

Via Certified Mail - Hardcopy Requested

August 1, 2014

Mr. R.M. Seeley, Director
Southwest Region, Pipeline Hazardous Materials and Safety Administration
8701 South Gessner, Suite 1110
Houston, TX 77074

Re: Longhorn Pipeline South – LMP Change

Dear Mr. Seeley,

In 2013, Magellan Pipeline Company, L.P. (Magellan) completed modifications to the Longhorn Pipeline (Pipeline) to reverse the flow from Crane to Houston, Texas and transport crude oil. The Pipeline Hazardous Materials Safety Administration (PHMSA) completed an Environmental Assessment (EA) in December 2012 and issued a Finding of No Significant Impact.

The Pipeline from Crane to Houston delivers crude oil to the East Houston Terminal and Pumping Station. From the East Houston Pumping Station crude oil is re-originated on the crude oil distribution system south to multiple refineries in Pasadena and points south as far as Texas City. The portion of the distribution system that is subject to the LMP is approximately 9 miles of 20" from the East Houston Terminal to a point called 9th street Junction. Modifications were made at the East Houston terminal and the pipeline from East Houston to 9th street junction allowing a higher capacity on this portion of the system.

On October 12, 2012, Magellan submitted proposed surge mitigation measures for the segment from East Houston to Speed Junction. PHMSA approved the surge mitigation measures in January 2013. On August 20, 2013, PHMSA approved a change to the LMP allowing a capacity on this portion of the system up to 360,000 bpd. Due to the continued high demand for crude oil delivery capacity in the distribution system, Magellan desires to make modifications to the system that would allow the system to achieve a capacity in excess of 360,000 bpd.

The capacity or maximum flow rate on the system is dependent upon the destination location due to hydraulic factors such as pipe length, pipe size, and elevation change. Magellan desires to have the PHMSA approved surge analysis rates govern the

capacity limitation for each delivery location. Therefore, Magellan proposes modifying the language in the System Description in Section 2.1 of the Longhorn Mitigation Plan to the following:

The pipeline system from East Houston South to 9th Street Junction is utilized to deliver crude oil via the Longhorn South System to Magellan's Speed Junction where it is then further distributed via the Houston Distribution System to refineries and pipeline systems in the Gulf Coast Area. From East Houston to 9th Street Junction the capacity shall be governed by the PHMSA approved surge analysis in accordance with LMC #31 for each destination location within the Houston Distribution System.

Per the attached table maximum surge pressures will not exceed MOP for any of the current approved delivery locations and associated flow rates. To ensure that these flow rates are not exceeded, controls are established for each delivery meter and monitored within the Tulsa Operations Control Center.

Per Mitigation Commitment Item 39, this change to the LMP is submitted for PHMSA review and approval. As required in the Longhorn Mitigation Plan, the proposed change in the form of this letter has been made available to the public by posting on the Magellan website, and copies of this letter have been made available to the General Manager of the Lower Colorado River Authority (LCRA) and to the Mayors of Houston, Austin, and El Paso at the addresses shown below. If you have any questions or need additional information, please contact me at your convenience.

Sincerely,



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Operating Pressure Summary Table

Segment Description	Pump Station	Maximum Discharge Set Pressure (psig)	MOP (psig)	Maximum Pressure Normal Operations (Steady State) (psig)	Maximum Surge Pressure (psig)	Maximum Flow Rate Reviewed in Surge Analysis (bph)
MP 9.47 (East Houston) to MP 1.21 (9th Ave.) - East Houston to OTI	East Houston	860	936	860	888	15,800
MP 9.47 (East Houston) to MP 1.21 (9th Ave.) - East Houston to PRSI	East Houston	860	936	860	921	16,500
MP 9.47 (East Houston) to MP 1.21 (9th Ave.) - East Houston to Shell Deer Park	East Houston	860	936	860	905	16,200
MP 9.47 (East Houston) to MP 1.21 (9th Ave.) - East Houston to Lyondell	East Houston	860	936	860	908	17,300
MP 9.47 (East Houston) to MP 1.21 (9th Ave.) - East Houston to Valero	East Houston	860	936	860	925	16,800
MP 9.47 (East Houston) to MP 1.21 (9th Ave.) - East Houston to HOFTI	East Houston	860	936	860	908	15,700
MP 9.47 (East Houston) to MP 1.21 (9th Ave.) - East Houston to Enterprise Echo at Genoa	East Houston	860	936	860	908	14,700
MP 9.47 (East Houston) to MP 1.21 (9th Ave.) - East Houston to XOM at Genoa	East Houston	860	936	860	896	14,600
MP 9.47 (East Houston) to MP 1.21 (9th Ave.) - East Houston to Anahuac (Clear Creek)	East Houston	860	936	860	911	9,800
MP 9.47 (East Houston) to MP 1.21 (9th Ave.) - East Houston to Texas City (CMS-3)	East Houston	860	936	860	920	15,000
MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to OTI	Galena Park	700	936	700	884	15,000
MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to PRSI	Galena Park	700	936	700	882	15,000
MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to Shell Deer Park	Galena Park	700	936	700	880	12,800
MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to Lyondell	Galena Park	700	936	700	885	15,000
MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to Valero	Galena Park	700	936	700	885	15,400
MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to Seaway Galena Park at Speed	Galena Park	700	936	700	884	15,000
MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to HOFTI	Galena Park	700	936	700	882	15,000
MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to Echo at Genoa	Galena Park	700	936	700	878	15,000
MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to XOM at Genoa	Galena Park	700	936	700	866	15,000
MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to Anahuac (Clear Creek)	Galena Park	700	936	700	857	9,800
MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to Texas City (CMS-3)	Galena Park	700	936	700	902	15,300