

**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): January 21, 2020

HOLLY ENERGY PARTNERS, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or Incorporation)

001-32225
(Commission
File Number)

20-0833098
(I.R.S. Employer
Identification Number)

2828 N. Harwood, Suite 1300
Dallas, Texas 75201
(Address of Principal Executive Offices)

(214) 871-3555
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Securities registered pursuant to 12(b) of the Securities Exchange Act of 1934:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Limited Partner Units	HEP	New York Stock Exchange

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)
- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition

The information contained in the section entitled “Preliminary Estimate of Selected Fourth Quarter 2019 Financial Results” included in Item 7.01 herein is incorporated in full into this Item 2.02. Such information is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any registration statement or other filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference to such filing.

Item 7.01. Regulation FD Disclosure

On January 21, 2020, Holly Energy Partners, L.P. (the “Partnership” or “HEP”) issued a press release announcing that it and its wholly owned subsidiary, Holly Energy Finance Corp. (together with the Partnership, the “Issuers”), intend to commence an offering (the “Offering”), subject to market and other conditions, of \$500 million in aggregate principal amount of senior notes due 2028 (the “Notes”).

The Partnership intends to use the net proceeds from the offering of the Notes, together with its borrowings under its revolving credit agreement, to redeem all of the Issuers’ currently outstanding 6.0% senior notes due 2024. A copy of that press release is attached hereto as Exhibit 99.1 and incorporated herein by reference in its entirety.

In connection with the commencement of the offering, the Partnership is disclosing the following preliminary financial information for the three months ended December 31, 2019:

Preliminary Estimate of Selected Fourth Quarter 2019 Financial Results

The following preliminary financial information reflects management’s estimates based solely upon information available to it as of the date hereof. The preliminary financial results presented below are not a comprehensive statement of the Partnership’s financial results for the three months ended December 31, 2019. In addition, the preliminary financial results presented below have not been audited, reviewed, or compiled by the Partnership’s independent registered public accounting firm. The preliminary financial results presented below are subject to the completion of the Partnership’s financial closing procedures, which have not yet been completed. The Partnership’s actual results for the three months ended December 31, 2019 are not available and may differ materially from these estimates. Therefore, you should not place undue reliance upon these preliminary financial results. For instance, during the course of the preparation of the respective financial statements and related notes, additional items that would require material adjustments to be made to the preliminary estimated financial results presented below may be identified. There can be no assurance that estimates will be realized, and such estimates are subject to risks and uncertainties, many of which are not within the Partnership’s control. Further, there can be no assurance that the Offering will be completed.

Although the Partnership’s results of operations as of and for the three months ended December 31, 2019 are not yet final, based on the information and data currently available, the Partnership estimates, on a preliminary basis, that for the three months ended December 31, 2019, net income attributable to HEP will be within a range of \$44.0 million to \$47.0 million, EBITDA will be within a range of \$86.1 million to \$89.1 million, Adjusted EBITDA will be within a range of \$85.3 million to \$88.3 million and distributable cash flow will be within a range of \$62.6 million to \$65.6 million. For the full year 2019, the Partnership expects distribution coverage ratio to be within a range of 0.98x to 1.00x. For further information regarding EBITDA, Adjusted EBITDA and distributable cash flow, see the Partnership’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2019 and the Partnership’s Annual Report on 10-K for the year ended December 31, 2018.

EBITDA and Adjusted EBITDA Reconciliations. The following table presents preliminary financial reconciliations of EBITDA and Adjusted EBITDA to the GAAP financial measure of net income attributable to HEP for the three months ended December 31, 2019 (estimated):

	Three Months Ended December 31, 2019	
	Low	High
	(in millions)	
Reconciliation of EBITDA to Net Income Attributable to HEP		
Net income attributable to HEP	\$ 44.0	\$ 47.0
Add (subtract):		
Interest expense	19.8	19.8
Interest income	(2.2)	(2.2)
Depreciation and amortization	24.5	24.5
EBITDA	\$ 86.1	\$ 89.1
Pipeline tariffs and lease payments not included in EBITDA	(0.8)	(0.8)
Adjusted EBITDA	\$ 85.3	\$ 88.3

Distributable Cash Flow Reconciliation. The following table presents a preliminary financial reconciliation of distributable cash flow to the GAAP financial measure of net income attributable to HEP for the three months ended December 31, 2019 (estimated):

