

Longhorn Mitigation Plan  
Commitment Implementation Status Report  
Annual - 2013

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| 38                  | Longhorn shall submit periodic reports to DOT/OPS that will include information about the status of mitigation commitment implementation, the character of interim developments as relate to mitigation commitments, and the results of mitigation-related studies and analyses. The reports shall also summarize developments related to its Operational Reliability Assessment ("ORA"). The quarterly reports shall be made available to the public.  |   | This report covers the 2013 annual reporting period. This report addresses mitigation commitments that either begin with, or extend beyond startup and have not had a Completion Report submitted to PHMSA/OPS. System startup occurred January 27, 2005.   |
| 11                  | Longhorn shall, following the use of sizing and (where appropriate) geometry tools, perform an in-line inspection of the existing pipeline (Valve J-1 to Crane) with a high resolution magnetic flux leakage tool (MFL Tool) and remediate any problems identified. See the LPSIP at Section 3.5.2 and the ORA at Section 4.0.  | Within 3 months of startup and thereafter at such intervals as are established by the Operational Reliability Assessment  | In 2013 there were 23 digs completed related to the 2012 MFL In-Line Inspections.   |
| 12                  | Longhorn shall, following the use of sizing and (where appropriate) geometry tools, perform an in-line inspection of the existing pipeline (Valve J-1 to Crane) with an ultrasonic wall measurement tool (UT Tool) and remediate any problems identified. See the LPSIP at Section 3.5.2 and the ORA at Section 4.0.  | At such intervals as are established by the ORA, provided that an inspection shall be performed no more than 5 years after system startup.  | In 2013 there were 10 digs completed related to the 2010 Ultrasonic Wall Measurement In-Line Inspections.   |
| 12a                 | Longhorn shall perform an in-line inspection of the existing pipeline (Valve J-1 to Crane) with a "smart" geometry inspection tool and remediate any problems identified. See the LPSIP at Section 3.5.2 and the ORA at Section 4.0.  | At such intervals as are established by the ORA, provided that no more than 3 years shall pass without an in-line inspection being performed using an inspection tool capable of detecting third party damage | In 2013 there were 32 digs completed related to the 2012 EGP and the combination EGP/MFL in-Line Inspections.   |
| 13                  | Longhorn shall install an enhanced leak detection and control system which will include a transient model based leak detection system utilizing 9 meter stations (6 clamp on meters and 3 turbine meters). Additionally, a leak detection system will be installed over the Edwards Aquifer Recharge Zone and the Slaughter Creek watershed n the Edwards Aquifer Contributing Zone that will detect a leak of extremely minute volume in twelve (12) to one hundred twenty (120) minutes from contact, depending upon the product sensed by the system. That leak detection system will be a buried hydrocarbon sensing cable system designed to meet the leak detection performance specifications described in the preceding sentence. The pipeline system is designed to achieve emergency shutdown within 5 minutes of a probable leak indication. See Mitigation Item 13. | System installation prior to startup and system operational within 6 months of startup.   | The enhanced leak detection systems were installed prior to system startup as specified in the LMP. Additional system enhancements and fine tuning of the model have increased the leak detection sensitivities to under 1% of flow detected within one hour, and one half hour. Analyses of all operational data and activities are conducted, and the sensitivities are measured and evaluated bi-monthly. The leak detection capabilities are periodically tested and demonstrated in conjunction with the Longhorn ILI activities.<br><br>LMC 13 changes to add the performance commitment for crude oil were submitted to PHMSA February 14, 2012 and were approved by PHMSA on March 5, 2013. The approved performance commitment for detection of crude oil is 100 to 200 minutes after contact with the leak sensing cable. |
| 19                  | Longhorn has performed studies evaluating each of the following matters along the pipeline, and shall implement the recommendations of such studies. See Mitigation Item 19.  |   |   |
