MPLX LP
Form S-1/A
September 07, 2012
Table of Contents

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON SEPTEMBER 7, 2012

Registration No. 333-182500

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2

to

Form S-1

REGISTRATION STATEMENT UNDER THE

SECURITIES ACT OF 1933

MPLX LP

(Exact name of Registrant as Specified in Its Charter)

Delaware	**4610**	**45-5010536**
(State or Other Jurisdiction of	*(Primary Standard Industrial*	*(I.R.S. Employer Identification*

Incorporation or Organization)	*Classification Code Number)*	*Number)*

200 E. Hardin Street

Findlay, Ohio 45840

(419) 672-6500

(Address, Including Zip Code, and Telephone Number, including

Area Code, of Registrant s Principal Executive Offices)

J. Michael Wilder

Vice President, General Counsel and Secretary

200 E. Hardin Street

Findlay, Ohio 45840

(419) 672-6500

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

William N. Finnegan IV	**G. Michael O Leary**
Brett E. Braden	**William J. Cooper**
Latham & Watkins LLP	Andrews Kurth LLP
811 Main Street, Suite 3700	600 Travis, Suite 4200
Houston, Texas 77002	Houston, Texas 77002
(713) 546-5400	(713) 220-4200

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer (Do not check if a smaller reporting company)	x	Smaller reporting company	¨

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS Subject to Completion September 7, 2012

Common Units

Representing Limited Partner Interests

MPLX LP

This is an initial public offering of common units representing limited partner interests of MPLX LP. We were recently formed by Marathon Petroleum Corporation, and no public market currently exists for our common units. We are offering common units in this offering. We expect that the initial public offering price will be between $ and $ per common unit. We have applied to list our common units on the New York Stock Exchange under the symbol MPLX. We are an emerging growth company as that term is used in the Jumpstart Our Business Startups Act (the JOBS Act).

As a result of certain laws and regulations to which we are or may in the future become subject, we may require owners of our common units to certify that they are both U.S. citizens and subject to U.S. federal income taxation on our income. If you are not both a citizenship eligible holder and a rate eligible holder, your common units may be subject to redemption.

Investing in our common units involves a high degree of risk. Before buying any common units, you should carefully read the discussion of material risks of investing in our common units in Risk Factors beginning on page 23. These risks include the following:

Ø Marathon Petroleum Corporation and its subsidiaries (MPC) account for the substantial majority of our revenues. If MPC changes its business strategy, is unable to satisfy its obligations under our transportation and storage services agreements or significantly reduces the volumes transported through our pipelines or stored at our storage assets, our revenues would decline and our financial condition, results of operations, cash flows, and ability to make distributions to our unitholders would be materially adversely affected.

Ø We may not have sufficient cash from operations following the establishment of cash reserves and payment of fees and expenses, including cost reimbursements to our general partner and its affiliates, to enable us to pay the minimum quarterly distribution to our unitholders.

Ø On a pro forma basis we would not have generated available cash sufficient to pay the aggregate annualized minimum quarterly distributions on all of our units for the year ended December 31, 2011 or the twelve months ended June 30, 2012.

Ø MPC may suspend, reduce or terminate its obligations under our transportation and storage services agreements in some circumstances, which would have a material adverse effect on our financial condition, results of operations, cash flows and ability to make distributions to our unitholders.

- Ø A material decrease in the refining margins at MPC s refineries could materially reduce the volumes of crude oil and products that we transport and store, which could materially adversely affect our financial condition, results of operations, cash flows and ability to make distributions to our unitholders.

- Ø Our general partner and its affiliates, including MPC, have conflicts of interest with us and limited duties to us and our unitholders, and they may favor their own interests to our detriment and that of our unitholders. Additionally, we have no control over MPC s business decisions and operations, and MPC is under no obligation to adopt a business strategy that favors us.

- Ø Unitholders have very limited voting rights and, even if they are dissatisfied, they cannot remove our general partner without its consent.

- Ø Our tax treatment depends on our status as a partnership for federal income tax purposes. If the Internal Revenue Service (IRS) were to treat us as a corporation for federal income tax purposes, which would subject us to entity-level taxation, then our cash available for distribution to our unitholders would be substantially reduced.

- Ø Our unitholders share of our income will be taxable to them for federal income tax purposes even if they do not receive any cash distributions from us.

Neither the Securities and Exchange Commission nor any other state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Common Unit	Total
Public offering price	**$**	**$**
Underwriting discounts and commissions(1)	**$**	**$**
Proceeds, before expenses, to us	**$**	**$**

(1) Excludes an aggregate structuring fee equal to % of the gross proceeds of this offering payable to UBS Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated. Please read Underwriting.

The underwriters may also purchase up to an additional common units at the public offering price, less the underwriting discounts and commissions and structuring fee payable by us, to cover over-allotments, if any, within 30 days from the date of this prospectus. If the underwriters exercise this option in full, the total underwriting discounts and commissions will be $ and our total proceeds, before expenses, will be $.

The underwriters are offering the common units as set forth under Underwriting. Delivery of the common units will be made on or about , 2012.

UBS Investment Bank **BofA Merrill Lynch** **Morgan Stanley**
Citigroup **J.P. Morgan**

Barclays **Deutsche Bank Securities** **Wells Fargo Securities**

, 2012

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

You should rely only on the information contained in this prospectus or in any free writing prospectus we may authorize to be delivered to you. We have not, and the underwriters have not, authorized any other person to provide you with information different from that contained in this prospectus and any free writing prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted.

Through and including , 2012 (the 25th day after the date of this prospectus), federal securities laws may require all dealers that effect transactions in these securities, whether or not participating in this offering, to deliver a prospectus. This requirement is in addition to a dealer s obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. Please read Risk Factors and Forward-Looking Statements.

INDUSTRY AND MARKET DATA

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, government publications or other published independent sources. Some data are also based on our good faith estimates.

Table of Contents

Prospectus summary

This summary highlights selected information contained elsewhere in this prospectus. You should carefully read the entire prospectus, including Risk Factors and the historical and unaudited pro forma combined financial statements and related notes included elsewhere in this prospectus before making an investment decision. Unless otherwise indicated, the information in this prospectus assumes (1) an initial public offering price of $ per common unit (the mid-point of the price range set forth on the cover of this prospectus) and (2) that the underwriters do not exercise their option to purchase additional common units. You should read Risk Factors beginning on page 23 for more information about important factors that you should consider before purchasing our common units.

Unless the context otherwise requires, references in this prospectus to MPLX LP, our partnership, we, our, us, or like terms, when used in a historical context, refer to the assets that MPC is contributing to us in connection with this offering. These assets include a 100.0% interest in MPLX Terminal and Storage LLC, which owns our butane cavern, and our 51.0% general partner interest in MPLX Pipe Line Holdings LP, the 100.0% owner of Marathon Pipe Line LLC and Ohio River Pipe Line LLC, which are the subsidiaries of MPC that own our pipeline systems and associated crude oil and product storage assets. When used in the present tense or prospectively, these terms refer to MPLX LP and its subsidiaries, including Pipe Line Holdings. References to our general partner refer to MPLX GP LLC. References to MPC refer collectively to Marathon Petroleum Corporation and its subsidiaries, other than us, our subsidiaries and our general partner. References to Pipe Line Holdings refer to MPLX Pipe Line Holdings LP. References to MPL and ORPL refer to Marathon Pipe Line LLC and Ohio River Pipe Line LLC, respectively. While we will only own a 51.0% indirect interest in MPL and ORPL through Pipe Line Holdings, we refer to the assets owned by MPL and ORPL as our assets. In addition, unless otherwise specifically noted, financial results and operating data are shown on a 100.0% basis and are not adjusted to reflect MPC s 49.0% limited partner interest in Pipe Line Holdings. We have provided definitions for some of the terms we use to describe our business and industry and other terms used in this prospectus in the Glossary of Terms beginning on page B-1 of this prospectus.

MPLX LP

OVERVIEW

We are a fee-based, growth-oriented limited partnership recently formed by Marathon Petroleum Corporation to own, operate, develop and acquire crude oil, refined product and other hydrocarbon-based product pipelines and other midstream assets. Our assets primarily consist of a 51.0% indirect interest in a network of common carrier crude oil and product pipeline systems and associated storage assets in the Midwest and Gulf Coast regions of the United States. We believe our network of petroleum pipelines is one of the largest in the United States, based on total annual volumes delivered. MPC has retained a 49.0% interest in our network of pipeline systems and associated storage assets; however, we control and operate these assets and refer to them throughout this prospectus as our pipeline systems and our assets. We also own a 100.0% interest in a butane cavern in Neal, West Virginia with approximately 1.0 million barrels of storage capacity. Our assets are integral to the success of MPC s operations.

We generate revenue primarily by charging tariffs for transporting crude oil, refined products and other hydrocarbon-based products through our pipelines and at our barge dock and fees for storing crude oil and products at our storage facilities. We are also the operator of additional crude oil and product pipelines owned by MPC and third parties for which we are paid operating fees. We do not take ownership of the crude oil or products that we transport and store for our customers, and we do not engage in the trading of any commodities.

Table of Contents

MPC historically has been the source of the substantial majority of our revenues. At the closing of this offering, we will enter into long-term, fee-based transportation and storage services agreements with MPC with minimum volume commitments, and MPC will continue to be the source of the substantial majority of our revenues for the foreseeable future. We believe these transportation and storage services agreements will promote stable and predictable cash flows.

MPC has stated that it intends for us to be the primary growth vehicle for its midstream business. Following the completion of this offering, MPC will continue to own a substantial portfolio of other midstream assets, including the remaining 49.0% indirect interest in our network of pipeline systems, our barge dock and our storage tanks. MPC will also retain a significant interest in us through its ownership of our general partner, a % limited partner interest in us and all of our incentive distribution rights. Given MPC s significant ownership interest in us following this offering and its stated intent to use us to grow its midstream business, we believe MPC will offer us the opportunity to purchase additional midstream assets that it owns, including additional interests in Pipe Line Holdings. We also may pursue acquisitions jointly with MPC. MPC is under no obligation, however, to offer to sell us additional assets or to pursue acquisitions jointly with us, and we are under no obligation to buy any such additional assets or pursue any such joint acquisitions. We also intend to grow our business by constructing new assets, increasing the utilization of, and revenue generated by, our existing assets and acquiring assets from third parties.

OUR ASSETS AND OPERATIONS

Our primary assets consist of:

Ø a 51.0% general partner interest in Pipe Line Holdings, a newly-formed entity that owns a 100.0% interest in MPL and ORPL, which in turn collectively own:

  a network of pipeline systems that includes approximately 962 miles of common carrier crude oil pipelines and approximately 1,819 miles of common carrier product pipelines extending across nine states. This network includes approximately 153 miles of common carrier crude oil and product pipelines that we operate under long-term leases with third parties;

  a barge dock located on the Mississippi River near Wood River, Illinois with approximately 80 mbpd of crude oil and product throughput capacity; and

  crude oil and product storage facilities, or tank farms, located in Patoka, Wood River and Martinsville, Illinois and Lebanon, Indiana.

Ø a 100.0% interest in a butane cavern located in Neal, West Virginia, which we refer to as our Neal butane cavern, with approximately 1.0 million barrels of storage capacity that serves MPC s Catlettsburg, Kentucky refinery.

As the sole general partner of Pipe Line Holdings, we will control all aspects of the management of Pipe Line Holdings, including its cash distribution policy. The only outstanding partnership interests in Pipe Line Holdings will be our 51.0% general partner interest and the 49.0% limited partner interest retained by MPC.

2

Table of Contents

The following table sets forth certain information regarding our crude oil pipeline systems, each of which will have an associated transportation services agreement with MPC:

Crude Oil Pipeline Systems

System name	Length (miles)	Capacity (mbpd)(1)	Associated MPC refinery
Patoka to Lima crude system(2)	302	290	Detroit, MI; Canton, OH
Catlettsburg and Robinson crude system	484	481	Robinson, IL; Catlettsburg, KY
Detroit crude system(2)	61	320	Detroit, MI
Wood River to Patoka crude system(3)	115	307	All Midwest refineries

(1) Capacity shown is 100.0% of the capacity of these pipeline systems on a light equivalent barrel basis. We own a 51.0% interest in these pipeline systems through Pipe Line Holdings.

