



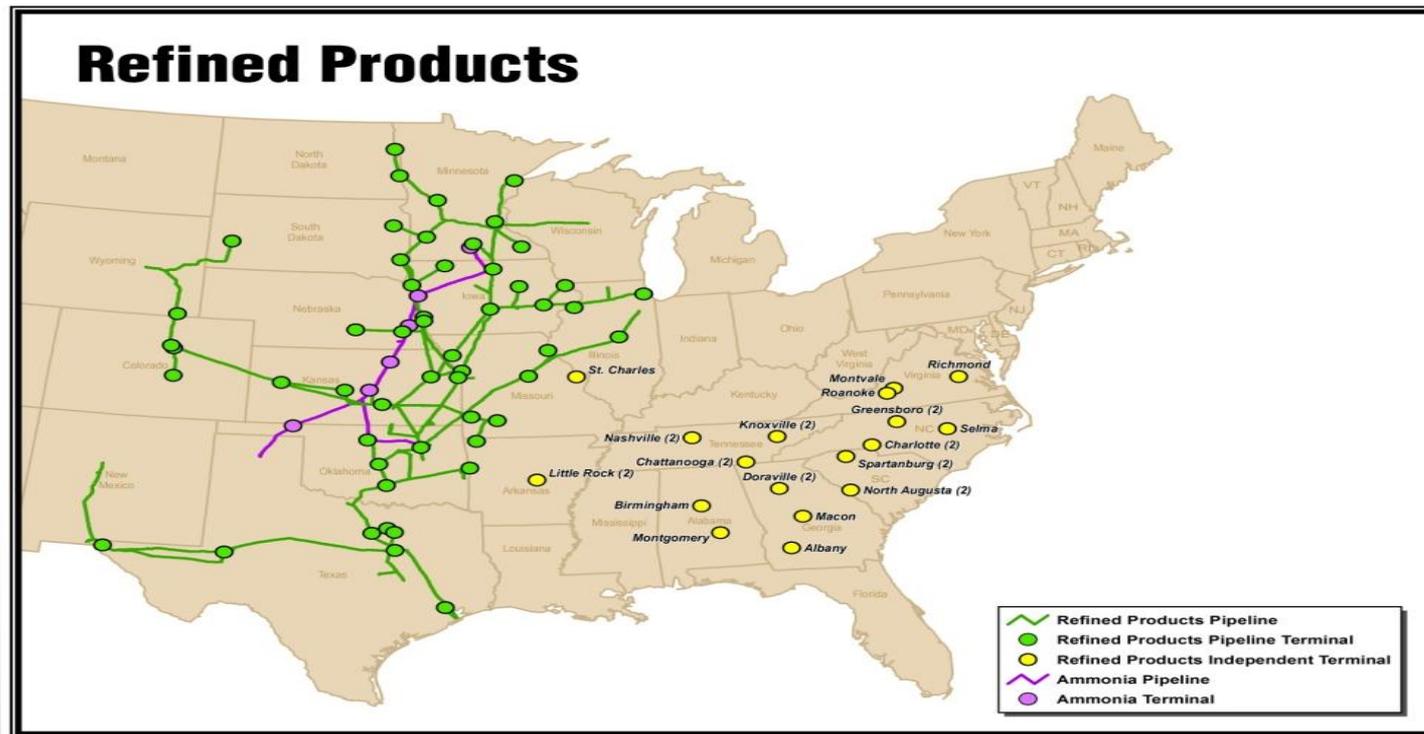
# EPA Mobile Sources Technical Review Subcommittee

Alexandria, VA  
May 2015

[www.magellanlp.com](http://www.magellanlp.com)

NYSE: **MMP**

- ✓ The nation's longest refined products pipeline system, primarily transporting gasoline and diesel fuel, with 9,500 miles, 52 terminals and 42 million barrels of storage
  - ✓ Access nearly 50% of refining capacity
- ✓ 27 independent terminals & 5 marine facilities



- ✓ A common carrier pipeline system
- ✓ Multi products pipeline
- ✓ “Open Stock”
- ✓ Operate on a “hub & spoke” basis
- ✓ We offer a product slate designed to meet the needs of our customers
- ✓ Independent service provider
  - ✓ We do not compete with our customers



