operate, develop and acquire pipelines and other midstream assets. Our assets consist of interests in entities that own crude oil and refined products pipelines and a crude tank storage and terminal system. Our pipelines and crude tank storage and terminal system serve as key infrastructure to transport and store onshore and offshore crude oil production to Gulf Coast and Midwest refining markets and to deliver refined products from Gulf Coast markets to major demand centers. We generate the majority of our revenue under long-term agreements by charging fees for the transportation or storage of crude oil and refined products through our pipelines and crude tank storage and terminal system. We do not engage in the marketing and trading of any commodities. Our operations comprise one reportable segment containing our portfolio of pipelines and other midstream assets.

We own interests in four crude oil pipeline systems, two refined products systems and a crude tank storage and terminal system. The crude oil pipeline systems, which are held by Zydeco, Mars Oil Pipeline Company, Poseidon and Pecten Midstream, LLC (Pecten), are strategically located along the Texas and Louisiana Gulf Coast and in the Gulf of Mexico. These systems link major onshore and offshore production areas with key refining markets. The refined products pipeline systems, which are held by Bengal Pipeline Company LLC and Colonial, connect Gulf Coast and southeastern U.S. refineries to major demand centers from Alabama to New York. The Lockport crude tank storage and terminal system, which is held by Pecten, is located southwest of Chicago, receives Canadian crude from the Enbridge pipeline and serves as a distribution point for movements originating on the Mustang pipeline system.

Our Principal Executive Offices

Our principal executive offices are located at One Shell Plaza, 910 Louisiana Street, Houston, Texas 77002, and our telephone number is (713) 241-6161.

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The Offering

Common units offered by us	Common units having an aggregate offering price of up to \$300,000,000.
Use of proceeds	We intend to use the proceeds from this offering, after deducting the sales agents commissions and our offering expenses, for general partnership purposes, which may include, among other things, repaying all or a portion of our indebtedness outstanding at the time and funding working capital, capital expenditures or acquisitions. Please read Use of Proceeds.
Material U.S. tax consequences	For a discussion of the material U.S. federal income tax consequences that may be relevant to prospective unitholders who are individual citizens or residents of the United States, please read Material U.S. Federal Income Tax Consequences in this prospectus supplement and Material U.S. Federal Income Tax Consequences in the accompanying base prospectus.
New York Stock Exchange symbol	SHLX.

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RISK FACTORS

Our business is subject to uncertainties and risks. Before making an investment in our common units, you should carefully consider the risk factors included in Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2015 and our other filings with the SEC, which are incorporated by reference herein, together with the other information contained in this prospectus supplement, the accompanying base prospectus and the documents we have incorporated by reference. If any of the events or circumstances discussed in the foregoing documents actually occurs, our business, financial condition, results of operations, liquidity or ability to make distributions to our unitholders could suffer and you could lose all or part of your investment. Please also read Forward-Looking Statements.

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USE OF PROCEEDS

We intend to use the proceeds from this offering, after deducting the sales agents' commissions and our offering expenses, for general partnership purposes, which may include, among other things, repaying all or a portion of our indebtedness outstanding at the time and funding working capital, capital expenditures or acquisitions.

At December 31, 2015, we had \$458.2 million outstanding borrowings under our revolving credit facilities. Borrowings under such facilities bear interest at the three-month LIBOR rate plus a margin. Our weighted average interest rate for the year ended December 31, 2015 was 1.7%, including drawn and undrawn interest fees. The five-year revolving credit facility and 364-day revolving credit facility have maturity dates of October 31, 2019 and March 1, 2017, respectively. Substantially all of the borrowings were used to fund acquisitions.

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MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The tax consequences to you of an investment in our common units will depend in part on your own tax circumstances. Although this section updates and adds information related to certain tax considerations associated with our operations and the purchase, ownership and disposition of our common units, it should be read in conjunction with the risk factors included under the caption *Tax Risks to Common Unitholders* in our annual report on Form 10-K for the year ended December 31, 2015 and *Material U.S. Federal Income Tax Consequences* in the accompanying base prospectus, as well as the other information contained in or incorporated by reference herein and therein. You are urged to consult with your own tax advisor about the federal, state, local and foreign tax consequences particular to your circumstances.