(2) Includes approximately 16 miles of pipeline leased from a third party, plus approximately one mile of pipeline that is currently being constructed and is expected to become operational during the fourth quarter of 2012.

(3) Includes approximately 58 miles of pipeline leased from a third party.

The following table sets forth certain information regarding our product pipeline systems, each of which will have an associated transportation services agreement with MPC (other than our Louisville Airport products system, which currently transports only third-party volumes):

Product Pipeline Systems

System name	Length (miles)	Capacity (mbpd)(1)	Associated MPC refinery
Garyville products system	72	389	Garyville, LA
Texas City products system	42	215	Texas City, TX
Ohio River Pipe Line (ORPL) products system	518	242	Catlettsburg, KY; Canton, OH
Robinson products system(2)	1,173	545	Robinson, IL
Louisville Airport products system	14	29	Robinson, IL

(1) Capacity shown is 100.0% of the capacity of these pipeline systems. We own a 51.0% interest in these pipeline systems through Pipe Line Holdings.

(2) Includes approximately 79 miles of pipeline leased from a third party.

The following table sets forth certain information regarding our other midstream assets, each of which will have an associated transportation services agreement or storage services agreement with MPC:

Other Midstream Assets

System name	Capacity(1)	Associated MPC refineries
Wood River Barge Dock	80 mbpd	Garyville, LA
Neal Butane Cavern	1,000 mbbls	Catlettsburg, KY
Patoka Tank Farm	1,386 mbbls	All Midwest refineries
Wood River Tank Farm	419 mbbls	All Midwest refineries
Martinsville Tank Farm	738 mbbls	Detroit, MI; Canton, OH
Lebanon Tank Farm	750 mbbls	Detroit, MI; Canton, OH

(1) All capacity shown is for 100.0% of the available storage of our butane cavern and tank farms and 100.0% of the barge dock s average capacity. We own a 51.0% interest in our tank farms and our barge dock through Pipe Line Holdings. We own a 100.0% interest in our butane cavern.

Table of Contents

For the year ended December 31, 2011 and the six months ended June 30, 2012, on a pro forma basis, we had revenues and other income of approximately $346.7 million and $194.2 million, Adjusted EBITDA of approximately $118.5 million and $70.6 million and net income of approximately $89.0 million and $55.6 million, respectively. Excluding revenues attributable to volumes shipped by MPC under joint tariffs with third parties that were treated as third party revenues for accounting purposes, MPC accounted for approximately 80% and 81% of our pro forma revenues and other income for those periods, respectively. After excluding the 49.0% interest in Pipe Line Holdings retained by MPC, pro forma Adjusted EBITDA attributable to MPLX LP was approximately $60.3 million and $35.9 million and pro forma net income attributable to MPLX LP was approximately $45.3 million and $28.2 million for those same periods, respectively. Please read Selected Historical and Pro Forma Financial and Operating Data for the definition of the term Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our most directly comparable financial measures, calculated and presented in accordance with GAAP.

BUSINESS STRATEGIES

Our primary business objectives are to generate stable cash flows and increase our quarterly cash distribution per unit over time. We intend to accomplish these objectives by executing the following strategies:

- *Focus on Fee-Based Businesses.* We are focused on generating stable cash flows by providing fee-based midstream services to MPC and third parties. We also intend to mitigate volatility in cash flows by continuing to minimize our direct exposure to commodity price fluctuations.

- *Increase Revenue and Pursue Organic Growth Opportunities.* We intend to increase revenue on our network of pipeline systems by evaluating and capitalizing on organic investment opportunities that may arise from the growth of MPC s operations and from increased third-party activity in our areas of operations. We will evaluate organic growth projects within our geographic footprint, as well as in new areas, that provide attractive returns.

- *Grow Through Acquisitions.* We plan to pursue acquisitions of complementary assets from MPC as well as third parties. We believe MPC will offer us the opportunity to purchase additional midstream assets that it owns, including additional interests in Pipe Line Holdings. We also may pursue acquisitions jointly with MPC. Our third-party acquisition strategy will include midstream assets both within our existing geographic footprint and in new areas.

- *Maintain Safe and Reliable Operations.* We believe that providing safe, reliable and efficient services is a key component in generating stable cash flows, and we are committed to maintaining and improving the safety, reliability and efficiency of our operations.

COMPETITIVE STRENGTHS

We believe we are well positioned to execute our business strategies based on the following competitive strengths:

- *Strategic Relationship with MPC.* We have a strategic relationship with MPC, which we believe to be the fifth-largest petroleum products refiner in the United States and the largest petroleum products refiner in the Midwest region of the United States based on crude oil refining capacity. MPC is well-capitalized, with an investment grade credit rating, and will own our general partner, % of our limited partner interests and all of our incentive distribution rights. MPC will also continue to own other substantial midstream assets, including a 49.0% interest in Pipe Line Holdings. We believe that our relationship with MPC will provide us with significant growth opportunities, as well as a stable base of cash flows.

- Ø *Stable and Predictable Cash Flows.* Our assets primarily consist of common carrier pipeline systems that generate stable revenue from FERC-based tariffs. We will generate the substantial majority of our revenue under long-term, fee-based transportation and storage services agreements with MPC that include minimum volume commitments. We believe these agreements will enhance cash flow stability and predictability. On a pro forma basis, MPC s minimum volume commitment would have represented approximately 72% and 75% of our total revenues and other income for each of the year ended December 31, 2011 and the six months ended June 30, 2012, respectively, had those agreements been in effect during those periods. We also expect that, based on MPC s historical shipping patterns, MPC will ship volumes on our pipelines in excess of its minimum volume commitments.

- Ø *Strategically Located Assets.* Our assets are primarily located in the Midwest and Gulf Coast regions of the United States, which collectively comprised approximately 72% of total U.S. crude distillation capacity and approximately 48% of total U.S. finished products demand for the year ended December 31, 2011, according to the U.S. Energy Information Administration (EIA). MPC owns and operates six refineries in the Midwest and Gulf Coast regions that have an aggregate crude oil capacity of 1,193 mbpcd. Our assets are integral to the success of MPC s operations. Our assets are located near several emerging shale plays including the Marcellus, Utica, New Albany, Antrim and Illinois Basin in Pennsylvania, Ohio, Indiana, Michigan and Illinois. MPC is currently transporting crude oil and feedstocks from the Utica shale play and is actively evaluating similar growth opportunities in other emerging shale plays.

- Ø *High-Quality, Well-Maintained Asset Base.* We continually invest in the maintenance and integrity of our assets and have developed various programs to help us efficiently monitor and maintain them. For example, we utilize MPC s patented integrity management program that employs state-of-the-art mechanical integrity inspection and repair programs to enhance the safety of our pipelines.

- Ø *Financial Flexibility.* Upon completion of this offering, we expect to have in place a revolving credit facility with $500.0 million in available capacity. We also expect to retain a significant portion of the net proceeds from this offering to fund certain future capital expenditures related to our assets. We believe that we will have the financial flexibility to execute our growth strategy through our cash reserves, borrowing capacity under our revolving credit facility and access to the debt and equity capital markets.

- Ø *Experienced Management Team.* Our management team has substantial experience in the management and operation of pipelines, barge docks, storage facilities and other midstream assets. Our management team also has expertise in acquiring and integrating assets as well as executing growth strategies in the midstream sector. Our management team includes many of MPC s most senior officers, who average over 26 years of experience in the energy industry and over 25 years of operational experience with our assets.

OUR RELATIONSHIP WITH MARATHON PETROLEUM CORPORATION

One of our principal strengths is our relationship with MPC, which we believe to be the fifth-largest petroleum products refiner in the United States and the largest petroleum products refiner in the Midwest region of the United States based on crude oil refining capacity. MPC owns and operates six refineries and associated midstream transportation and logistics assets in PADD II and PADD III, which consist of states in the Midwest and Gulf Coast regions of the United States, along with an extensive wholesale and retail refined product marketing operation that serves markets primarily in the Midwest and Southeast regions of the United States. MPC markets refined products under the Marathon brand through an extensive network of jobber- and dealer-owned retail locations, and under the Speedway brand through its wholly owned subsidiary, Speedway LLC, which operates what we believe to be the nation s fourth-largest chain of company-owned and operated retail gasoline and convenience stores. For the year ended

Table of Contents

December 31, 2011 and the six months ended June 30, 2012, MPC had consolidated revenues of approximately $78.6 billion and $40.5 billion, respectively. Marathon Petroleum Corporation s common stock trades on the New York Stock Exchange (NYSE) under the symbol MPC.

MPC s operations necessitate large-scale movements of crude oil and feedstocks to and among its refineries, as well as large-scale movements of refined products from its refineries to various markets. To this end, MPC has an extensive, integrated network of midstream assets. Following the completion of this offering, MPC will continue to own or lease a substantial portfolio of midstream assets, including:

Ø a 49.0% interest in our network of pipeline systems, barge dock and tank farms through Pipe Line Holdings;

Ø over 5,000 miles of additional crude oil and product pipelines;

Ø three liquefied petroleum gas storage facilities in Woodhaven, Michigan; Canton, Ohio; and Neal, West Virginia with an aggregate capacity of over 2.1 million barrels;

Ø 62 owned and operated light product terminals with 182 transport loading racks;

Ø 21 owned and operated asphalt terminals with 79 transport loading racks;

Ø over 120 owned transport trucks;

Ø over 1,900 owned or leased rail cars; and

Ø one of the largest inland bulk liquid barge fleets in the United States, consisting of 15 towboats and 167 owned and 14 leased barges.

MPC will retain a significant interest in us through its ownership of our general partner, a % limited partner interest in us and all of our incentive distribution rights. We believe MPC will promote and support the successful execution of our business strategies given its significant ownership in us following this offering and its stated intention to use us to grow its midstream business. As a result, we believe MPC will offer us the opportunity to purchase additional assets from it, including additional interests in Pipe Line Holdings. We also may pursue acquisitions jointly with MPC. However, MPC is under no obligation to offer to sell us additional assets or to pursue acquisitions jointly with us, and we are under no obligation to buy any such additional assets or pursue any such joint acquisitions.

In connection with this offering, we will enter into long-term, fee-based transportation and storage services agreements with MPC. We refer to those agreements in this prospectus as our transportation and storage services agreements. Under these agreements, we will provide transportation and storage services to MPC, and MPC will commit to provide us with minimum quarterly throughput and storage volumes of crude oil and products and minimum storage volumes of butane.

In addition to our transportation and storage services agreements with MPC, we will also enter into an omnibus agreement, two management services agreements and two employee service agreements with MPC in connection with this offering. The omnibus agreement will address our reimbursement of MPC for the provision of certain general and administrative services and MPC s indemnification of us for certain matters, including environmental, title and tax matters. Under our management services agreements with MPC, MPC will pay us fixed monthly fees for providing certain management services to MPC with respect to certain of MPC s retained pipeline assets. Under our employee services agreements with MPC, we will reimburse MPC for the provision of certain operational and management services to us in support of our assets. While not the result of arm s-length negotiations, we believe the terms of all of our initial agreements with MPC will be, and specifically intend the rates to be, generally no less

6

favorable to either party than those that could have been negotiated with unaffiliated parties with respect to similar services. Please read Certain Relationships and Related Party Transactions Agreements Governing the Transactions.

While our relationship with MPC and its subsidiaries is a significant strength, it is also a source of potential conflicts. Please read Conflicts of Interest and Duties and Risk Factors Risks Inherent in an Investment in Us Our general partner and its affiliates, including MPC, have conflicts of interest with us and limited duties to us and our unitholders, and they may favor their own interests to our detriment and that of our unitholders. Additionally, we have no control over MPC s business decisions and operations, and MPC is under no obligation to adopt a business strategy that favors us.