# Changing Gasoline Standards

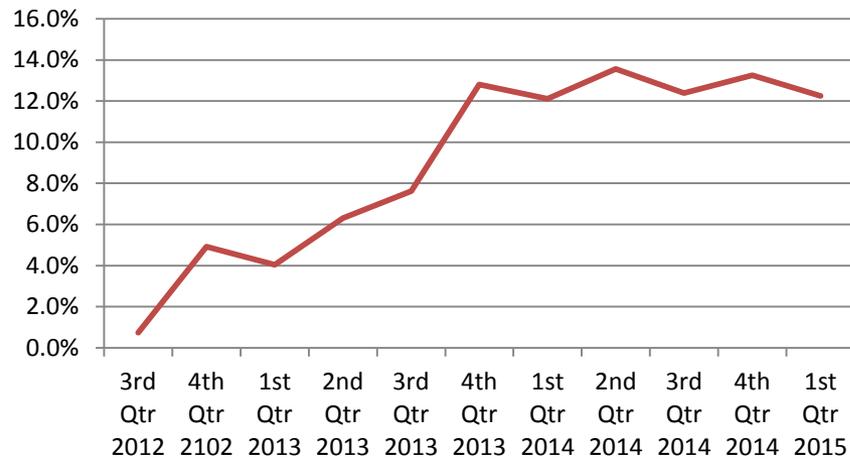
- ✓ Magellan transports, stores and distributes 12 grades of gasoline today through our pipeline systems
  - ✓ A variety of low RVP gasoline
  - ✓ A variety of premium gasoline
  - ✓ Sub octane gasoline – converted our pipeline system from 87 to 83 octane in September 2013
- ✓ Adding new grades of gasoline often reduce operating efficiencies for pipelines
  - ✓ Decreasing fungibility
  - ✓ Smaller batches
  - ✓ Segregating products
  - ✓ Additional storage requirements



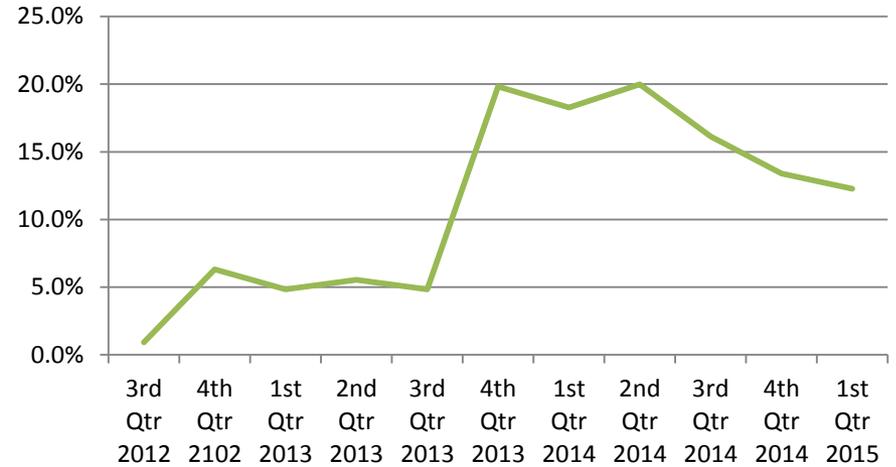
- ✓ Magellan's conversion from 87 to 83 sub-octane gasoline created additional demand for Premium gasoline (91 octane) and ethanol
- ✓ Several key terminals on the Magellan Pipeline system have experienced above average demand for Premium gasoline



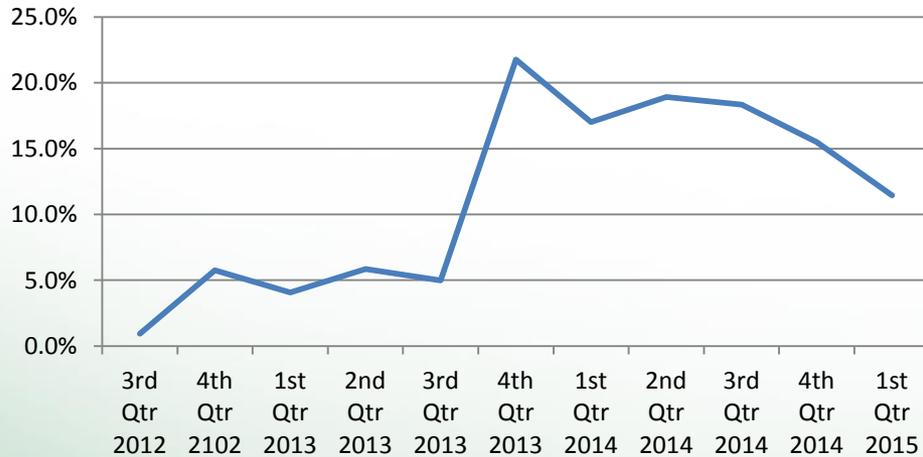
## TULSA



## OKLAHOMA CITY



## DES MOINES



- ✓ Recipe changes for 87, 89 and 91 octane gasoline
- ✓ “Clear gasoline” / E0 demand in certain markets



## ✓ Increasing premium gasoline storage:

- ✓ Dubuque, IA 12,500 bbls

## ✓ Increasing ethanol storage:

- ✓ Heyworth, IL 15,000 bbls
- ✓ Rogers, AR 14,000 bbls
- ✓ Wichita 15,000 bbls
- ✓ North Little Rock- 10,000 bbls
- ✓ Extending our pipeline system from Ft. Smith to Little Rock
- ✓ Magellan pipeline system “bi-directional” from Oklahoma to Texas