Entity-level Audits and Adjustments

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

Pursuant to this new legislation, we will designate a person (our general partner) to act as the partnership representative who shall have the sole authority to act on behalf of the partnership with respect to dealings with the IRS under these new audit procedures.

Allocations Between Transferors and Transferees

In general, our taxable income or loss will be determined annually, will be prorated on a monthly basis and will be subsequently apportioned among the unitholders in proportion to the number of units owned by each of them as of the opening of the applicable exchange on the first business day of the month, which we refer to in this prospectus as the *Allocation Date*. However, gain or loss realized on a sale or other disposition of our assets or, in the discretion of the general partner, any other extraordinary item of income, gain, loss or deduction will be allocated among the unitholders on the *Allocation Date* in the month in which such income, gain, loss or deduction is recognized. As a result, a unitholder transferring units may be allocated income, gain, loss and deduction realized after the date of transfer.

Simplifying conventions are contemplated by the Code and most publicly traded partnerships use similar simplifying conventions. The U.S. Department of the Treasury recently adopted final Treasury Regulations allowing a similar monthly simplifying convention for taxable years beginning on or after August 3, 2015. However, such final regulations do not specifically authorize the use of the proration method we have adopted. Accordingly, Baker Botts L.L.P. is unable to opine on the validity of this method of allocating income and deductions between transferee and transferor unitholders. If this method is not allowed under the final Treasury Regulations, or only applies to transfers of less than all of the unitholder's interest, our taxable income or losses could be reallocated among our unitholders. We are authorized to revise our method of allocation between transferee and transferor unitholders, as well as among unitholders whose interests vary during a taxable year, to conform to a method permitted under future Treasury Regulations.

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A unitholder who disposes of units prior to the record date set for a cash distribution for that quarter will be allocated items of our income, gain, loss and deduction attributable to the month of disposition but will not be entitled to receive a cash distribution for that period.

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PLAN OF DISTRIBUTION

We have entered into an equity distribution agreement with Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc. and Morgan Stanley & Co. LLC, as sales agents, under which we are permitted to offer and sell common units having an aggregate offering price of up to \$300,000,000 from time to time. We will file the equity distribution agreement as an exhibit to a Current Report on Form 8-K, which will be incorporated by reference into this prospectus supplement. The sales, if any, of common units made under the equity distribution agreement will be made by means of ordinary brokers' transactions through the facilities of the NYSE, any other national securities exchange or facility thereof, a trading facility of a national securities association or an alternate trading system, to or through a market maker or directly on or through an electronic communication network, a dark pool or any similar market venue, at market prices, in block transactions, or as otherwise as agreed upon by one or more of the sales agents and us. The sales agents will not engage in any transactions that stabilize the price of our common units.

Under the terms of the equity distribution agreement, we also may sell common units to the sales agents as principal for its own account at a price agreed upon at the time of sale. If we sell common units to one or more of the sales agents as principal, we will enter into a separate agreement with such sales agent and we will describe this agreement in a separate prospectus supplement or pricing supplement.

We will designate the maximum amount of common units to be sold through the sales agents on a daily basis or otherwise as we and the sales agents agree and the minimum price per common unit at which such common units may be sold. Subject to the terms and conditions of the equity distribution agreement, the sales agents will use their reasonable efforts to sell on our behalf all of the designated common units. We may instruct the sales agents not to sell any common units if the sales cannot be effected at or above the price designated by us in any such instruction. Subject to the terms and conditions in such agreement, we may sell such common units from time to time under this prospectus while the registration statement of which it is a part remains effective. We or the sales agents may suspend the offering of common units at any time and from time to time by notifying the other party.

The sales agents will provide to us written confirmation following the close of trading on the New York Stock Exchange each day in which common units are sold under the equity distribution agreement. Each confirmation will include the number of common units sold on that day, the gross sales proceeds and the net proceeds to us (after regulatory transaction fees, if any, but before other expenses). We will report at least quarterly the number of common units sold through the sales agents under the equity distribution agreement, the net proceeds to us (before expenses) and the commissions of the sales agents in connection with the sales of the common units.

We will pay the sales agents a commission of up to 2% of the gross sales price per common unit sold through it as our agent under the equity distribution agreement. We have agreed to reimburse the sales agents for certain of their expenses.