OUR TRANSPORTATION AND STORAGE SERVICES AGREEMENTS WITH MPC

Our assets are strategically located within, and integral to, MPC s operations. In connection with this offering, we will enter into long-term, fee-based transportation and storage services agreements with MPC, which will include the following:

- three separate 10-year transportation services agreements and one five-year transportation services agreement under which MPC will pay us fees for transporting crude oil on each of our crude oil pipeline systems;
- four separate 10-year transportation services agreements under which MPC will pay us fees for transporting products on each of our product pipeline systems;
- a five-year transportation services agreement under which MPC will pay us fees for handling crude oil and products at our Wood River barge dock;
- a 10-year storage services agreement under which MPC will pay us fees for providing storage services at our Neal butane cavern; and
- four separate three-year storage services agreements under which MPC will pay us fees for providing storage services at our tank farms.

Under the transportation services agreements for our pipeline systems and barge dock, we may annually adjust the tariff rates paid by MPC. Each of the transportation services agreements for our crude oil and product pipeline systems (other than our Wood River to Patoka crude system) will automatically renew for up to two additional five-year terms unless terminated by either party no later than six months prior to the end of the term. The transportation services agreement for our Wood River to Patoka crude system and our Wood River barge dock will automatically renew for up to four additional two-year terms unless terminated by either party no later than six months prior to the end of the term. Our butane cavern storage services agreement will not automatically renew after the end of its 10-year term. Each of the storage services agreements for our tank farms will automatically renew for additional one-year terms unless terminated by either party no later than six months prior to the end of the term.

For the year ended December 31, 2011 and the six months ended June 30, 2012, on a pro forma basis, approximately 72% and 75% of our total revenues and other income, respectively, was attributable to MPC s minimum volume commitments under these agreements.

For additional information about our transportation and storage services agreements with MPC, please read Management s Discussion and Analysis of Financial Condition and Results of Operations How We Generate Revenue and Business Our Transportation and Storage Services Agreements with MPC.

Table of Contents

OUR EMERGING GROWTH COMPANY STATUS

As a company with less than $1.0 billion in revenue during its last fiscal year, we qualify as an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012 (the JOBS Act), and we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and reduced disclosure obligations regarding executive compensation in our periodic and annual reports. We intend to take advantage of some of the reduced disclosure obligations regarding executive compensation.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We will opt out of such extended transition period and will be required to comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. The JOBS Act provides that any decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

We could remain an emerging growth company for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1.0 billion, (ii) the date that we become a large accelerated filer as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of our common units that are held by non-affiliates exceeds $700.0 million as of the last business day of our most recently completed second fiscal quarter, and (iii) the date on which we have issued more than $1.0 billion in non-convertible debt during the preceding three-year period.

RISK FACTORS

An investment in our common units involves risks associated with our business, our partnership structure and the tax characteristics of our common units. You should carefully consider the risks described in Risk Factors and the other information in this prospectus before investing in our common units.

THE TRANSACTIONS

We were formed in March 2012 by MPC to own, operate, develop and acquire crude oil, refined products and other hydrocarbon-based product pipelines and other midstream assets.

In connection with this offering the following transactions will occur:

Ø MPC will convey 100.0% of the ownership interests in MPL and ORPL to Pipe Line Holdings, a recently-formed wholly owned subsidiary of MPC;

Ø MPC will sell a 100.0% interest in MPC s butane cavern in Neal, West Virginia to MPLX Terminal and Storage, a recently-formed wholly owned subsidiary of MPC;

Ø MPC will contribute a 51.0% general partner interest in Pipe Line Holdings to MPLX Operations LLC, our recently-formed wholly owned subsidiary, and will retain a 49.0% limited partner interest in Pipe Line Holdings;

- Ø MPC will contribute 100.0% of the member interests in MPLX Terminal and Storage to MPLX Operations LLC;
- Ø MPC will retain most of the proceeds from certain loans receivable from a related party under our Predecessor s cash management agreements with such related party that will be terminated prior to the closing of this offering;
- Ø we will establish an account receivable or account payable with MPC to balance contributed working capital;
- Ø we will issue common units and subordinated units to MPC, representing an aggregate % limited partner interest in us, and general partner units, representing a 2.0% general partner interest in us, and all of our incentive distribution rights to our general partner;
- Ø we will issue common units to the public in this offering, representing a % limited partner interest in us, and will apply the net proceeds as described in Use of Proceeds ;
- Ø we will enter into a new $500.0 million revolving credit facility;
- Ø we will enter into multiple long-term transportation and storage services agreements and two management services agreements with MPC;
- Ø we will enter into two employee services agreements with MPC and certain of its affiliates; and
- Ø we will enter into an omnibus agreement with MPC and certain of its affiliates, including our general partner.

Table of Contents

ORGANIZATIONAL STRUCTURE AFTER THE TRANSACTIONS

After giving effect to the transactions described above, our units will be held as follows:

Public common units	%
MPC common units	%
MPC subordinated units	49.0%
General partner units	2.0%
Total	100.0%

The following simplified diagram depicts our organizational structure after giving effect to the transactions described above.

Table of Contents

MANAGEMENT OF MPLX LP

We are managed and operated by the board of directors and executive officers of MPLX GP LLC, our general partner. MPC is the sole owner of our general partner and has the right to appoint the entire board of directors of our general partner, including the independent directors appointed in accordance with the listing standards of the NYSE. Unlike shareholders in a publicly traded corporation, our unitholders will not be entitled to elect our general partner or the board of directors of our general partner. Many of the executive officers and directors of our general partner also currently serve as executive officers and directors of MPC. For more information about the directors and executive officers of our general partner, please read Management Directors and Executive Officers of MPLX GP LLC.

In order to maintain operational flexibility, our operations will be conducted through, and our operating assets will be owned by, various operating subsidiaries. However, neither we nor our subsidiaries have any employees. Our general partner has the sole responsibility for providing the personnel necessary to conduct our operations, whether through directly hiring employees or by obtaining the services of personnel employed by MPC or others. All of the personnel that will conduct our business immediately following the closing of this offering will be employed or contracted by our general partner and its affiliates, including MPC, but we sometimes refer to these individuals in this prospectus as our employees.

PRINCIPAL EXECUTIVE OFFICES AND INTERNET ADDRESS

Our principal executive offices are located at 200 E. Hardin Street, Findlay, Ohio 45840, and our telephone number is (419) 672-6500. Following the completion of this offering, our website will be located at www.   .com. We expect to make our periodic reports and other information filed with or furnished to the Securities and Exchange Commission (SEC) available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

SUMMARY OF CONFLICTS OF INTEREST AND DUTIES

Under our partnership agreement, our general partner has a duty to manage us in a manner it believes is not adverse to the best interests of our partnership. However, because our general partner is a wholly owned subsidiary of MPC, the officers and directors of our general partner have a duty to manage the business of our general partner in a manner that is not adverse to the best interests of MPC. As a result of this relationship, conflicts of interest may arise in the future between us and our unitholders, on the one hand, and our general partner and its affiliates, including MPC, on the other hand. For example, our general partner will be entitled to make determinations that affect the amount of cash distributions we make to the holders of common units, which in turn has an effect on whether our general partner receives incentive cash distributions. In addition, our general partner may determine to manage our business in a way that directly benefits MPC s refining or marketing businesses, whether by causing us not to seek higher tariff rates or not to connect our pipelines with those of other third parties or otherwise, rather than indirectly benefitting MPC solely through its ownership interests in us. For a more detailed description of the conflicts of interest and fiduciary duties of our general partner, please read Conflicts of Interest and Duties.

Delaware law provides that Delaware limited partnerships may, in their partnership agreements, expand, restrict or eliminate the fiduciary duties owed by the general partner to limited partners and the partnership. Our partnership agreement contains various provisions replacing the fiduciary duties that would otherwise be owed by our general partner with contractual standards governing the duties of the general partner and contractual methods of resolving conflicts of interest. The effect of these provisions is to restrict the remedies available to unitholders for actions that might otherwise constitute breaches of our general partner s fiduciary duties. Our partnership agreement also provides that affiliates of our general partner, including MPC and its other subsidiaries, are not restricted from competing with us, and neither our general partner nor its affiliates have any obligation to present business opportunities to us. By purchasing a common unit, the purchaser agrees to be bound by the terms of our partnership agreement, and pursuant to the terms of our partnership agreement each holder of common units consents to various actions and potential conflicts of interest contemplated in our partnership agreement that might otherwise be considered a breach of fiduciary or other duties under Delaware law. Please read Conflicts of Interest and Duties Duties of the General Partner for a description of the fiduciary duties imposed on our general partner by Delaware law, the replacement of those duties with contractual standards under our partnership agreement and certain legal rights and remedies available to holders of our common units and subordinated units. For a description of our other relationships with our affiliates, please read Certain Relationships and Related Party Transactions.

Table of Contents

The offering

Common units offered to the public	common units. common units if the underwriters exercise in full their option to purchase additional common units from us.
Units outstanding after this offering	common units and subordinated units, each representing a 49.0% limited partner interest in us.
Use of proceeds	We expect to receive net proceeds of approximately $ million from the sale of common units offered by this prospectus based on the initial public offering price of $ per common unit (the mid-point of the price range set forth on the cover of this prospectus), after deducting underwriting discounts, structuring fees and estimated offering expenses. We intend to use the net proceeds as follows: Ø approximately $219.4 million will be contributed to Pipe Line Holdings, which Pipe Line Holdings will retain on behalf of us and MPC to fund our respective pro rata portions of certain estimated expansion capital expenditures; Ø $ million will be distributed to MPC in partial consideration of its contribution of assets to us and to reimburse MPC for certain capital expenditures it incurred with respect to these assets; Ø $10.0 million will be retained for general partnership purposes, including to fund our working capital needs; and Ø $ million will be used to pay revolving credit facility origination fees. In connection with this offering, we will enter into a $500.0 million revolving credit facility. The net proceeds from any exercise by the underwriters of their option to purchase additional common units from us will be used to redeem from MPC a number of common units equal to the number of common units issued upon exercise of the option at a price per common unit equal to the net proceeds per common unit in this offering before expenses but after deducting underwriting discounts and the structuring fee.

[Table of Contents](#)

Cash distributions

We intend to make a minimum quarterly distribution of $ per unit to the extent we have sufficient cash from operations after establishment of cash reserves and payment of fees and expenses, including payments to our general partner.

For the quarter in which this offering closes, we will pay a prorated distribution on our units covering the period from the completion of this offering through December 31, 2012, based on the actual length of that period.

In general, we will pay any cash distributions we make each quarter in the following manner:

- first, 98.0% to the holders of common units and 2.0% to our general partner, until each common unit has received a minimum quarterly distribution of $ plus any arrearages from prior quarters;
- second, 98.0% to the holders of subordinated units and 2.0% to our general partner, until each subordinated unit has received a minimum quarterly distribution of $; and
- third, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until each unit has received a distribution of $.

If cash distributions to our unitholders exceed $ per unit in any quarter, our general partner will receive, in addition to distributions on its 2.0% general partner interest, increasing percentages, up to 48.0%, of the cash we distribute in excess of that amount. We refer to these distributions as incentive distributions. In certain circumstances, our general partner, as the initial holder of our incentive distribution rights, has the right to reset the target distribution levels described above to higher levels based on our cash distributions at the time of the exercise of this reset election. Please read Provisions of our Partnership Agreement Relating to Cash Distributions.

If we do not generate sufficient available cash from operations, we may, but are under no obligation to, borrow funds to pay the minimum quarterly distribution to our unitholders.

Pro forma cash available for distribution attributable to us that was generated during the year ended December 31, 2011 and the twelve months ended June 30, 2012 was approximately $50.3 million and $55.5 million, respectively. The amount of available cash we need to pay the minimum quarterly distribution for four quarters on our common units and subordinated units to be outstanding immediately after this offering and the corresponding distributions on our general partner s 2.0% interest is approximately $ million (or an average of approximately $ million per quarter). As a result, for the year ended December 31, 2011 and the twelve months ended June 30, 2012, on a pro forma basis, we would not have generated available cash sufficient to pay the aggregate annualized minimum quarterly distribution on all of our common units and subordinated units and the corresponding distributions on our general partner s 2.0% interest during those periods. Specifically, on a pro forma basis, we would have experienced an average shortfall of approximately $ million in each of the four quarters in the twelve months ended June 30, 2012 relative to the aggregate minimum quarterly distribution for each of those quarters. Please read Cash Distribution Policy and Restrictions on Distributions Unaudited Pro Forma Cash Available for Distribution for the Year Ended December 31, 2011 and the Twelve Months Ended June 30, 2012.