| 19b                 | Scour, erosion and flood potential.   | Periodically after startup. (Scheduled inspections occur at various water crossings at 6 month and 5 year intervals. Inspections also occur after certain flood events).                                      | The 6 month periodic inspections were completed in January and June 2013.   |

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| 19d   | Ground movement, subsidence and aseismic faulting  | Periodically after startup. (The study recommended surveys to be performed every 6 months).               | Monitoring was completed in July and December of 2013.   |
| 19e   | Landslide potential.   | Periodically after startup. (The study recommended surveys to be performed every 5 years).                | A photogrammetry survey was completed in June 2005. The 2010 photogrammetry survey was completed in December of 2010. The next survey is slated for 2015.  |
| 25  | Longhorn shall develop enhanced public education/damage prevention programs to, inter alia (a) ensure awareness among contractors and potentially affected public, (b) promote cooperation in protecting the pipeline and (c) to provide information to potentially affected communities with regard to detection of and responses to well water contamination. See the LPSIP Section 3.5.4 See Mitigation Appendix, Item 25.  | Continuously after startup.   | Public awareness program was implemented as required by the LMP Annual mail out was conducted for the affected public residential, general businesses and schools within ½ mile of the pipeline for urban areas and within 2 miles of the pipeline in rural areas, excavators and farmers within 10 miles of the pipeline and emergency officials and local public officials within the county, plus 20 miles of the pipeline. Brochures are being mailed in envelopes which have increased the amount of BRC's returned each year. (2013 = 669) Magellan participated in a Texas Farmer Program mailer to raise key stakeholder awareness, increase their understanding and supplement our safety measure by mailing to 81,443 farmers. Magellan participated in an outreach program with scheduled emergency responder and excavator meetings in all 25 counties, 11 meetings total. Magellan continues to operate a school outreach program targeted at 5th grade students in the Austin area reaching 563 students and 27 teachers. Magellan participates in the Safe at Home school program in the Houston area reaching 18 students and one teacher. Magellan targeted and met with 119 emergency responders in all 25 counties and provided maps and other information about Magellan's system in regard to public safety. As part of our outreach program for Public Officials, Magellan sent an annual mail out with maps of the system and information about the presence of our pipeline and public safety. Magellan continued our Kiosk program to distribute pipeline safety and damage prevention information and provided refills of promotional items for 15 of our 40 targeted stores. Magellan was a sponsor with a collaborative group for 811 media day. This year's campaign set a new all time national high for 8-11 day campaign. Magellan placed quarterly ¼ page ads in Texas 811 magazine with a circulation of 100,500. Magellan ran an ad in the Spanish speaking newspaper El Mundo, Odessa American newspaper and Pecos Enterprise newspaper. |
| 31  | Longhorn shall perform a surge pressure analysis prior to any increase in the pumping capacity above those rates for which analyses have been performed or any other change which has the capability to change the surge pressures in the system. Longhorn will be required to submit mitigation measures acceptable to DOT/OPS prior to any such change in the system, which mitigation measures will adequately address any MASP problems on the system identified by the surge pressure analysis. | Prior to any change in the system that has the capability to cause surge pressures to occur on the system | LMC 31 change documents were submitted to PHMSA for the Crane to East Houston and East Houston to Speed Junction line segments initially on May 24, 2012 and then was updated on October 12, 2012. Approval from PHMSA was received January 25, 2013. LMC 31 changes were submitted for surge mitigation measures to achieve a flow rate of 225,000 bpd on the Longhorn System from Crane to East Houston on June 18, 2013. PHMSA approval received July 24, 2013.   |