Settlement for sales of common units will occur on the third business day following the date on which any sales were made in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

If we or any of the sales agents have reason to believe that our common units are no longer an actively-traded security as defined under Rule 101(c)(1) of Regulation M under the Securities Exchange Act of 1934, as amended, that party will promptly notify the others and sales of common units pursuant to the equity distribution agreement or any terms agreement will be suspended until in our collective judgment Rule 101(c)(1) or another exemptive provision has been satisfied.

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The offering of common units pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of all common units subject to the equity distribution agreement or (2) the termination of the equity distribution agreement by us or by the sales agents.

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In connection with the sale of the common units on our behalf, each of the sales agents may be deemed to be an underwriter within the meaning of the Securities Act, and the compensation paid to the sales agents may be deemed to be underwriting commissions or discounts. We have agreed to provide indemnification and contribution to the sales agents against certain liabilities, including civil liabilities under the Securities Act.

The sales agents and/or affiliates of each of the sales agents have, from time to time, performed, and may in the future perform, various financial advisory and commercial and investment banking services for us and our affiliates, for which they have received and in the future will receive customary compensation and expense reimbursement. Because FINRA views the common units offered hereby as interests in a direct participation program, this offering is being made in compliance with Rule 2310 of the FINRA Rules.

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LEGAL MATTERS

The validity of the common units will be passed upon for us by Baker Botts L.L.P., Houston, Texas. Certain legal matters in connection with the common units offered hereby will be passed upon for the sales agents by Vinson & Elkins L.L.P., Houston, Texas.

EXPERTS

The consolidated financial statements of Shell Midstream Partners, L.P., except as they relate to Bengal Pipeline Company LLC and Poseidon Oil Pipeline Company, L.L.C., and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus supplement by reference to the Annual Report on Form 10-K for the year ended December 31, 2015 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Poseidon Oil Pipeline Company, L.L.C. as of and for the year ended December 31, 2014, incorporated in this prospectus supplement by reference, from Shell Midstream Partners, L.P.'s Current Report on Form 8-K filed with the SEC on July 2, 2015, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report which is incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the report of such firm upon their authority as experts in accounting and auditing.

The financial statements of Poseidon Oil Pipeline Company, L.L.C. as of and for the year ended December 31, 2015, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference from the Annual Report on Form 10-K of Shell Midstream Partners, L.P. for the year ended December 31, 2015. Such report has been so incorporated in reliance upon such firm given upon their authority as experts in accounting and auditing.

The financial statements of Shell Auger and Lockport Operations as of December 31, 2014 and December 31, 2013 and for each of the two years in the period ended December 31, 2014, incorporated in this prospectus supplement by reference to Shell Midstream Partners, L.P.'s Current Report on Form 8-K/A filed on November 20, 2015, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Bengal Pipeline Company LLC as of and for the year ended December 31, 2015, have been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference from the Annual Report on Form 10-K of Shell Midstream Partners, L.P. for the year ended December 31, 2015. Such report has been so incorporated in reliance upon such firm given upon their authority as experts in accounting and auditing.

FORWARD-LOOKING STATEMENTS

Some of the information in this prospectus supplement, the accompanying base prospectus and the documents we incorporate by reference may contain forward-looking statements. You can identify our forward-looking statements by the words anticipate, estimate, believe, budget,

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continue, could, intend, may, plan, potential, predict, seek, should, would, expect, objective, projection, forecast, target and similar expressions.

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We based the forward-looking statements on our current expectations, estimates and projections about us and the industries in which we operate in general. We caution you that these statements are not guarantees of future performance as they involve assumptions that, while made in good faith, may prove to be incorrect, and involve risks and uncertainties we cannot predict. In addition, we based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecasted in the forward-looking statements. Any differences could result from a variety of factors, including the following:

The continued ability of Shell and non-affiliate customers to satisfy their obligations under our commercial and other agreements and the impact of lower market prices for oil and refined products.

The volume of crude oil and refined petroleum products we transport or store and the prices that we can charge our customers.

The tariff rates with respect to volumes that we transport through our regulated assets, which rates are subject to review and possible adjustment imposed by federal and state regulators.