We believe, based on our financial forecast and related assumptions included in Cash Distribution Policy and Restrictions on Distributions Estimated Cash Available for Distribution for the Twelve Months Ending December 31, 2013 that we will have sufficient available cash to pay the aggregate minimum quarterly distribution of $ million on all of our common units and subordinated units and the corresponding distributions on our general partner s 2.0% interest for the twelve months ending December 31, 2013. However, we do not have a legal obligation to pay distributions at our minimum quarterly distribution rate or at any other rate except as provided in our partnership agreement, and there is no guarantee that we will make quarterly cash distributions to our unitholders. Please read Cash Distribution Policy and Restrictions on Distributions.

Subordinated units	MPC will initially own all of our subordinated units. The principal difference between our common units and subordinated units is that for any quarter during the subordination period, the subordinated units will not be entitled to receive any distribution until the common units have received the minimum quarterly distribution for such quarter plus any arrearages in the payment of the minimum quarterly distribution from prior quarters during the subordination period. Subordinated units will not accrue arrearages.
Conversion of subordinated units	The subordination period will end on the first business day after we have earned and paid at least (1) $ (the minimum quarterly distribution on an annualized basis) on each outstanding common unit and subordinated unit and the corresponding distributions on our general partner s 2.0% interest for each of three consecutive, non-overlapping four quarter periods ending on or after , 2015 or (2) $ (150.0% of the annualized minimum quarterly distribution) on each outstanding common unit and subordinated unit and the corresponding distributions on our general partner s 2.0% interest and the incentive distribution rights for the four-quarter period immediately preceding that date, in each case provided there are no arrearages on our common units at that time.
	The subordination period also will end upon the removal of our general partner other than for cause if no subordinated units or common units held by the holders of subordinated units or their affiliates are voted in favor of that removal.
	When the subordination period ends, all subordinated units will convert into common units on a one-for-one basis, and all common units will no longer be entitled to arrearages. Please read Provisions of our Partnership Agreement Relating to Cash Distributions Subordinated Units and Subordination Period.
Issuance of additional units	Our partnership agreement authorizes us to issue an unlimited number of additional units without the approval of our unitholders. Our unitholders will not have preemptive or participation rights to purchase their pro rata share of any additional units issued. Please read Units Eligible for Future Sale and Our Partnership Agreement Issuance of Additional Securities.

Table of Contents

Limited voting rights	Our general partner will manage and operate us. Unlike the holders of common stock in a corporation, our unitholders will have only limited voting rights on matters affecting our business. Our unitholders will have no right to elect our general partner or its directors on an annual or other continuing basis. Our general partner may not be removed except by a vote of the holders of at least 66 $^2/_3$% of the outstanding units, including any units owned by our general partner and its affiliates, voting together as a single class. Upon consummation of this offering, MPC will own an aggregate of % of our common and subordinated units (or % of our common and subordinated units, if the underwriters exercise their option to purchase additional common units in full). This will give MPC the ability to prevent the removal of our general partner. Please read Our Partnership Agreement Voting Rights.
Limited call right	If at any time our general partner and its affiliates own more than 80.0% of the outstanding common units, our general partner has the right, but not the obligation, to purchase all of the remaining common units at a price equal to the greater of (1) the average of the daily closing price of our common units over the 20 trading days preceding the date that is three days before notice of exercise of the call right is first mailed and (2) the highest per-unit price paid by our general partner or any of its affiliates for common units during the 90-day period preceding the date such notice is first mailed. Please read Our Partnership Agreement Limited Call Right.
Redemption of ineligible holders	Units held by persons who our general partner determines are not citizenship eligible holders or rate eligible holders will be subject to redemption. Citizenship eligible holders are individuals or entities whose nationality, citizenship or other related status does not create a substantial risk of cancellation or forfeiture of any property, including any governmental permit, endorsement or other authorization, in which we have an interest, and will generally include individuals and entities who are U.S. citizens. Rate eligible holders are: Ø individuals or entities subject to U.S. federal income taxation on the income generated by us; or

	Ø entities not subject to U.S. federal income taxation on the income generated by us, so long as all of the entity s owners are domestic individuals or entities subject to such taxation.
	We will have the right, which we may assign to any of our affiliates, but not the obligation, to redeem all of the common units of any holder that is not a citizenship eligible holder or a rate eligible holder or that has failed to certify or has falsely certified that such holder is a citizenship eligible holder or a rate eligible holder. The redemption price will be equal to the market price of the common units as of the date three days before the date the notice of redemption is mailed. The redemption price will be paid in cash or by delivery of a promissory note, as determined by our general partner. The units held by any person the general partner determines is not a citizenship eligible holder will not be entitled to voting rights.
	Please read Our Partnership Agreement Redemption of Ineligible Holders.
Estimated ratio of taxable income to distributions	We estimate that if you own the common units you purchase in this offering through the record date for distributions for the period ending December 31, 2015, you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be % or less of the cash distributed to you with respect to that period. For example, if you receive an annual distribution of $ per unit, we estimate that your average allocable federal taxable income per year will be no more than approximately $ per unit. Thereafter, the ratio of allocable taxable income to cash distributions to you could substantially increase. Please read Material Federal Income Tax Consequences Tax Consequences of Unit Ownership Ratio of Taxable Income to Distributions for the basis of this estimate.
Material federal income tax consequences	For a discussion of the material federal income tax consequences that may be relevant to prospective unitholders who are individual citizens or residents of the United States, please read Material Federal Income Tax Consequences.

Table of Contents

Directed Unit Program	At our request, the underwriters have reserved for sale up to 5.0% of the common units being offered by this prospectus for sale at the initial public offering price to the directors and executive officers of our general partner and MPC and certain other employees and consultants of MPC and its affiliates. We do not know if these persons will choose to purchase all or any portion of these reserved common units, but any purchases they do make will reduce the number of common units available to the general public. Please read Underwriting Directed Unit Program.
Exchange listing	We have applied to list our common units on the New York Stock Exchange under the symbol MPLX.

Table of Contents

Summary historical and pro forma financial and operating data

The following table shows summary historical combined financial and operating data of MPLX LP Predecessor, our Predecessor for accounting purposes (our Predecessor), as of the date and for the periods indicated and summary pro forma combined financial and operating data of MPLX LP as of the date and for the periods indicated. Our Predecessor consists of a 100.0% interest in all of the assets and operations of MPL and ORPL that MPC will contribute to us at the closing of this offering, as well as minority undivided interests in two crude oil pipeline systems, which we refer to as the joint interest assets, that will not be contributed to us. In connection with the closing of this offering, MPC will transfer the joint interest assets from our Predecessor to other MPC subsidiaries and then contribute to us a 51.0% indirect ownership interest in Pipe Line Holdings, which owns our Predecessor s assets and operations (other than the joint interest assets), and a 100.0% indirect ownership in our butane cavern. However, as required by United States generally accepted accounting principles (GAAP), we will continue to consolidate 100.0% of the assets and operations of Pipe Line Holdings in our financial statements. In addition we will record the contribution at historical cost, as it will be considered a reorganization of entities under common control.

The summary historical combined financial and operating data of our Predecessor as of and for the years ended December 31, 2009, 2010 and 2011 are derived from the audited combined financial data of our Predecessor appearing elsewhere in this prospectus. The summary historical interim combined financial data of our Predecessor as of and for the six months ended June 30, 2011 and 2012 are derived from the unaudited interim combined financial statements of our Predecessor appearing elsewhere in this prospectus. The following table should be read together with, and is qualified in its entirety by reference to, the historical audited and unaudited interim combined financial statements and the accompanying notes included elsewhere in this prospectus. The following table should also be read together with Management s Discussion and Analysis of Financial Condition and Results of Operations.

The summary pro forma combined financial data presented in the following table for the year ended December 31, 2011 and as of and for the six months ended June 30, 2012 are derived from the unaudited pro forma combined financial data included elsewhere in this prospectus. The pro forma balance sheet assumes that the offering and the related transactions occurred as of June 30, 2012, and the pro forma statements of income for the year ended December 31, 2011 and the six months ended June 30, 2012 assume that the offering and the related transactions occurred as of January 1, 2011. These transactions primarily include, and the pro forma financial data give effect to, the following:

Ø MPC s transfer of the joint interest assets from our Predecessor to other MPC subsidiaries;

Ø our Predecessor s collection of loans receivable from MPC Investment Fund, Inc. (MPCIF), a wholly owned subsidiary of MPC, under our Predecessor s cash management agreements with MPCIF, the distribution to MPC of most of those proceeds and the termination of the cash management agreements prior to the closing of this offering;

Ø our establishment of an account payable to MPC to balance contributed working capital;

Ø MPC s contribution to us of a 51.0% indirect ownership interest in Pipe Line Holdings, which owns our Predecessor s assets and operations (other than the joint interest assets), and a 100.0% interest in the Neal butane cavern. As our butane cavern was not in service during any period presented, the pro forma periods reflect only minimal expenses and no revenues associated with our butane cavern;

Ø our entry into a new $500.0 million revolving credit facility, which we have assumed was not drawn during the pro forma periods presented, and the amortization of the origination fees associated with the facility;

Table of Contents

- our execution of multiple long-term transportation, storage and management services agreements with MPC and recognition of revenues and other income under those agreements that were not recognized by our Predecessor;

- our entry into an omnibus agreement and employee services agreements with MPC;

- the consummation of this offering and our issuance of common units to the public, general partner units and the incentive distribution rights to our general partner and common units and subordinated units to MPC; and

- the application of the net proceeds of this offering as described in Use of Proceeds.

The pro forma financial data does not give effect to an estimated $3.4 million in incremental general and administrative expenses that we expect to incur annually as a result of being a separate publicly-traded partnership.

	MPLX LP Predecessor Historical					MPLX LP Pro Forma	
	Year ended December 31,			Six months ended June 30,		Six months ended June 30,	Year ended December 31,
(In millions)	2011	2010	2009	2012	2011	2012	2011
				(unaudited)		(unaudited)	
Combined statements of income data:							
Sales and other operating revenues	$ 62.1	$ 49.7	$ 43.3	$ 33.9	$ 28.6	$ 33.9	$ 62.1
Sales to related parties	334.8	346.2	331.4	169.2	164.3	150.7	270.5
Gain (loss) on sale of assets			0.2	(0.3)		(0.3)	
Other income	4.3	0.4	1.3	3.3	0.4	3.2	4.0
Other income related parties	9.4	8.0	7.3	6.4	3.9	6.7	10.1
Total revenues and other income	410.6	404.3	383.5	212.5	197.2	194.2	346.7
Total costs and expenses	278.6	300.9	260.9	148.1	128.9	138.6	257.5
Income from operations	$ 132.0	$ 103.4	$ 122.6	$ 64.4	$ 68.3	$ 55.6	$ 89.2
Net income	$ 134.0	$ 103.3	$ 122.3	$ 65.0	$ 70.0	$ 55.6	$ 89.0
Net income attributable to MPLX LP						$ 28.2	$ 45.3
Combined balance sheets data (at period end):							
Property, plant and equipment, net	$ 866.8	$ 847.8	$ 890.8	$ 914.3	$ 841.3	$ 844.0	
Total assets	1,303.1	1,118.0	1,068.8	1,501.6	1,296.5	1,244.4	
Long-term debt(1)	11.9	12.5	13.1	11.6	12.3	11.6	
Combined statements of cash flows data:							
Net cash provided by (used in):							
Operating activities	$ 181.9	$ 117.3	$ 145.1	$ 94.9	$ 87.7		
Investing activities	(218.7)	(64.6)	(57.5)	(225.2)	(199.5)		
Financing activities	36.7	(53.0)	(88.3)	130.8	112.0		
Additions to property, plant and equipment(2)	(49.8)	(13.7)	(57.7)	(54.8)	(11.3)		
Other financial data:							
Adjusted EBITDA(3)	$ 168.3	$ 156.0	$ 155.4	$ 82.8	$ 86.0	$ 70.6	$ 118.5
Adjusted EBITDA attributable to MPLX LP(4)						$ 35.9	$ 60.3

Table of Contents

(1) Consists of capital lease obligations, including amounts due within one year.
(2) Represents cash capital expenditures as reflected on combined statements of cash flows for the periods indicated, which are included in cash used in investing activities.
(3) For a discussion of the non-GAAP financial measure of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our most directly comparable measures calculated and presented in accordance with GAAP, please read Selected Historical and Pro Forma Financial and Operating Data Non-GAAP Financial Measure.
(4) Represents Adjusted EBITDA attributable to our 51.0% indirect ownership interest in Pipe Line Holdings, less 100.0% of certain overhead expenses attributable to our butane cavern. As our butane cavern was not in service during any period presented, the pro forma periods reflect only minimal expenses and no revenues associated with our butane cavern.