| 32  | Longhorn shall perform pipe-to-soil potential surveys semi-annually over sensitive and hypersensitive areas (which is twice the frequency required by DOT regulations - 49 C.F.R. 195.416) and corrective measures will be implemented, as necessary, where indicated by the surveys. See LPSIP Section 3.5.1.   | No more than six months after startup and semi-annually thereafter.                                       | Semi-annual pipe-to-soil potential surveys for 2013 have been completed.   |
| <b>Lower Colorado River Authority (LCRA) Settlement Agreement</b> |  |   |  |

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| 3a   | Plans and specifications sealed by a professional engineer in Texas that details modifications necessary to public water systems that are regulated by TNRCC (or any successor agency) that take water from Lake Travis. Resealing should occur once every five years. Last resealed in September 2012   | Once every 5 years                                       | Next Update: September 2017  |
|  | Describe any emergency drills and results from those drills within the Colorado River basin (City of Austin, Pedernales River watershed and Bastrop County) during this reporting period.  | Annually   | On November 18, 2013 Magellan conducted a combination functional and tabletop exercise in Austin. The exercise scenario involved a pipeline release inside the City of Austin at approximately milepost 166 which impacted an apartment complex and nearby pond. Exercise attendees included Magellan personnel, TAS (Spill Contractor), LCRA, City of Austin Water District and the City of Austin Fire Department. |
|  | Describe any maintenance, inspections, smart pigging, repairs, upgrades to the pipeline within the Colorado River basin (City of Austin, Pedernales River watershed and Bastrop County) during this reporting period.<br>Colorado River Basin identified as MP 94.45 to MP 426.8 which includes ILI segments of Satsuma to Warda (last 18.5 miles), Warda to Cedar Valley, Cedar Valley to Eckert, Eckert to Ft. McKavett, and Ft. McKavett to Crane (first 102 miles)   | Annually   | In 2013 there were 27 digs completed in the Colorado River basin related to the 2012 EGP and the 2010 Ultrasonic Wall Measurement In-Line Inspections.   |
| <b>Operational Reliability Assessment</b>      |  |  |  |
|  | The ORA will provide Longhorn with an annual technical assessment of the actual effectiveness of the overall LPSIP. The ORA will provide feedback on the adequacy, frequency, and additional element criteria of the evaluation plan, which includes use of internal inspection devices, hydrotests, and other mechanical integrity assessment and confirming processes and technologies. The ORA results will be factored back into the LPSIP and will be integrated into the ongoing program.  | Annually, or per event as defined in LMP                 | OPS approved Kiefner and Associates, Inc., as the independent, third-party ORA contractor. The Summary Report of the 2012 ORA Developments has been posted to the Magellan Midstream Partners website at <a href="http://www.magellanlp.com">www.magellanlp.com</a> under the "Longhorn Pipeline Assets" tab. The 2013 Annual ORA report is to be submitted to PHMSA March 2014.                                     |
| <b>Longhorn Pipeline System Integrity Plan</b> |  |  |  |
|  | The LPSIP consists of certain specific "Process Elements." The descriptions and program attributes of the Process Elements reflect action "over and above" those specified and required under various regulations and statutes, such as DOT's Title 49 C.F.R. Part 195.<br><br>Implementation of the "Process Elements" will ensure that Longhorn will effectively identify, analyze, and responsibly manage the most important threats to and risk of the Longhorn Pipeline System.   | Continuously - Operations<br>Annually - Self Audit       | The 2012 LPSIP Annual Self-Audit is complete and will be provided to PHMSA and made available to the public on the Magellan Midstream Partners website at <a href="http://www.magellanlp.com">www.magellanlp.com</a> under the "Longhorn Pipeline Assets" tab.   |
| <b>Relative Risk Assessment Model</b>          |  |  |  |
|  | The Relative Risk Assessment Model (Model) is designed to automatically prioritize and sort pipeline segments in accordance with their scored relative risk in relation to all other segments. Changes in the surrounding population, the environment, or mechanical attributes of the pipeline are updated in the model as new information is available and the Model is rerun.   | Annually, or per event as defined in LMP                 | The model is updated periodically as new information becomes available. The Relative Risk Model was changed to a Probabilistic Risk Model per the approved 2012 EA. The new model was fully implemented on August 12, 2013. The model showed that risk levels met the threshold outlined in the 2012 EA.   |