Changes in revenue we realize under the loss allowance provisions of our fees and tariffs resulting from changes in underlying commodity prices.

Fluctuations in the prices for crude oil and refined petroleum products.

The level of onshore and offshore (including deepwater) production and demand for crude by U.S. refiners.

Changes in global economic conditions and the effects of a global economic downturn on the business of Shell and the business of its suppliers, customers, business partners and credit lenders.

Liabilities associated with the risks and operational hazards inherent in transporting and storing crude oil and refined petroleum products.

Curtailed operations or expansion projects due to severe weather disruption; riots, strikes, lockouts or other industrial disturbances; or failure of information technology systems due to various causes, including unauthorized access or attack.

Costs or liabilities associated with federal, state and local laws and regulations relating to environmental protection and safety, including spills, releases and pipeline integrity.

Costs associated with compliance with evolving environmental laws and regulations on climate change.

Costs associated with compliance with safety regulations, including pipeline integrity management program testing and related repairs.

Changes in the cost or availability of third-party vessels, pipelines, rail cars and other means of delivering and transporting crude oil and refined petroleum products.

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Direct or indirect effects on our business resulting from actual or threatened terrorist incidents or acts of war.

Availability of acquisitions and financing for acquisitions on our expected timing and acceptable terms.

Changes in, and availability to us of, the equity and debt capital markets.

The factors generally described in **Risk Factors** in this prospectus supplement and the accompanying base prospectus, in Part I, Item 1A. **Risk Factors** of our Annual Report on Form 10-K for the year ended December 31, 2015.

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WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the SEC under the Securities Act that registers the securities offered by this prospectus. The registration statement, including the attached exhibits, contains additional relevant information about us. The rules and regulations of the SEC allow us to omit some information included in the registration statement from this prospectus.

We file with or furnish to the SEC periodic reports and other information. These reports and other information may be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549 or obtained from the SEC's website on the internet at www.sec.gov. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. Our website on the Internet is located at www.shellmidstreampartners.com and we make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

The SEC allows us to incorporate by reference into this prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. Information incorporated by reference is considered to be part of this prospectus, except for any information that is superseded by information included directly in this prospectus. Any statement made in this prospectus or in a document incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that another statement contained in another prospectus supplement, pricing supplement or in any other subsequently filed document that is also incorporated by reference into this prospectus modifies or supersedes the earlier statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. We incorporate by reference the documents listed below and any subsequent filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any portions of such documents that have been furnished but not filed for purposes of the Exchange Act) until all offerings under this prospectus are completed or terminated:

our Annual Report on Form 10-K for the year ended December 31, 2015;

our Current Reports on Form 8-K filed on July 2, 2015, November 3, 2015, February 26, 2016 and March 2, 2016 and our Current Report on Form 8-K/A filed on November 20, 2015; and

the description of our common units in our Registration Statement on Form 8-A (Registration No. 001-36710) filed on October 28, 2014.

We will provide a copy of any and all of the information that is incorporated by reference in this prospectus supplement to any person, including a beneficial owner, to whom a prospectus supplement is delivered, without charge, upon written or oral request. You may obtain a copy of these filings by writing or telephoning:

Shell Midstream Partners, L.P.

Attention: Investor Relations

One Shell Plaza

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910 Louisiana Street

Houston, Texas 77002

(832) 337-2034.

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PROSPECTUS

Common Units

We may offer and sell common units representing limited partner interests in Shell Midstream Partners, L.P. from time to time and in amounts, at prices and on terms to be determined by market conditions and other factors at the time of our offerings.

We may offer and sell the securities through one or more underwriters, dealers or agents, or directly to purchasers, on a continuous or delayed basis.

This prospectus describes only the general terms of these securities and the general manner in which we will offer the securities. The specific terms of any securities we offer will be included in a supplement to this prospectus. The prospectus supplement will describe the specific manner in which we will offer the securities and also may add, update or change information contained in this prospectus.

You should carefully read this prospectus and any prospectus supplement before you invest. You should also read the documents we refer to in the **Where You Can Find More Information** section of this prospectus for the information on us and our financial statements. This prospectus may not be used to consummate sales of our securities unless it is accompanied by a prospectus supplement.