	MPLX LP Predecessor Historical					MPLX LP Pro Forma	
	Year ended December 31,			Six months ended June 30,		Six months ended June 30,	Year ended December 31,
	2011	2010	2009	2012	2011	2012	2011
Operating information(1):							
Pipeline throughput (mbpd)							
Crude oil pipelines(2)	1,184	1,204	1,113	1,157	1,197	1,026	993
Product pipelines	1,031	968	953	935	994	935	1,031
Total	2,215	2,172	2,066	2,092	2,191	1,961	2,024
Crude oil pipelines (light equivalent barrels)(2)(3)	1,232	1,276	1,157	1,194	1,261	1,062	1,041
Average tariff rates ($ per barrel)(4)							
Crude oil pipelines(2)	$ 0.48	$ 0.49	$ 0.48	$ 0.53	$ 0.48	$ 0.48	$ 0.40
Product pipelines	0.46	0.46	0.45	0.48	0.45	0.50	0.44
Total pipelines	0.47	0.48	0.46	0.51	0.46	0.49	0.42

(1) Operating information relating to the joint interest assets is included in the MPLX LP Predecessor historical periods and excluded in the MPLX LP pro forma periods presented.
(2) For all periods presented, excludes volumes transported on the St. James, LA to Garyville, LA crude oil pipeline system that was transferred from common carrier to private service on October 1, 2009.
(3) For description of the differences between physical barrels of crude oil and light equivalent barrels of crude oil, please read footnote 2 to the table Crude Oil Volumes Transported in Business Our Assets and Operations.
(4) Average tariffs calculated using actual revenues divided by physical barrels.

22

Table of Contents

Risk factors

Investing in our common units involves a high degree of risk. You should carefully consider the risks described below with all of the other information included in this prospectus before deciding to invest in our common units. Limited partner interests are inherently different from the capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business. If any of the following risks actually occur, they may materially harm our business and our financial condition and results of operations. In this event, we might not be able to pay distributions on our common units, the trading price of our common units could decline, and you could lose part or all of your investment.

RISKS RELATED TO OUR BUSINESS

MPC accounts for the substantial majority of our revenues. If MPC changes its business strategy, is unable to satisfy its obligations under our transportation and storage services agreements or significantly reduces the volumes transported through our pipelines or stored at our storage assets, our revenues would decline and our financial condition, results of operations, cash flows, and ability to make distributions to our unitholders would be materially adversely affected.

For the year ended December 31, 2011, excluding revenues attributable to volumes shipped by MPC under joint tariffs with third parties that were treated as third party revenues for accounting purposes, MPC accounted for approximately 80% of our pro forma revenues and other income. As we expect to continue to derive the substantial majority of our revenues from MPC for the foreseeable future, any event, whether in our areas of operation or elsewhere, that materially and adversely affects MPC s financial condition, results of operations or cash flows may adversely affect our ability to sustain or increase cash distributions to our unitholders. Accordingly, we are indirectly subject to the operational and business risks of MPC, the most significant of which include the following:

- Ø the timing and extent of changes in commodity prices and demand for MPC s products, and the availability and costs of crude oil and other refinery feedstocks;

- Ø the effects of the global economic downturn on MPC s business and the business of its suppliers, customers, business partners and lenders;

- Ø the risk of contract cancellation, non-renewal or failure to perform by MPC s customers, and MPC s inability to replace such contracts and/or customers;

- Ø disruptions due to equipment interruption or failure at MPC s facilities or at third-party facilities on which MPC s business is dependent, including electrical shortages and power grid failures;

- Ø any decision by MPC to temporarily or permanently curtail or shut down operations at one or more of its refineries or other facilities and reduce or terminate its obligations under our transportation and storage services agreements;

- Ø MPC s ability to remain in compliance with the terms of its outstanding indebtedness;

- changes in the cost or availability of third-party pipelines, terminals and other means of delivering and transporting crude oil, feedstocks, refined products and other hydrocarbon-based products, including the construction or modification of new pipelines that would allow MPC to reduce or terminate its obligation under certain of our transportation services agreements;

Risk factors

- state and federal environmental, economic, health and safety, energy and other policies and regulations, and any changes in those policies and regulations;

- environmental incidents and violations and related remediation costs, fines and other liabilities;

- operational hazards and other incidents at MPC s refineries and other facilities, such as explosions and fires, that result in temporary or permanent shut downs of those refineries and facilities;

- changes in crude oil and product inventory levels and carrying costs; and

- disruptions due to hurricanes, tornadoes or other forces of nature.

Additionally, MPC continually considers opportunities presented by third parties with respect to its assets. These opportunities may include offers to purchase and joint venture propositions. MPC may also change its operations by constructing new facilities, suspending or reducing certain operations, modifying or closing facilities or terminating operations. Changes may be considered to meet market demands, to satisfy regulatory requirements or environmental and safety objectives, to improve operational efficiency or for other reasons. MPC actively manages its assets and operations, and, therefore, changes of some nature, possibly material to its business relationship with us, are likely to occur at some point in the future.

We have no control over MPC, our largest source of revenue and our primary customer, and MPC may elect to pursue a business strategy that does not favor us and our business. Please read Risks Inherent in an Investment in Us Our general partner and its affiliates, including MPC, have conflicts of interest with us and limited duties to us and our unitholders, and they may favor their own interests to our detriment and that of our unitholders. Additionally, we have no control over MPC s business decisions and operations, and MPC is under no obligation to adopt a business strategy that favors us.

We may not have sufficient cash from operations following the establishment of cash reserves and payment of fees and expenses, including cost reimbursements to our general partner and its affiliates, to enable us to pay the minimum quarterly distribution to our unitholders.

In order to pay the minimum quarterly distribution of $ per unit per quarter, or $ per unit on an annualized basis, we will require available cash of approximately $ per quarter, or approximately $ per year, based on the number of common units and subordinated units and the general partner interest to be outstanding immediately after completion of this offering. We may not have sufficient available cash from operating surplus each quarter to enable us to pay the minimum quarterly distribution. The amount of cash we can distribute on our units principally depends upon the amount of cash we generate from our operations, which will fluctuate from quarter to quarter based on, among other things:

- the volume of crude oil, refined products and other hydrocarbon-based products we transport;

- the tariff rates with respect to volumes that we transport; and

- prevailing economic conditions.

In addition, the actual amount of cash we will have available for distribution will also depend on other factors, some of which are beyond our control, including:

- the amount of our operating expenses and general and administrative expenses, including reimbursements to MPC in respect of those expenses;

Table of Contents

Risk factors

- the application by MPC of any remaining credit amounts to any volumes shipped on our pipeline systems after the expiration or termination of our transportation services agreements;
- the level of capital expenditures we make;
- the cost of acquisitions, if any;
- our debt service requirements and other liabilities;
- fluctuations in our working capital needs;
- our ability to borrow funds and access capital markets;
- restrictions contained in our revolving credit facility and other debt service requirements;
- the amount of cash reserves established by our general partner; and
- other business risks affecting our cash levels.

On a pro forma basis we would not have generated available cash sufficient to pay the aggregate annualized minimum quarterly distributions on all of our units for the year ended December 31, 2011 or the twelve months ended June 30, 2012.

The amount of pro forma available cash generated during the year ended December 31, 2011 and the twelve months ended June 30, 2012 would have been insufficient to allow us to pay the aggregate annualized minimum quarterly distributions on all of our common units and subordinated units and the corresponding distributions on our general partner s 2.0% interest during those periods. Specifically, on a pro forma basis, we would have experienced an average shortfall of approximately $ million in each of the four quarters in the twelve months ended June 30, 2012 relative to the aggregate minimum quarterly distribution for each of those quarters. For a calculation of our ability to make cash distributions based on our pro forma results for the year ended December 31, 2011 and the twelve months ended June 30, 2012, please read Cash Distribution Policy and Restrictions on Distributions.

The assumptions underlying the forecast of cash available for distribution that we include in Cash Distribution Policy and Restrictions on Distributions are inherently uncertain and subject to significant business, economic, financial, regulatory and competitive risks that could cause our actual cash available for distribution to differ materially from our forecast.

The forecast of cash available for distribution set forth in Cash Distribution Policy and Restrictions on Distributions includes our forecast of our results of operations, Adjusted EBITDA and cash available for distribution for the twelve months ending December 31, 2013. Our ability to pay the full minimum quarterly distribution in the forecast period is based on a number of assumptions that may not prove to be correct and that are discussed in Cash Distribution Policy and Restrictions on Distributions. Our financial forecast has been prepared by management, and we have neither received nor requested an opinion or report on it from our or any other independent auditor. The assumptions underlying the forecast are inherently uncertain and are subject to significant business, economic, regulatory and competitive risks, including those discussed in this prospectus, which could cause our Adjusted EBITDA to be materially less than the amount forecasted. If we do not generate the forecasted Adjusted EBITDA, we may not be able to make the minimum quarterly distribution or pay any amount on our common units or subordinated units, and the market price of our common units may decline materially.

Table of Contents

Risk factors

MPC may suspend, reduce or terminate its obligations under our transportation and storage services agreements in some circumstances, which would have a material adverse effect on our financial condition, results of operations, cash flows and ability to make distributions to our unitholders.

Our transportation and storage services agreements with MPC include provisions that permit MPC to suspend, reduce or terminate its obligations under the applicable agreement if certain events occur. These events include MPC being prevented from transporting its full minimum volume commitment because of capacity constraints on our pipelines, our being subject to certain force majeure events that would prevent us from performing some or all of the required services under the applicable agreement and, subject to the provision of twelve months advance notice to MPLX LP and certain other conditions, MPC s determination to suspend refining operations at one of its refineries, either permanently or indefinitely for a period that will continue for at least twelve months. MPC has the discretion to make such decisions notwithstanding the fact that they may significantly and adversely affect us. These actions could result in a reduction or suspension of MPC s obligations under one or more transportation and storage services agreements.

Under our transportation services agreements, if the minimum capacity of our pipelines falls below the level of MPC s minimum commitment, or if capacity on our pipelines is required to be allocated among shippers because volume nominations exceed available capacity, MPC s minimum commitment may be reduced accordingly. MPC s and our obligations will also be proportionately reduced or suspended to the extent that either party is unable to perform under the agreements upon a declaration of a force majeure event. Accordingly, under our transportation and storage services agreements, these events could result in MPC no longer being required to transport or store its minimum volume commitments on our pipelines and at our storage assets or being required to pay the full amount of fees that would have been associated with its minimum volume commitments. Any such reduction, suspension or termination of MPC s obligations would have a material adverse effect on our financial condition, results of operations, cash flows and ability to make distributions to our unitholders. Please read Business Our Transportation and Storage Services Agreements with MPC.

If MPC satisfies only its minimum obligations under, or if we are unable to renew or extend, the transportation and storage services agreements we have with MPC, or if MPC elects to use credits upon the expiration or termination of a transportation services agreement, our ability to make distributions to our unitholders will be materially adversely affected.

MPC is not obligated to use our services with respect to volumes of crude oil or products in excess of the minimum volume commitments under the transportation services agreements with us. Our ability to make the minimum quarterly distribution on all outstanding units will be materially adversely affected to the extent that we do not transport volumes in excess of the minimum volume commitments under our transportation services agreements or if MPC s obligations under our transportation and storage services agreements are suspended, reduced or terminated due to a refinery shutdown or any other reason. In addition, the initial terms of MPC s obligations under those agreements range from three to 10 years. If MPC fails to use our assets and services after expiration of those agreements, or should our transportation and storage services agreements be invalidated for any reason, and we are unable to generate additional revenues from third parties, our ability to make cash distributions to unitholders may be materially adversely affected.