# Ethanol Flex Fuel Program

|                                       | Jan | Feb              | Mar           | Apr        | May     | Jun           | Jul | Aug                 | Sep           | Oct        | Nov | Dec              |
|---------------------------------------|-----|------------------|---------------|------------|---------|---------------|-----|---------------------|---------------|------------|-----|------------------|
| Alabama (9.00)(Birmingham, Montgomer  |     | E-75,80          |               | E-65,70    |         | E-65,70,75,80 |     |                     |               | E-75,80    |     |                  |
| Alabama (7.00)(Birmingham)            |     | E-75,80          |               | E-70,75    |         | E-60,65,70,75 |     |                     | E-75          | E-75,80    |     |                  |
| Arkansas                              |     |                  |               |            |         |               |     |                     |               |            |     |                  |
| Colorado (Aurora)                     |     |                  |               |            |         |               |     | E-60,65,70          |               |            |     |                  |
| Connecticut (New Haven)               |     |                  |               |            |         |               |     |                     |               |            |     |                  |
| Delaware (Wilmington)                 |     |                  |               |            |         |               |     |                     |               |            |     |                  |
| Georgia (Albany, Macon)               |     |                  |               |            |         |               |     |                     | E-75          |            |     |                  |
| Georgia (Doraville)                   |     |                  |               |            |         |               |     |                     | E-75          |            |     |                  |
| Illinois (Amos)                       |     |                  |               |            |         |               |     |                     | E-60,65,70    |            |     |                  |
| Illinois (Hegworth)                   |     |                  |               |            |         |               |     |                     | E-60,65,70,75 |            |     |                  |
| Iowa                                  |     |                  |               |            |         |               |     |                     | E-65,70       |            |     |                  |
| Kansas (Topeka, Wichita, Scott City)  |     |                  |               |            |         |               |     |                     | E-60,65,70    |            |     |                  |
| Kansas (Great Bend)                   |     |                  |               |            |         |               |     |                     | E-60,65       |            |     |                  |
| Kansas (KC)(9.00)                     |     |                  |               |            |         |               |     |                     | E-60,65,70    |            |     |                  |
| Kansas (KC & Olathe)(6.00)            |     |                  | E-60,65,70,75 |            | E-55,60 |               |     |                     | E-60,65,70,75 |            |     |                  |
| Minnesota                             |     | E-50,55,60,65    |               | E-55,60    |         |               |     |                     | E-65,70       |            |     |                  |
| Missouri (not St. Chris)              |     |                  |               |            |         |               |     |                     | E-65,70       |            |     |                  |
| Missouri (St. Chris)                  |     |                  |               |            |         |               |     |                     | E-65,70       |            |     |                  |
| Nebraska (Omaha & Doniphan)           |     |                  |               |            |         |               |     |                     | E-60,65,70    |            |     |                  |
| Nebraska (Lincoln)                    |     |                  |               |            |         |               |     |                     | E-60,65,70    |            |     |                  |
| North Carolina (9.00)                 |     | E-65,70,75       |               | E-70       |         |               |     |                     | E-65,70,75    |            |     |                  |
| North Carolina (7.00)                 |     | E-65,70,75       |               | E-65,70    |         |               |     |                     | E-65,70,75    |            |     |                  |
| North Dakota                          |     | E-60,65,70       |               | E-50,55,60 |         |               |     |                     | E-60,65,70    |            |     |                  |
| Oklahoma (7.00 & 9.00)                |     |                  |               |            |         |               |     |                     | E-65,70       |            |     |                  |
| South Carolina                        |     |                  |               |            |         |               |     |                     | E-75, 80      |            |     | E-80             |
| South Dakota                          |     |                  |               |            |         |               |     |                     | E-65,70       |            |     |                  |
| Tennessee (9.00)                      |     |                  |               |            |         |               |     |                     | E-70,75       |            |     |                  |
| Tennessee (7.00)                      |     |                  |               |            |         |               |     |                     | E-70,75       |            |     |                  |
| Texas SE RBOB (Houston)               |     | E-75,80          |               |            |         |               |     | E-65, 70            |               |            |     | E-75,80          |
| Texas NE CONV (Aledo, Mt. Pleasant)   |     | E-55,60,65,70,75 |               | E-55,60,65 |         |               |     | E-50,55,60,65,70,75 |               | E-55,60,65 |     | E-55,60,65,70,75 |
| Texas NE RBOB (DAL, Southlake, Aledo) |     | E-55,60,65,70,75 |               | E-60,65,70 |         |               |     | E-55,60,65,70       | E-60,65,70    |            |     | E-55,60,65,70,75 |
| Texas NW CONV (Odessa, El Paso)       |     |                  |               |            |         |               |     | E-65,70             |               |            |     |                  |
| Texas NW AZBOB (El Paso)              |     |                  |               |            |         |               |     |                     |               |            |     |                  |
| Virginia                              |     | E-65,70,75       |               | E-70,75    |         |               |     |                     | E-75,80       |            |     |                  |

- ✓ We constantly review the services offered to make sure we meet and exceed the expectations of our customers
- ✓ Adding new fuels to the product slate often reduces pipeline efficiency
- ✓ The octane conversion from 87 to 83 has increased demand for 91 octane gasoline on our system
- ✓ Ethanol demand increased as well