Our common units are listed on the New York Stock Exchange under the symbol **SHLX**. We will provide information in the prospectus supplement for the trading market, if any, for any other securities we may offer.

Investing in our common units involves risks. Before buying any common units, you should carefully read the discussion of material risks of investing in our common units in Risk Factors beginning on page 3 of this prospectus and in the applicable prospectus supplement and in the documents incorporated herein and therein before you make any investment in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Prospectus dated March 2, 2016

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We have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or incorporated by reference in this prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should not assume that the information in this prospectus is accurate as of any date other than the date on the cover page of this prospectus or that any information we have incorporated by reference is accurate as of any date other than the date of the documents incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. Please read **Risk Factors** and **Forward-Looking Statements**.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we have filed with the Securities and Exchange Commission (the SEC) using a shelf registration process. Under this shelf registration process, we may, from time to time, sell common units described in this prospectus in one or more offerings. This prospectus provides you with a general description of us and the securities offered under this prospectus.

Each time we sell securities under this prospectus, we will provide a prospectus supplement that will contain specific information about the terms of that offering and the securities being offered. The prospectus supplement also may add to, update or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement. You should read carefully this prospectus, any prospectus supplement and the additional information described below under the heading **Where You Can Find More Information**.

This prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by reference to the actual documents. For additional information about our business, operations and financial results, please read the documents incorporated by reference herein as described below in the section entitled **Where You Can Find More Information**.

Unless the context otherwise requires, references in this prospectus to **Shell Midstream Partners**, **the Partnership**, **us**, **our**, **we**, or similar expressions for time periods from November 3, 2014, the closing date of our Initial Public Offering (**IPO**), refer to Shell Midstream Partners, L.P. and its subsidiaries. References to the Partnership or other expressions defined above for time periods prior to our IPO refer to our predecessor for accounting purposes. The predecessor's financial results included in our condensed consolidated statements of income and condensed consolidated statements of cash flows contain the financial results of the following entities for the time periods indicated below.

For the accounting periods through June 30, 2014, the predecessor's financial results are those of the crude oil pipeline system from Houston, Texas to Houma, Louisiana (**Ho-Ho**) wholly owned by Shell Pipeline Company LP (**SPLC**). On July 1, 2014, SPLC formed a wholly owned subsidiary, Zydeco Pipeline Company LLC (**Zydeco**), to receive the fixed assets and certain agreements of Ho-Ho and other related fixed assets of SPLC. For the accounting periods between July 1, 2014 and November 2, 2014, the predecessor's financial results are those of Zydeco.

References to **Shell** refer collectively to Royal Dutch Shell plc and its controlled affiliates, other than us, our subsidiaries and our general partner.

SHELL MIDSTREAM PARTNERS, L.P.

Shell Midstream Partners, L.P. (NYSE: SHLX) is a fee-based, growth-oriented master limited partnership formed by Shell to own, operate, develop and acquire pipelines and other midstream assets. Our assets consist of interests in entities that own crude oil and refined products pipelines and a crude storage terminal. Our pipelines serve as key infrastructure to transport and store growing onshore and offshore crude oil production to Gulf Coast refining markets and to deliver refined products from those markets to major demand centers. We generate substantially all of our revenue under long-term agreements by charging fees for the transportation of crude oil and refined petroleum products through our pipelines. We do not engage in the marketing and trading of any commodities. Our operations comprise one reportable segment containing our portfolio of pipelines and other midstream assets.

We own interests in four crude oil pipeline systems, two refined products systems and a crude storage terminal. The crude oil pipeline systems, which are held by Zydeco, Mars Oil Pipeline Company (Mars),

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Pecten Midstream LLC (Pecten) and Poseidon Oil Pipeline Company, L.L.C. (Poseidon), are strategically located along the Texas and Louisiana Gulf Coast and in the Gulf of Mexico. These systems link major onshore and offshore production areas with key refining markets. The refined products pipeline systems, which are held by Bengal Pipeline Company LLC (Bengal) and Colonial Pipeline Company (Colonial), connect Gulf Coast and southeastern U.S. refineries to major demand centers from Alabama to New York. The crude storage terminal, which is held by Pecten, is located southwest of Chicago with two million barrels of storage capacity that feeds regional refineries, while also offering strategic trading opportunities.