In addition, under our transportation services agreements, MPC must pay us a deficiency payment if it fails to transport its minimum throughput commitment. MPC may then apply the amount of any such deficiency payments as a credit for volumes transported on the applicable pipeline system in excess of its

Risk factors

minimum volume commitment during the following four quarters or eight quarters under the terms of the applicable transportation services agreement. However, upon the expiration or termination of a transportation services agreement, MPC may use any remaining credits against any volumes shipped by MPC on the applicable pipeline system for the succeeding four or eight quarters, as applicable, without regard to any minimum volume commitment that may have been in place during the term of the agreement. If that were to occur, we would not receive any revenues for volumes shipped on the applicable pipeline system until any such remaining credits were fully used or until the expiration of the applicable four or eight quarter-period. Please read Business Our Transportation and Storage Services Agreements with MPC.

Although we believe our transportation services agreements with MPC should provide us with stable throughput volumes on our pipeline systems, the rates charged for transporting such volumes vary by origin and destination. Accordingly, the routing of such throughput volumes could impact the stability of our revenues.

Our transportation services agreements obligate MPC to transport certain minimum volumes on our crude oil and product pipeline systems. Under our transportation services agreements, we will charge MPC for transporting crude oil from various origination points in the Midwest region of the United States to MPC s refineries, and for transporting products from those refineries to end user markets in the Midwest, Gulf Coast and Southeast regions of the United States pursuant to applicable tariff rates.

The rates and fees charged on our pipeline systems for such transportation services will vary depending on the origin and destination points on the respective pipeline systems. Accordingly, while we believe the agreements should provide us with a stable base of throughput volumes, the revenues we generate on our pipeline systems could be reduced materially by changes to the routing of volumes shipped by MPC. Variances in the mix of rates applied under our transportation services agreements could impact the stability of our revenues and thus the stability of our distributions to our unitholders.

If our tariffs are successfully challenged, we could be required to reduce our tariff rates, which would reduce our revenues and our ability to make distributions to our unitholders.

MPC has agreed not to challenge, or to cause others to challenge or assist others in challenging, our tariff rates in effect during the term of our transportation services agreements with MPC. This agreement does not prevent other shippers or interested persons from challenging our tariff rates or proration rules; nor does it prevent regulators from reviewing our rates and tariffs on their own initiative. At the end of the term of each of our transportation services agreements, if the agreement is not renewed, MPC will be free to challenge, or to cause other parties to challenge or assist others in challenging, our tariffs in effect at that time. If our tariffs are successfully challenged, we could be required to reduce our tariff rates, which would reduce our revenues and our ability to make distributions to our unitholders.

Our operations and MPC s refining operations are subject to many risks and operational hazards, some of which may result in business interruptions and shutdowns of our or MPC s facilities and damages for which we may not be fully covered by insurance. If a significant accident or event occurs that results in business interruption or shutdown for which we are not adequately insured, our operations and financial results could be materially adversely affected.

Our operations are subject to all of the risks and operational hazards inherent in transporting and storing crude oil and products, including:

Ø damages to pipelines and facilities, related equipment and surrounding properties caused by earthquakes, tornados, hurricanes, floods, fires, severe weather, explosions and other natural disasters and acts of terrorism;

Table of Contents

Risk factors

- maintenance, repairs, mechanical or structural failures at our facilities or at third-party facilities on which our operations are dependent, including MPC s facilities;
- disruption or failure of information technology systems and network infrastructure due to various causes, including unauthorized access or attack;
- curtailments of operations due to severe seasonal weather;
- inadvertent damage to pipelines from construction, farm and utility equipment; and
- other hazards.

These risks could result in substantial losses due to personal injury and/or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage, as well as business interruptions or shutdowns of our facilities. Any such event or unplanned shutdown could have a material adverse effect on our business, financial condition and results of operations. In addition, MPC s refining operations, on which our operations are substantially dependent, are subject to similar operational hazards and risks inherent in refining crude oil. A serious accident at our facilities or at MPC s facilities could result in serious injury or death to our employees or contractors or those of MPC or its affiliates and could expose us to significant liability for personal injury claims and reputational risk. We have no control over the operations at MPC s refineries and their associated facilities.

We do not maintain insurance coverage against all potential losses and could suffer losses for uninsurable or uninsured risks or in amounts in excess of existing insurance coverage. We carry separate policies for certain property, business interruption and pollution liabilities and are also insured under certain of MPC s liability policies and are subject to MPC s policy limits under these policies. The occurrence of an event that is not fully covered by insurance or failure by one or more insurers to honor its coverage commitments for an insured event could have a material adverse effect on our business, financial condition and results of operations.

A material decrease in the refining margins at MPC s refineries could materially reduce the volumes of crude oil and products that we transport and store, which could materially adversely affect our financial condition, results of operations, cash flows and ability to make distributions to our unitholders.

The volumes of crude oil and products that we transport and store depend substantially on MPC s refining margins. Refining margins are dependent both upon the price of crude oil or other refinery feedstocks and the price of refined products. These prices are affected by numerous factors beyond our or MPC s control, including the global supply and demand for crude oil, gasoline and other refined products, competition from alternative energy sources and the impact of new and more stringent regulations and standards affecting the refining industry. In order to maintain or increase product production levels at MPC s refineries, MPC must continually contract for new crude oil supplies or consider connecting to alternative sources of crude oil. Adverse developments in major oil producing regions around the world could have a significantly greater impact on our financial condition, results of operations and cash flows because of our lack of industry and geographic diversity and substantial reliance on MPC as a customer.

The current global economic weakness and high unemployment in the United States are expected to continue to depress demand for refined products. The impact of low demand has been further compounded by excess global refining capacity and historically high inventory levels. Several refineries in North America and Europe have been temporarily or permanently shut down, at least in part, in response to falling demand and excess refining capacity. If the demand for refined products, particularly in MPC s primary market areas, decreases significantly, or if there were a material increase in the price of crude oil supplied to MPC s refineries without an increase in the value of the products produced by those

28

Table of Contents

refineries, either temporary or permanent, which caused MPC to reduce production of products at its refineries, there would likely be a reduction in the volumes of crude oil and refined products that we transport and store for MPC. Any such reduction could materially adversely affect our financial condition, results of operations, cash flows and ability to make distributions to our unitholders. For more information about how changes in supply and demand for crude oil and products and crude oil sourcing dynamics may affect us, please read Management s Discussion and Analysis of Financial Condition and Results of Operations Factors that Impact Our Business.

Our expansion of existing assets and construction of new assets may not result in revenue increases and will be subject to regulatory, environmental, political, legal and economic risks, which could adversely affect our operations and financial condition.

A portion of our strategy to grow and increase distributions to unitholders is dependent on our ability to expand existing assets and to construct additional assets. The construction of a new pipeline or the extension or expansion of an existing pipeline, such as by adding horsepower or pump stations, involves numerous regulatory, environmental, political and legal uncertainties, most of which are beyond our control. If we undertake these projects, they may not be completed on schedule or at all or at the budgeted cost. Moreover, we may not receive sufficient long-term contractual commitments from customers to provide the revenue needed to support such projects and we may be unable to negotiate acceptable interconnection agreements with third-party pipelines to provide destinations for increased throughput. Even if we receive such commitments or make such interconnections, we may not realize an increase in revenue for an extended period of time. For instance, if we build a new pipeline, the construction will occur over an extended period of time and we will not receive any material increases in revenues until after completion of the project. As a result, new facilities may not be able to attract enough throughput to achieve our expected investment return, which could materially adversely affect our results of operations and financial condition and our ability in the future to make distributions to our unitholders.

If we are unable to make acquisitions on economically acceptable terms from MPC or third parties, our future growth would be limited, and any acquisitions we may make may reduce, rather than increase, our cash flows and ability to make distributions to unitholders.

A portion of our strategy to grow our business and increase distributions to unitholders is dependent on our ability to make acquisitions that result in an increase in distributable cash flow per unit. The acquisition component of our growth strategy is based, in large part, on our expectation of ongoing divestitures of transportation and storage assets by industry participants, including MPC. A material decrease in such divestitures would limit our opportunities for future acquisitions and could adversely affect our ability to grow our operations and increase cash distributions to our unitholders. If we are unable to make acquisitions from MPC or third parties, because we are unable to identify attractive acquisition candidates or negotiate acceptable purchase contracts, we are unable to obtain financing for these acquisitions on economically acceptable terms or we are outbid by competitors, our future growth and ability to increase distributions will be limited. Furthermore, even if we do consummate acquisitions that we believe will be accretive, they may in fact result in a decrease in distributable cash flow per unit as a result of incorrect assumptions in our evaluation of such acquisitions or unforeseen consequences or other external events beyond our control.

If we consummate any future acquisitions, our capitalization and results of operations may change significantly, and unitholders will not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in determining the application of these funds and other resources.

Any reduction in the capacity of, or the allocations to, our shippers in interconnecting, third-party pipelines could cause a reduction of volumes transported on our pipelines.

At times, MPC is dependent upon connections to third-party pipelines to transport crude oil and products on our pipelines. Any reduction of capacities of these interconnecting pipelines due to testing, line repair, reduced operating pressures or other causes could result in reduced volumes of crude oil and products transported on our pipelines. In addition, it is possible that due to prorationing on third-party interconnecting pipelines, the allocations to MPC and other existing shippers on these pipelines could be reduced, which could also reduce volumes transported on our pipelines. Any significant reduction in volumes available for transportation on our pipelines would materially adversely affect our revenues and cash flow and our ability to make distributions to our unitholders.

We do not own all of the land on which our pipelines are located, which could result in disruptions to our operations.

We do not own all of the land on which our pipelines are located, and we are, therefore, subject to the possibility of more onerous terms and increased costs to retain necessary land use if we do not have valid leases or rights-of-way or if such rights-of-way lapse or terminate. We obtain the rights to construct and operate our pipelines on land owned by third parties and governmental agencies, and some of our agreements may grant us those rights for only a specific period of time. Our loss of these rights, through our inability to renew right-of-way contracts or otherwise, could have a material adverse effect on our business, results of operations, financial condition and ability to make cash distributions to our unitholders.

Restrictions in our revolving credit facility could adversely affect our business, financial condition, results of operations, ability to make cash distributions to our unitholders and the value of our units.

We will be dependent upon the earnings and cash flow generated by our operations in order to meet our debt service obligations and to allow us to make cash distributions to our unitholders. We expect to enter into a revolving credit facility in connection with this offering. The operating and financial restrictions and covenants in our revolving credit facility and any future financing agreements could restrict our ability to finance our future operations or capital needs or to expand or pursue our business activities, which may, in turn, limit our ability to make cash distributions to our unitholders. Please read Management s Discussion and Analysis of Financial Condition and Results of Operations Capital Resources and Liquidity Revolving Credit Facility for additional information about our revolving credit facility.

The provisions of our revolving credit facility may affect our ability to obtain future financing and pursue attractive business opportunities and our flexibility in planning for, and reacting to, changes in business conditions. In addition, a failure to comply with the provisions of our revolving credit facility could result in an event of default which could enable our lenders, subject to the terms and conditions of our revolving credit facility, to declare the outstanding principal of that debt, together with accrued interest, to be immediately due and payable. If the payment of our debt is accelerated, defaults under our other debt instruments, if any, may be triggered, and our assets may be insufficient to repay such debt in full, and the holders of our units could experience a partial or total loss of their investment. Please read Management s Discussion and Analysis of Financial Condition and Results of Operations Capital Resources and Liquidity.

Risk factors

Debt we incur in the future may limit our flexibility to obtain financing and to pursue other business opportunities.

Our future level of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired, or such financing may not be available on favorable terms;
- our funds available for operations, future business opportunities and distributions to unitholders will be reduced by that portion of our cash flow required to make interest payments on our debt;
- we may be more vulnerable to competitive pressures or a downturn in our business or the economy generally; and
- our flexibility in responding to changing business and economic conditions may be limited.

Our ability to service our debt will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating results are not sufficient to service any future indebtedness, we will be forced to take actions such as reducing distributions, reducing or delaying our business activities, investments or capital expenditures, selling assets or issuing equity, which could materially adversely affect our financial condition, results of operations, cash flows and ability to make distributions to unitholders, as well as the trading price of our common units. We may not be able to effect any of these actions on satisfactory terms or at all.