| <b>Material Documentation - Reversal EA</b>    |  |  |  |
| 1  | Magellan must maintain and be able to produce the following documentation upon request: 1.) Material documentation for all pipe segments. This documentation must establish that each <i>pipe segment</i> meets the American Petroleum Institute Standard 5L, 5LX, or 5LS, "Specification for Line Pipe" (API 5L) referenced in the 49 CFR 195 code at the time of manufacture. If pipe was manufactured and placed in-service prior to the inception of 49 CFR 195, then the pipe must meet the API 5L standard in usage at that time | Continuously maintain to be submitted upon PHMSA request | Magellan has reviewed the documentation for each pipe segment covered by the Longhorn Mitigation Plan (LMP) to establish whether a mill test report (MTR) exists to confirm that the pipe meets the code or industry standard such as API 5L, 5LX, or 5LS. The results were summarized and submitted to PHMSA January 14, 2013.  |

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| 2                   | Magellan must maintain and be able to produce the following documentation upon request: 2.) Material documentation for all pipeline appurtenances 2" and larger (i.e., valves fittings, flanges, and fabricated assemblies) or appurtenances that are directly installed and cannot be isolated from the mainline pipeline.  | Continuously maintain to be submitted upon PHMSA request | Magellan can provide material documentation in accordance with REQUIREMENT #7 to establish and justify the pressure rating for pipeline appurtenances 2" and larger or that are directly installed and cannot be isolated from the mainline pipeline   |
| 3                   | Magellan must maintain and be able to produce the following documentation upon request: 3.) Documentation showing that each pipeline segment has received a 49 CFR 195, Subpart E, hydrostatic test for eight (8) continuous hours at a minimum of 1.25 times maximum operating pressure (MOP)(1.25xMOP) for a four (4) hours test interval of the test period in accordance with 195.304.   | Continuously maintain to be submitted upon PHMSA request | Magellan has completed all the hydrostatic pressure testing detailed in Requirement #3 and can provide documentation upon request.   |
| 4                   | Develop and implement procedures to cut-out and test pipe samples to determine material attributes, as follows: a. Pipe samples must be cut-out at a maximum interval of 50 miles, b. All unique combinations of pipe vintages, characteristics, material manufacturing periods, and construction periods must be sampled (Pipe with wall thicknesses within 10%, same pipe grades, same seam type, same seam manufacturing processes, and pipe manufacturing dates within 5 years, which are of the same pipe manufacturer, are defined as the same pipe vintage.), or c. Pipe lengths of the same vintage (See above parenthetical.) that are less than 500 feet in total length without: 1) indications of cracking, 2) un-remediated wall loss that exceeds 30% of nominal wall thickness, 3) failure pressure ratios (FPR) less than 1.39, or 4) low strength pipe (i.e. pipe expansion detected by in-line inspection (ILI) or direct examination) are not required to have pipe samples cut-out and tested. | Prior to startup   | Magellan provided the locations of the 16 pipe cut-outs to PHMSA on January 16, 2013. All pipeline cut-outs underwent metallurgical analysis conducted by Kiefner and Associates to establish that the pipe material properties met the API 5L standard in usage at the time of installation and to evaluate pipe or weld seam toughness to establish material strength  |
| 5                   | Develop and implement procedures to cut-out and test pipe/material samples of all pipe segments without material documentation that are removed from the pipeline as part of future maintenance activities. Sampling frequency for future pipe cut-outs must be in accordance with § 195.106(b)(1)(i).   | Prior to startup   | Magellan provided PHMSA on January 16, 2013 the revised procedure SIP-ADM-7.02, Analysis of Pipe Cut-outs, Section 3.1.5 to send pipe cut-out samples for metallurgical analysis for any maintenance related pipeline cut-out that incorporates pipe/material samples that does not meet the requirements of the Material Documentation Plan required by the Environmental Assessment.   |