Our general partner, Shell Midstream Partners GP LLC, is a Delaware limited liability company and has ultimate responsibility for conducting our business and managing our operations.

Our principal executive offices are located at One Shell Plaza, 910 Louisiana Street, Houston, Texas 77002, and our telephone number is (713) 241-6161.

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RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the risks described in our filings with the SEC referred to under the heading “Where You Can Find More Information,” as well as the risks included and incorporated by reference in this prospectus, including the risk factors incorporated by reference herein from Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2015, as updated by other documents we file with the SEC after the date of this prospectus and that are incorporated by reference herein. If any of these risks were to occur, our business, financial condition or results of operations could be adversely affected. In that case, the trading price of our securities could decline and you could lose all or part of your investment. When we offer and sell any securities pursuant to a prospectus supplement, we may include additional risk factors relevant to such securities in the prospectus supplement.

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FORWARD-LOOKING STATEMENTS

Some of the information in this prospectus, any prospectus supplement and the documents we incorporate by reference may contain forward-looking statements. You can identify our forward-looking statements by the words anticipate, estimate, believe, budget, continue, could, intend, may, plan, potential, predict, se objective, projection, forecast, goal, guidance, outlook, effort, target and similar expressions.

We based the forward-looking statements on our current expectations, estimates and projections about us and the industries in which we operate in general. We caution you these statements are not guarantees of future performance as they involve assumptions that, while made in good faith, may prove to be incorrect, and involve risks and uncertainties we cannot predict. In addition, we based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecast in the forward-looking statements. Any differences could result from a variety of factors, including the following:

The continued ability of Shell and our non-affiliate customers to satisfy their obligations under our commercial and other agreements.

The volume of crude oil and refined petroleum products we transport or store.

The tariff rates with respect to volumes that we transport through our regulated assets, which rates are subject to review and possible adjustment by federal and state regulators.

Changes in revenue we realize under the loss allowance provisions of our fees and tariffs resulting from changes in underlying commodity prices.

Fluctuations in the prices for crude oil and refined petroleum products.

The level of onshore and offshore (including deepwater) production and demand for crude by U.S. refiners.

Changes in global economic conditions and the effects of a global economic downturn on the business of Shell and the business of its suppliers, customers, business partners and credit lenders.

Liabilities associated with the risks and operational hazards inherent in transporting and storing crude oil and refined petroleum products.

Curtailed operations or expansion projects due to severe weather disruption; riots, strikes, lockouts or other industrial disturbances; or failure of information technology systems due to various causes, including

unauthorized access or attack.

Costs or liabilities associated with federal, state and local laws and regulations relating to environmental protection and safety, including spills, releases and pipeline integrity.

Costs associated with compliance with evolving environmental laws and regulations on climate change.

Costs associated with compliance with safety regulations, including pipeline integrity management program testing and related repairs.

Changes in the cost or availability of third-party vessels, pipelines, rail cars and other means of delivering and transporting crude oil and refined petroleum products.

Direct or indirect effects on our business resulting from actual or threatened terrorist incidents or acts of war.

The factors generally described in Risk Factors in this prospectus and any prospectus supplement, in Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2015.

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USE OF PROCEEDS

Unless we specify otherwise in any prospectus supplement, we will use the net proceeds we receive from the sale of securities covered by this prospectus for general partnership purposes, which may include, among other things:

paying or refinancing all or a portion of our indebtedness outstanding at the time; and

funding working capital, capital expenditures or acquisitions.

The actual application of proceeds from the sale of any particular offering of securities using this prospectus will be described in the applicable prospectus supplement relating to such offering. The precise amount and timing of the application of these proceeds will depend upon our funding requirements and the availability and cost of other funds.

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DESCRIPTION OF THE COMMON UNITS

The Units

The common units represent limited partner interests in us. The holders of common units, along with the holders of subordinated units, are entitled to participate in partnership distributions and are entitled to exercise the rights and privileges available to limited partners under our partnership agreement. For a description of the relative rights and preferences of holders of common and subordinated units in and to partnership distributions, please read *Cash Distribution Policy*. For a general discussion of the expected federal income tax consequences of owning and disposing of common units, please read *Material U.S. Federal Income Tax Consequences*. For a description of the rights and privileges of limited partners under our partnership agreement, including voting rights, please read *Description of Our Partnership Agreement*. Our common units are listed on the NYSE under the symbol *SHLX*.