The amount of cash we have available for distribution to holders of our common and subordinated units depends primarily on our cash flow rather than on our profitability, which may prevent us from making distributions, even during periods in which we record net income.

The amount of cash we have available for distribution depends primarily upon our cash flow and not solely on profitability, which will be affected by non-cash items. As a result, we may make cash distributions during periods when we record net losses for financial accounting purposes, and we may not make cash distributions during periods when we record net income for financial accounting purposes.

Increases in interest rates could adversely impact our unit price, our ability to issue equity or incur debt for acquisitions or other purposes, and our ability to make cash distributions at our intended levels.

Interest rates may increase in the future. As a result, interest rates on our debt could be higher than current levels, causing our financing costs to increase accordingly. In addition, we may in the future refinance outstanding borrowings under our revolving credit facility with fixed-term indebtedness. Interest rates payable on fixed-term indebtedness typically are higher than the short-term variable interest rates that we will pay on borrowings under our revolving credit facility. Furthermore, as with other yield-oriented securities, our unit price will be impacted by our cash distributions and the implied distribution yield. The distribution yield is often used by investors to compare and rank yield-oriented securities for investment decision-making purposes. Therefore, changes in interest rates, either positive or negative, may affect the yield requirements of investors who invest in our units, and a rising interest rate environment could have an adverse impact on our unit price and our ability to issue equity or incur debt for acquisitions or other purposes and to make cash distributions at our intended levels.

Table of Contents

Risk factors

Our assets and operations are subject to federal, state, and local laws and regulations relating to environmental protection and safety that could require us to make substantial expenditures.

Our assets and operations involve the transportation of crude oil and products, which is subject to increasingly stringent federal, state, and local laws and regulations related to protection of the environment and that require us to comply with various safety requirements regarding the design, installation, testing, construction, and operational management of our pipeline systems and storage facilities. These regulations have raised operating costs for the crude oil and products industry and compliance with such laws and regulations may cause us and MPC to incur potentially material capital expenditures associated with the construction, maintenance, and upgrading of equipment and facilities. Environmental laws and regulations, in particular, are subject to frequent change, and many of them have become and will continue to become more stringent.

We could incur potentially significant additional expenses should we determine that any of our assets are not in compliance. Our failure to comply with these or any other environmental or safety-related regulations could result in the assessment of administrative, civil, or criminal penalties, the imposition of investigatory and remedial liabilities, and the issuance of injunctions that may subject us to additional operational constraints. Any such penalties or liability could have a material adverse effect on our business, financial condition, or results of operations. Please read Business Environmental Regulation and Business Rate and Other Regulation Pipeline Safety.

Our pipeline systems are subject to stringent environmental regulations governing spills, releases and pipeline integrity that could require us to make substantial expenditures.

Transportation of crude oil and products involves inherent risks of spills and releases from our facilities, and can subject us to various federal and state laws governing spills and releases, including reporting and remediation obligations. The costs associated with such obligations can be substantial, as can costs associated with related enforcement matters, including possible fines and penalties. Transportation of such products over water or proximate to navigable water bodies involves inherent risks (including risks of spills) and could subject us to the provisions of the Oil Pollution Act of 1990 (the Oil Pollution Act) and similar state environmental laws should a spill occur from our pipelines. Among other things, the Oil Pollution Act requires us to prepare a facility response plan identifying the personnel and equipment necessary to remove to the maximum extent practicable a worst case discharge. A few of our facilities are required to maintain such facility response plans. To meet this requirement, we and MPC have contracted with various spill response service companies in the areas in which we transport or store crude oil and products; however, these companies may not be able to adequately contain a worst case discharge in all instances, and we cannot ensure that all of their services would be available for our or MPC s use at any given time. Many factors that could inhibit the availability of these service providers, include, but are not limited to, weather conditions, governmental regulations or other global events. In these and other cases, we may be subject to liability in connection with the discharge of crude oil or products into navigable waters.

If any of these events occur or are discovered in the future, whether in connection with any of our pipelines or storage facilities, or any other facility to which we send or have sent wastes or by-products for treatment or disposal, we could be liable for all costs and penalties associated with the remediation of such facilities under federal, state and local environmental laws or common law. We may also be liable for personal injury or property damage claims from third parties alleging contamination from spills or releases from our facilities or operations. In addition, we will be subject to an aggregate deductible of $500,000 before we are entitled to indemnification from MPC for certain environmental liabilities under our omnibus agreement.

Risk factors

Even if we are insured or indemnified against such risks, we may be responsible for costs or penalties to the extent our insurers or indemnitors do not fulfill their obligations to us. Please read Business Environmental Regulation Waste Management and Related Liabilities.

Evolving environmental laws and regulations on climate change could adversely affect our financial performance.

Potential additional regulations regarding climate change could affect our operations. Currently, various legislative and regulatory measures to address greenhouse gas emissions (including carbon dioxide, methane and other gases) are in various phases of review, discussion or implementation in the United States. These measures include EPA programs to control greenhouse gas emissions and state actions to develop statewide or regional programs, each of which could impose reductions in greenhouse gas emissions. These actions could result in increased (1) costs to operate and maintain our facilities, (2) capital expenditures to install new emission controls on our facilities and (3) costs to administer and manage any potential greenhouse gas emissions regulations or carbon trading or tax programs. In addition, in 2010, the EPA promulgated a rule establishing greenhouse gas emission standards for new-model passenger cars, light-duty trucks, and medium-duty passenger vehicles. Also in 2010, the EPA promulgated a rule establishing greenhouse gas emission thresholds for the permitting of certain stationary sources, which could require greenhouse gas emission controls for those sources. The EPA has also issued its plan for establishing specific greenhouse gas emission requirements under the Clean Air Act. Under this plan, the EPA is expected to propose broad standards for refineries by the end of 2012, and is expected to issue final standards in 2013. These developments could have an indirect adverse effect on our business if MPC s refinery operations are adversely affected due to increased regulation of MPC s facilities or reduced demand for crude oil and refined products, and a direct adverse effect on our business from increased regulation of our facilities. Please read Business Environmental Regulation Air Emissions and Climate Change.

Evolving environmental laws and regulations on hydraulic fracturing could have an indirect effect on our financial performance.

Hydraulic fracturing is an important and increasingly common practice that is used to stimulate production of crude oil and/or natural gas from dense subsurface rock formations. Typically regulated by state agencies, the EPA has asserted federal regulatory authority pursuant to the Safe Drinking Water Act, as amended (SDWA), over certain hydraulic fracturing activities involving the use of diesel fuel. In addition, legislation has been introduced from time to time in Congress to provide for federal regulation of hydraulic fracturing under the SDWA and to require disclosure of the chemicals used in the hydraulic fracturing process. At the state level, several states have already adopted laws and/or regulations that require disclosure of the chemicals used in hydraulic fracturing, and many states are considering legal requirements that could impose more stringent permitting, disclosure and well construction requirements on oil and/or natural gas drilling activities. The EPA is also moving forward with various related regulatory actions, including approving, on April 17, 2012, new regulations requiring, among other matters, green completions of hydraulically-fractured wells by 2015 and certain emission requirements for some midstream equipment beginning later in 2012. We do not believe these new regulations will have a direct effect on our operations, but because oil and/or natural gas production using hydraulic fracturing is growing rapidly in the United States, in the event that new or more stringent federal, state or local legal restrictions relating to such drilling activities or to the hydraulic fracturing process are adopted in areas where our shippers producer customers operate, those producers could incur potentially significant added costs to comply with such requirements and experience delays or curtailment in the pursuit of production or development activities, which could reduce demand for our transportation and logistics services.

Table of Contents

Risk factors

New and proposed regulations governing fuel efficiency and renewable fuels could have an indirect but material adverse effect on our business.

Increases in fuel mileage standards and the increased use of renewable fuels could also decrease demand for refined products, which could have an indirect, but material, adverse effect on our business, financial condition and results of operations. For example, in 2007, Congress passed the Energy Independence and Security Act (EISA), which, among other things, sets a target of 35 miles per gallon for the combined fleet of cars and light trucks in the United States by model year 2020, and contains a second Renewable Fuel Standard commonly referred to as RFS2. In December 2011, the EPA and the National Highway Traffic Safety Administration jointly proposed regulations that would establish average industry fleet fuel economy standards as high as 49.6 miles per gallon by model year 2025. The RFS2 presents production and logistics challenges for both the renewable fuels and petroleum refining industries. The RFS2 has required, and may in the future continue to require, additional capital expenditures or expenses by MPC to accommodate increased renewable fuels use. MPC may experience a decrease in demand for refined petroleum products due to an increase in combined fleet mileage or due to refined petroleum products being replaced by renewable fuels.

Many of our assets have been in service for many years and require significant expenditures to maintain them. As a result, our maintenance or repair costs may increase in the future.

Our pipelines, barge dock and storage assets are generally long-lived assets, and many of them have been in service for many years. The age and condition of our assets could result in increased maintenance or repair expenditures in the future. Any significant increase in these expenditures could adversely affect our results of operations, financial position or cash flows, as well as our ability to make cash distributions to our unitholders.

The tariff rates of our regulated assets are subject to review and possible adjustment by federal and state regulators, which could adversely affect our revenues.

A number of our pipelines provide interstate service that is subject to regulation by the FERC. The FERC prescribes rate methodologies for developing regulated tariff rates for interstate oil and products pipelines. The FERC s regulated tariff may not allow us to recover all of our costs of providing services. Changes in the FERC s approved rate methodologies, or challenges to our application of an approved methodology, could also adversely affect our rates.

Shippers may protest (and the FERC may investigate) the lawfulness of current, new or changed tariff rates. The FERC can require refunds of amounts collected pursuant to rates that are ultimately found to be unlawful and prescribe new rates prospectively. Due to the complexity of rate making, the lawfulness of any rate is never assured. Portions of our pipeline systems that are not regulated by the FERC may become subject to FERC regulation, which would increase our costs, reduce our rates, or both. In sum, FERC regulation of our rates may adversely affect our revenues, results of operations and financial condition.

Our pipelines are common carriers and, as a consequence, we may be required to provide service to customers with credit and other performance characteristics with whom we would choose not to do business if permitted to do so.

Certain of our pipelines provide intrastate service that is subject to regulation by the Illinois Commerce Commission and the Michigan Public Service Commission. The Illinois Commerce Commission and the Michigan Public Service Commission could limit our ability to increase our rates or to set rates based on

our costs or could order us to reduce our rates and could require the payment of refunds to shippers. Such regulation or a successful challenge to our intrastate pipeline rates could adversely affect our financial position, cash flows or results of operations.

Please read Business Rate and Other Regulation.

MPC s level of indebtedness, the terms of its borrowings and its credit ratings could adversely affect our ability to grow our business and our ability to make cash distributions to our unitholders. Our ability to obtain credit in the future may also be adversely affected by MPC s credit rating.

MPC must devote a portion of its cash flows from operating activities to service its indebtedness, and therefore cash flows may not be available for use in pursuing its growth strategy. Furthermore, a higher level of indebtedness at MPC in the future increases the risk that it may default on its obligations to us under our transportation and storage services agreements. As of June 30, 2012, MPC had long-term indebtedness of approximately $3.3 billion. The covenants contained in the agreements governing MPC s outstanding and future indebtedness may limit its ability to borrow additional funds for development and make certain investments and may directly or indirectly impact our operations in a similar manner. Furthermore, if MPC were to default under certain of its debt obligations, there is a risk that MPC s creditors would attempt to assert claims against our assets during the litigation of their claims against MPC. The defense of any such claims could be costly and could materially impact our financial condition, even absent any adverse determination. If these claims were successful, our ability to meet our obligations to our creditors, make distributions and finance our operations could be materially adversely affected.

