

Via Certified Mail - Hardcopy Requested

July 1, 2013

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,

Magellan Pipeline Company, L.P. (Magellan) recently 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. The following changes were made as part of the reversal project described in the December 2012 EA:

East Houston

- *Install mainline pumping units*
- *Install outbound metering to achieve higher rates and pressures*
- *Install manifold and piping to connect crude tanks to mainline units*

East Houston to Speed Junction

- *Hydrostatically tested the Longhorn 20" from East Houston to 9th street junction to establish higher MOP*

These changes allow Magellan to achieve an ultimate capacity of 360,000 barrels per day (15,000 barrels per hour) on the portion of the Pipeline from East Houston to Speed Junction. 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. These mitigation measures are adequate for preventing surge pressure from exceeding allowable levels at a capacity of 360,000 barrels per day (bpd).

The Longhorn Mitigation Plan System Description in the Longhorn Mitigation Plan does not currently describe a system capacity above 225,000 bpd on the portion of the Pipeline south of East Houston. Therefore, Magellan proposes adding the following language to the System Description in Section 2.1 of the Longhorn Mitigation Plan.

The pipeline system from East Houston South to 9th Street Junction has a system capacity of 360,000 barrels per day. The crude oil is delivered via the Longhorn South System to Magellan's Speed Junction where it is then further distributed to refineries and pipeline systems in the Gulf Coast Area.

Magellan submits that this higher capacity for the East Houston to Speed Junction segment was adequately accounted for in the 2012 EA and surge mitigation measures are in place and approved by PHMSA. 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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