Transfer Agent and Registrar

Duties

American Stock Transfer & Trust Company, LLC serves as the registrar and transfer agent for our common units. We will pay all fees charged by the transfer agent for transfers of common units, except the following that must be paid by our unitholders:

surety bond premiums to replace lost or stolen certificates, or to cover taxes and other governmental charges in connection therewith;

special charges for services requested by a holder of a common unit; and

other similar fees or charges.

Unless our general partner determines otherwise in respect of some or all of any classes of our partnership interests, our partnership interests will be evidenced by book entry notation on our partnership register and not by physical certificates.

There will be no charge to our unitholders for disbursements of our cash distributions. We will indemnify the transfer agent, its agents and each of their respective stockholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

Resignation or Removal

The transfer agent may resign, by notice to us, or be removed by us. The resignation or removal of the transfer agent will become effective upon our appointment of a successor transfer agent and registrar and its acceptance of the appointment. If no successor has been appointed and has accepted the appointment within 30 days after notice of the resignation or removal, our general partner may act as the transfer agent and registrar until a successor is appointed.

Transfer of Common Units

By transfer of common units in accordance with our partnership agreement, each transferee of common units shall be admitted as a limited partner with respect to the common units transferred when such transfer and admission are reflected in our books and records. Each transferee, with or without executing our partnership agreement:

agrees to be bound by the terms and conditions of our partnership agreement;

represents and warrants that the transferee has the right, power, authority and capacity to enter into our partnership agreement; and

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gives the consents, waivers and approvals contained in our partnership agreement, such as the approval of all transactions and agreements that we entered into in connection with our formation and that we are entering into in connection with an offering pursuant to this prospectus.

We are entitled to treat the nominee holder of a common unit as the absolute owner in the event such nominee is the record holder of such common unit. In such case, the beneficial holder's rights are limited solely to those that it has against the nominee holder as a result of any agreement between the beneficial owner and the nominee holder.

Common units are securities and are transferable according to the laws governing the transfer of securities. Until a common unit has been transferred on our register, we and the transfer agent are entitled to treat the record holder of the common unit as the absolute owner, except as otherwise required by law or stock exchange regulations.

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DESCRIPTION OF OUR PARTNERSHIP AGREEMENT

The following is a summary of the material provisions of our partnership agreement. Our partnership agreement is incorporated by reference into the registration statement of which this prospectus forms a part. We will provide prospective investors with a copy of our partnership agreement upon request at no charge.

We summarize the following provisions of our partnership agreement elsewhere in this prospectus:

with regard to distributions of available cash, please read [Cash Distribution Policy](#) ;

with regard to the transfer of common units, please read [Description of the Common Units](#) [Transfer of Common Units](#) ; and

with regard to allocations of taxable income and taxable loss, please read [Material U.S. Federal Income Tax Consequences](#).

Organization and Duration

Our partnership was organized on March 19, 2014 and will have a perpetual existence unless terminated pursuant to the terms of our partnership agreement.

Purpose

Our purpose under our partnership agreement is limited to any business activity that is approved by our general partner and that lawfully may be conducted by a limited partnership organized under Delaware law; *provided, however*, that our general partner shall not cause us to engage, directly or indirectly, in any business activity that our general partner determines would be reasonably likely to cause us to be treated as an association taxable as a corporation or otherwise taxable as an entity for federal income tax purposes.

Although our general partner has the ability to cause us and our subsidiaries to engage in activities other than the business of owning, operating, developing and acquiring crude oil and refined products pipelines, terminals and other transportation and logistics assets, our general partner has no current plans to do so and may decline to do so free of any duty or obligation whatsoever to us or the limited partners, including any duty to act in the best interests of us or our limited partners, other than the implied contractual covenant of good faith and fair dealing. Our general partner is authorized in general to perform all acts it determines to be necessary or appropriate to carry out our purposes and to conduct our business.

Capital Contributions

Unitholders are not obligated to make add