	Three Months Ended	
	December 31, 2019	
	Low	High
	(in millions)	
Net income attributable to HEP	\$ 44.0	\$ 47.0
Add (subtract):		
Depreciation and amortization	24.5	24.5
Amortization of discount and deferred debt issuance costs	0.8	0.8
Revenue recognized (greater) less than customer billings	0.4	0.4
Maintenance capital expenditures	(3.0)	(3.0)
Decrease in environmental liability	(0.4)	(0.4)
Decrease in reimbursable deferred revenue	(2.4)	(2.4)
Other	(1.3)	(1.3)
Distributable cash flow	<u>\$ 62.6</u>	<u>\$ 65.6</u>

The information contained in, or incorporated into, this Item 7.01 is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any registration statement or other filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference to such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
99.1*	Press Release announcing the Proposed Offering of Senior Notes, dated January 21, 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLLY ENERGY PARTNERS, L.P.

By: HEP Logistics Holdings, L.P.,
its General Partner

By: Holly Logistic Services, L.L.C.,
its General Partner

By: /s/ John Harrison
John Harrison
Senior Vice President, Chief
Financial Officer and Treasurer

Date: January 21, 2020

PRESS RELEASE**Holly Energy Partners, L.P. Announces Proposed Offering of Senior Notes Due 2028 and Issues Notice of Conditional Redemption for its 6.0% Senior Notes due 2024**

DALLAS, TX, January 21, 2019 — Holly Energy Partners, L.P. (NYSE: HEP) (the “Partnership”) announced today that it and its wholly owned subsidiary, Holly Energy Finance Corp. (together with the Partnership, the “Issuers”), subject to market conditions, intend to offer \$500 million in aggregate principal amount of senior notes due 2028 (the “2028 Notes”) in a private placement under Rule 144A and Regulation S of the Securities Act of 1933, as amended (the “Securities Act”) to eligible purchasers (the “Offering”). The 2028 Notes will initially be guaranteed on a senior unsecured basis by the Partnership’s existing wholly owned subsidiaries (other than Holly Energy Finance Corp. and certain immaterial subsidiaries). The Partnership intends to use the net proceeds from the Offering, together with borrowings under its revolving credit agreement, to redeem all of the Issuers’ currently outstanding 6.0% senior notes due 2024 (the “2024 Notes”) and pay related expenses. The Partnership has separately delivered a conditional notice of redemption under which, subject to completion of the Offering, the 2024 Notes will be redeemed on February 5, 2020 at a price of 104.5% of the principal amount, plus accrued and unpaid interest. The final terms and principal amount of the 2028 Notes are subject to market and other conditions.

The 2028 Notes and the related guarantees have not been registered under the Securities Act, or any state securities laws, and unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuers plan to offer and sell the 2028 Notes only to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act and to persons outside the United States pursuant to Regulation S under the Securities Act.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

About Holly Energy Partners, L.P.

Holly Energy Partners, L.P., headquartered in Dallas, Texas, provides petroleum product and crude oil transportation, terminalling, storage and throughput services to the petroleum industry, including HollyFrontier Corporation subsidiaries. The Partnership, through its subsidiaries and joint ventures, owns and/or operates petroleum product and crude gathering pipelines, tankage and terminals in Texas, New Mexico, Washington, Idaho, Oklahoma, Utah, Nevada, Wyoming and Kansas as well as refinery processing units in Kansas and Utah.

Cautionary Statement Regarding Forward-Looking Statements

The statements in this press release relating to matters that are not historical facts are “forward-looking statements” within the meaning of the federal securities laws. These statements are based on our beliefs and assumptions and those of our general partner using currently available information and expectations as of the date hereof, are not guarantees of future performance and involve certain risks and uncertainties. Although we and our general partner believe that such expectations reflected in such forward-looking statements are reasonable, neither we nor our general partner can give assurance that our expectations will prove to be correct.

When considering forward-looking statements, you should keep in mind the known material risk factors and other cautionary statements set forth in our Annual Report on Form 10-K for the year ended December 31, 2018, and in our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2019, June 30, 2019, and September 30, 2019, in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and in “Risk Factors.” All forward-looking statements included in this press release and all subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. The forward-looking statements speak only as of the date made and, other than as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

FOR FURTHER INFORMATION, Contact:

Craig Biery
Director, Investor Relations

or

Trey Schonter
Investor Relations

Holly Energy Partners, L.P.
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