

Via Certified Mail - Hardcopy Requested

November 7, 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 reoriginated 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.

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 (20-inch pipeline installed in 1998 and built in accordance with Part 195 standards) the pipeline capacity shall be governed based upon a maximum through-put of 17,300 barrels per hour or 415,200 barrels per day and with maximum surge pressures based upon surge analysis in accordance with LMC #31 for each destination location within the Houston Distribution System. Surge analysis must ensure that operating surge pressures will not exceed the maximum operating pressure (MOP) of 936 pounds per square inch (PSI) for the 20-inch pipeline from East Houston to 9th Street Junction.

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,

Doug Chabino

Director, Engineering and Construction

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Cc:

Phil Wilson General Manager, LCRA 3700 Lake Austin Blvd. Austin, Texas 78703

Mayor Annise D. Parker City of Houston P.O. Box 1562 Houston, TX 77251

Mayor Lee Leffingwell Office: City Hall 301 W. 2nd St. 2nd Floor Austin, Texas 78701

Mayor Oscar Leeser 300 N Campbell City Hall El Paso, Texas 79901

Operating Pressure Summary Table

Discharge Set Set			Maximum		Maximum Pressure Normal		Maximum Flow Rate
Pump Station Pressure (psig) MOP (psig) (psig) East Houston 860 936 860 el East Houston 860 936 860 enos East Houston 860 936 700 Galena Park 700 936 700 Interpret Galena Park 700 936 700 enos Galena Park 700			Discharge Set		Operations (Steady State)	Maximum Surge	Reviewed in Surge
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Parit Galena Park 700 936 700 II Galena Park 700 936 700 Irk at Spec Galena Park 700 936 700 Irk at Spec Galena Park 700 936 700 Inc Galena Park 700 936 700	MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to PRS	Galena Park	700	936	700	882	15,000
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Galena Park 700 936 700	MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to Seaway Galena Park at Speec	Galena Park	700	936	700	884	15,000
Galena Park 700 936 700	MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to HOFT	Galena Park	700	936	700	882	15,000
Galena Park 700 936 700 700 Galena Park 700 936 700 Galena Park 700 936 700	MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to Echo at Geno:	Galena Park	700	936	700	878	15,000
Galena Park 700 936 Galena Park 700 936	MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to XOM at Genos	Galena Park	700	936	700	866	15,000
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	MP 1.78 (Holland Ave.) to MP 1.21 (9th Ave.) - Galena Park to Texas City (CMS-3	Galena Park	700	936	200	902	15,300