| 6                   | Develop and implement procedures for conducting non-destructive or destructive strength tests for 50% of all annual pipe excavations associated with in-line inspection anomaly evaluations or remediation. These procedures must have measures to account for measurement uncertainties in using non-destructive testing methods to establish material strength. Measure wall thickness and document seam and coating type on all pipe when exposed. a) Procedures for non-destructively or destructively strength testing pipe will require a Third Party technical review by a PHMSA approved technical source. b) Where the pipe excavation is of an immediate repair condition in accordance with § 195.452(h)(4)(i), neither non-destructive or destructive strength tests are required when measurement equipment is not available  | Prior to startup   | Magellan provided PHMSA on January 16, 2013 the revised procedure 7.03-ADM-002, In-Line Inspection Procedure, Section 14.8 to ensure non-destructive or destructive strength testing will be conducted on 50% of all annual excavations for pipe samples associated with in-line inspection anomaly evaluations that meet the requirements of the Material Documentation Plan of the Environmental Assessment. Following the approval of the Third Party technical review by Kiefner, 11 ILI excavations were conducted on digs where the pipe meets the requirements of the Material Documentation Plan for strength testing. Of those 11 digs, 6 were evaluated using approved non-destructive technology. |

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| 7                   | Develop and implement procedures to establish and document the pressure rating or strength of all appurtenances 2" and larger such as valves, fittings, flanges, and fabricated assemblies or appurtenances that are directly installed and cannot be isolated from the mainline pipeline. These procedures must have remediation measures for materials with pressure rating, strength, corrosion, cracking, expansions, or other integrity deficiency issues.  | Prior to startup   | The Material Component Documentation Plan and associated form to document the pressure rating and strength of all appurtenances 2" and larger such as valves, fittings, flanges, and fabricated assemblies or appurtenances that are directly installed and cannot be isolated from the mainline pipe were provided to PHMSA on January 16, 2013.   |
| 8                   | Develop and implement procedures to compensate for any reduced pipe or material strength for internal pressure, maximum operating pressure (MOP), or other integrity verification measures as demonstrated in the anomaly repair calculations by: i) Reducing the Folias Factor in the anomaly repair calculations of all pipe segments that do not have mill test reports; or ii) Repairing corrosion anomalies, if metal loss exceeds 40% of nominal wall thickness and the failure pressure ratio (FPR) is less than 1.39.  | Prior to startup   | Magellan provided to PHMSA on January 16, 2013 the revised procedure, 7.03-ADM-007 In-Line Inspection Analysis Guidelines, Section 7.7 that was revised to address compensation for any reduced pipe or material strength through the requirement of reassessment of the pipe segment and repair of corrosion anomalies if metal loss exceeds 40% or nominal wall thickness and the failure pressure ratio is less than 1.39.   |
| 9 a<br>b (iii-iv)   | Perform in-line inspection (ILI) tool runs, evaluate findings, taking into account tool accuracy and uncertainty of tool results, and remediate all anomalies. The MFL, TFI and Deformation tools were previously run and the pipeline was remediated in accordance with the requirements of the Longhorn Mitigation Plan (LMP). Inspection and re-inspection frequencies for pipeline threats are determined based upon an independent technical review of all integrity and risk assessment data as part of the annual Operation Reliability Assessment within the LMP | Such intervals as are established by the Operational Reliability Assessment  | Procedure 7.03-ADM-007, In-Line Inspection Analysis Guidelines, Section 7.7 has been revised to establish the criteria for in-line inspection repairs associated with MFL, TFI, Deformation Tools, and Hard Spot Tools. The procedure was provided to PHMSA January 16, 2013.   |
| 9 b (iv)            | Run Hardspot Tool that can detect pipe hard spots:<br>(1) Remediate indications that pipe is susceptible to hard spots (over 325 Brinell hardness) based upon known pipe information (i.e. manufacturing vintage, has had a past leak or failure due to a pipe hard spot in the pipeline) as soon as practicable but no later than one (1) year after Hardspot Tool run.   | Within 1 year of startup and thereafter at such intervals as are established by the Operational Reliability Assessment | The Hardspot Tool run from Satsuma to East Houston was completed August 2013 and the Tool run from Crane to Satsuma was completed December 2013   |
| 10                  | Include all undocumented pipeline segments in the Liquid Integrity Management (IM) Plan (§ 195.452), notwithstanding whether the pipeline segment is in a location that could affect an high consequence area (HCA).   | Prior to startup   | Magellan has revised SIP-ADM-7.06 Integrity Management to include all undocumented pipeline segments in the Integrity Management Plan. The procedure was provided to PHMSA January 16, 2013.  |
| 11                  | Limit surge pressures to the pipeline segment MOP, until the pipeline segment meets these conditions and operating with surge pressures over MOP has been reviewed in accordance with Paragraph 19 of the Longhorn Reversal EA - Material Documentation Plan.  | Prior to startup   | Procedure 7.07-ADM-002, Evaluating Pipeline Operating Pressure (Liquids), Note 6 has been revised to ensure that appropriate measures have been implemented for all pipe segments that meet the criteria of the Material Documentation Plan included in the Environmental Assessment to ensure that pressure does not exceed the maximum operating pressure (MOP) under normal and abnormal operating conditions. The procedure was provided to PHMSA January 16, 2013. |

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| 12                  | Submit procedures and perform Close Interval Surveys (CIS) on a maximum 5-year basis and remediate findings. Perform initial survey within one-year of PHMSA issuance of FONSI.  | Procedures Modifications - Prior to startup<br><br>CIS within 1 year of startup and thereafter at maximum interval of 5 years                                     | Magellan submitted to PHMSA January 16, 2013 revised procedure 7.04-ADM-001, Corrosion Control Program, Section 2.6.6.2 including the requirement that within one year of the FONSI a Close Interval Survey (CIS) will be conducted where the pipe meets the criteria of the Material Documentation Plan of the Environmental Assessment. Additional CIS will be conducted on intervals of every five years thereafter. The first CIS was completed in April 2013.     |
| 13                  | Submit procedures and perform AC Potential Interference Surveys on a maximum 5-year basis and remediate findings. Perform initial survey within one-year of PHMSA issuance of FONSI.   | Procedures Modifications - Prior to startup<br><br>AC Potential Interference Survey within 1 year of startup and thereafter at maximum interval of 5 years        | Magellan submitted to PHMSA January 16, 2013 revised procedure 7.04-ADM-001, Corrosion Control Program, Section 2.14.2 to ensure that an AC Potential Interference Survey will be conducted within one year of the FONSI and thereafter on a maximum 5-year reoccurring basis where the pipe meets the criteria of the Material Documentation Plan included in the Environmental Assessment. The first AC Potential Interference Survey was completed in December 2013 |
| 14                  | Have corrosion mitigation and IM Plans for pipeline segments that do not allow passage of ILI tools.   | Prior to startup  | Procedure 7.13-ADM-013, Risk Based Inspection Program, Section 3.2.4 has been revised to document the criteria for integrity inspections for pipe that does not allow the passage of ILI tools and meets the criteria of the Material Documentation Plan of the Environmental Assessment. The procedure was provided to PHMSA January 16, 2013.  |
| 15                  | Perform internal corrosion mitigation by developing and implementing procedures to limit basic sediment and water (BS&W), periodically (minimum of twice yearly) run cleaning pigs, and quarterly test and review pigging and crude oil quality samples. | Procedures Modifications - Prior to startup<br><br>Run cleaning pigs minimum of twice yearly<br><br>Test & review pigging and crude oil quality samples quarterly | Magellan procedure 7.04-ADM-001, Corrosion Control Program, Section 4.3, 4.4, and 4.5 includes the program to mitigate the potential for internal corrosion. The procedure was provided to PHMSA January 16, 2013.   |