MPC s long-term credit ratings are currently investment grade. If these ratings are lowered in the future, the interest rate and fees MPC pays on its credit facilities may increase. In addition, although we will not have any indebtedness rated by any credit rating agency at the closing of this offering, we may have rated debt in the future. Credit rating agencies will likely consider MPC s debt ratings when assigning ours because of MPC s ownership interest in us, the significant commercial relationships between MPC and us, and our reliance on MPC for the substantial majority of our revenues. If one or more credit rating agencies were to downgrade the outstanding indebtedness of MPC, we could experience an increase in our borrowing costs or difficulty accessing the capital markets. Such a development could adversely affect our ability to grow our business and to make cash distributions to our unitholders.

If we fail to develop or maintain an effective system of internal controls, we may not be able to report our financial results accurately or prevent fraud, which would likely have a negative impact on the market price of our common units.

Prior to this offering, we have not been required to file reports with the SEC. Upon the completion of this offering, we will become subject to the public reporting requirements of the Exchange Act. We prepare our financial statements in accordance with GAAP, but our internal accounting controls may not currently meet all standards applicable to companies with publicly traded securities. Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and to operate successfully as a publicly traded partnership. Our efforts to develop and maintain our internal controls may not be successful, and we may be unable to maintain effective controls over our financial processes and reporting in the future or to comply with our obligations under Section 404 of the Sarbanes-Oxley Act of 2002, which we refer to as Section 404. For example, Section 404 will require us, among other things, to annually review and report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal controls over financial reporting.

Table of Contents

Risk factors

Although we will be required to disclose changes made in our internal control and procedures on a quarterly basis, we will not be required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 until our annual report for the fiscal year ending December 31, 2013.

Any failure to develop, implement or maintain effective internal controls or to improve our internal controls could harm our operating results or cause us to fail to meet our reporting obligations. Given the difficulties inherent in the design and operation of internal controls over financial reporting, we can provide no assurance as to our, or our independent registered public accounting firm s, conclusions about the effectiveness of our internal controls, and we may incur significant costs in our efforts to comply with Section 404. Ineffective internal controls will subject us to regulatory scrutiny and a loss of confidence in our reported financial information, which could have an adverse effect on our business and would likely have a material adverse effect on the trading price of our common units.

RISKS INHERENT IN AN INVESTMENT IN US

Our general partner and its affiliates, including MPC, have conflicts of interest with us and limited duties to us and our unitholders, and they may favor their own interests to our detriment and that of our unitholders. Additionally, we have no control over MPC s business decisions and operations, and MPC is under no obligation to adopt a business strategy that favors us.

Following the offering, MPC will own a 2.0% general partner interest and a % limited partner interest in us and will own and control our general partner. Although our general partner has a duty to manage us in a manner that is not adverse to the best interests of our partnership and our unitholders, the directors and officers of our general partner also have a duty to manage our general partner in a manner that is not adverse to the best interests of its owner, MPC. Conflicts of interest may arise between MPC and its affiliates, including our general partner, on the one hand, and us and our unitholders, on the other hand. In resolving these conflicts, the general partner may favor its own interests and the interests of its affiliates, including MPC, over the interests of our common unitholders. These conflicts include, among others, the following situations:

Ø neither our partnership agreement nor any other agreement requires MPC to pursue a business strategy that favors us or utilizes our assets, which could involve decisions by MPC to increase or decrease refinery production, shut down or reconfigure a refinery, or pursue and grow particular markets. MPC s directors and officers have a fiduciary duty to make these decisions in the best interests of the stockholders of MPC;

Ø MPC, as our primary customer, has an economic incentive to cause us to not seek higher tariff rates, even if such higher rates or fees would reflect rates and fees that could be obtained in arm s-length, third-party transactions;

Ø MPC may be constrained by the terms of its debt instruments from taking actions, or refraining from taking actions, that may be in our best interests;

Ø Our partnership agreement replaces the fiduciary duties that would otherwise be owed by our general partner with contractual standards governing its duties, limiting our general partner s liabilities and restricting the remedies available to our unitholders for actions that, without the limitations, might constitute breaches of fiduciary duty;

Ø except in limited circumstances, our general partner has the power and authority to conduct our business without unitholder approval;

Risk factors

- our general partner will determine the amount and timing of asset purchases and sales, borrowings, issuance of additional partnership securities and the creation, reduction or increase of cash reserves, each of which can affect the amount of cash that is distributed to our unitholders;
- our general partner will determine the amount and timing of many of our cash expenditures and whether a cash expenditure is classified as an expansion capital expenditure, which would not reduce operating surplus, or a maintenance capital expenditure, which would reduce our operating surplus. This determination can affect the amount of cash that is distributed to our unitholders and to our general partner, the amount of adjusted operating surplus generated in any given period and the ability of the subordinated units to convert into common units;
- our general partner will determine which costs incurred by it are reimbursable by us;
- our general partner may cause us to borrow funds in order to permit the payment of cash distributions, even if the purpose or effect of the borrowing is to make a distribution on the subordinated units, to make incentive distributions or to accelerate expiration of the subordination period;
- our partnership agreement permits us to classify up to $ million as operating surplus, even if it is generated from asset sales, non-working capital borrowings or other sources that would otherwise constitute capital surplus. This cash may be used to fund distributions on our subordinated units or to our general partner in respect of the general partner interest or the incentive distribution rights;
- our partnership agreement does not restrict our general partner from causing us to pay it or its affiliates for any services rendered to us or entering into additional contractual arrangements with any of these entities on our behalf;
- our general partner intends to limit its liability regarding our contractual and other obligations;
- our general partner may exercise its right to call and purchase all of the common units not owned by it and its affiliates if it and its affiliates own more than 80.0% of the common units;
- our general partner controls the enforcement of obligations owed to us by our general partner and its affiliates, including our transportation and storage services agreements with MPC;
- our general partner decides whether to retain separate counsel, accountants or others to perform services for us; and
- our general partner may elect to cause us to issue common units to it in connection with a resetting of the target distribution levels related to our general partner s incentive distribution rights without the approval of the conflicts committee of the board of directors of our general partner, which we refer to as our conflicts committee, or our unitholders. This election may result in lower distributions to our common

unitholders in certain situations.

Under the terms of our partnership agreement, the doctrine of corporate opportunity, or any analogous doctrine, does not apply to our general partner or any of its affiliates, including its executive officers, directors and owners. Other than as provided in our omnibus agreement, any such person or entity that becomes aware of a potential transaction, agreement, arrangement or other matter that may be an opportunity for us will not have any duty to communicate or offer such opportunity to us. Any such person or entity will not be liable to us or to any limited partner for breach of any fiduciary duty or other duty by reason of the fact that such person or entity pursues or acquires such opportunity for itself, directs such opportunity to another person or entity or does not communicate such opportunity or information to us. This may create actual and potential conflicts of interest between us and affiliates of our general partner and result in less than favorable treatment of us and our unitholders. Please read Certain Relationships and Related Party Transactions Agreements Governing the Transactions Omnibus Agreement and Conflicts of Interest and Duties.

Risk factors

Our partnership agreement requires that we distribute all of our available cash, which could limit our ability to grow and make acquisitions.

Our partnership agreement requires that we distribute all of our available cash to our unitholders. As a result, we expect to rely primarily upon external financing sources, including commercial bank borrowings and the issuance of debt and equity securities, to fund our acquisitions and expansion capital expenditures. Therefore, to the extent we are unable to finance our growth externally, our cash distribution policy will significantly impair our ability to grow. In addition, because we will distribute all of our available cash, our growth may not be as fast as that of businesses that reinvest their available cash to expand ongoing operations. To the extent we issue additional units in connection with any acquisitions or expansion capital expenditures, the payment of distributions on those additional units may increase the risk that we will be unable to maintain or increase our per unit distribution level. There are no limitations in our partnership agreement or our revolving credit facility on our ability to issue additional units, including units ranking senior to the common units as to distribution or liquidation, and our unitholders will have no preemptive or other rights (solely as a result of their status as unitholders) to purchase any such additional units. The incurrence of additional commercial borrowings or other debt to finance our growth strategy would result in increased interest expense, which, in turn, may reduce the amount of cash available to distribute to our unitholders.

Our partnership agreement replaces our general partner s fiduciary duties to holders of our common units with contractual standards governing its duties.

Our partnership agreement contains provisions that eliminate the fiduciary standards to which our general partner would otherwise be held by state fiduciary duty law and replaces those duties with several different contractual standards. For example, our partnership agreement permits our general partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our general partner, free of any duties to us and our unitholders other than the implied contractual covenant of good faith and fair dealing, which means that a court will enforce the reasonable expectations of the parties where the language in our partnership agreement does not provide for a clear course of action. This provision entitles our general partner to consider only the interests and factors that it desires and relieves it of any duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or our limited partners. By purchasing a common unit, a unitholder is treated as having consented to the provisions in our partnership agreement, including the provisions discussed above. Please read Conflicts of Interest and Duties Duties of the General Partner.

Our partnership agreement restricts the remedies available to holders of our common and subordinated units for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty.

Our partnership agreement contains provisions that restrict the remedies available to unitholders for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty under state fiduciary duty law. For example, our partnership agreement:

- Ø provides that whenever our general partner makes a determination or takes, or declines to take, any other action in its capacity as our general partner, our general partner is required to make such determination, or take or decline to take such other action, in good faith and will not be subject to any other or different standard imposed by our partnership agreement, Delaware law, or any other law, rule or regulation, or at equity;

- Ø provides that our general partner will not have any liability to us or our unitholders for decisions made in its capacity as a general partner so long as it acted in good faith;

Risk factors

- provides that our general partner and its officers and directors will not be liable for monetary damages to us or our limited partners resulting from any act or omission unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our general partner or its officers and directors, as the case may be, acted in bad faith or engaged in fraud or willful misconduct or, in the case of a criminal matter, acted with knowledge that the conduct was criminal; and

- provides that our general partner will not be in breach of its obligations under our partnership agreement or its fiduciary duties to us or our limited partners if a transaction with an affiliate or the resolution of a conflict of interest is approved in accordance with, or otherwise meets the standards set forth in, our partnership agreement.

In connection with a situation involving a transaction with an affiliate or a conflict of interest, our partnership agreement provides that any determination by our general partner must be made in good faith, and that our conflicts committee and the board of directors of our general partner are entitled to a presumption that they acted in good faith. In any proceeding brought by or on behalf of any limited partner or the partnership, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. Please read Conflicts of Interest and Duties.

If you are not both a citizenship eligible holder and a rate eligible holder, your common units may be subject to redemption.

In order to avoid (1) any material adverse effect on the maximum applicable rates that can be charged to customers by our subsidiaries on assets that are subject to rate regulation by the FERC or analogous regulatory body, and (2) any substantial risk of cancellation or forfeiture of any property, including any governmental permit, endorsement or other authorization, in which we have an interest, we have adopted certain requirements regarding those investors who may own our common units. Citizenship eligible holders are individuals or entities whose nationality, citizenship or other related status does not create a substantial risk of cancellation or forfeiture of any property, including any governmental permit, endorsement or authorization, in which we have an interest, and will generally include individuals and entities who are U.S. citizens. Rate eligible holders are individuals or entities subject to U.S. federal income taxation on the income generated by us or entities not subject to U.S. federal income taxation on the income generated by us, so long as all of the entity s owners are subject to such taxation. Please read Description of the Common Units Transfer of Common Units. If you are not a person who meets the requirements to be a citizenship eligible holder and a rate eligible holder, you run the risk of having your units redeemed by us at the market price as of the date three days before the date the notice of redemption is mailed. The redemption price will be paid in cash or by delivery of a promissory note, as determined by our general partner. In addition, if you are not a person who meets the requirements to be a citizenship eligible holder, you will not be entitled to voting rights. Please read Our Partnership Agreement Redemption of Ineligible Holders.

Cost reimbursements, which will be determined in our general partner s sole discretion, and fees due our general partner and its affiliates for services provided will be substantial and will reduce our cash available for distribution to you.

Under our partnership agreement, we are required to reimburse our general partner and its affiliates for all costs and expenses that they incur on our behalf for managing and controlling our business and operations. Except to the extent specified under our omnibus agreement or our employee services agreements, our general partner determines the amount of these expenses. Under the terms of the omnibus agreement we will be required to reimburse MPC for the provision of certain general and administrative services to us. Under the terms of our employee services agreements, we will reimburse

MPC for the provision of certain operational and management services to us in support of our pipelines, barge dock, storage cavern and tank farms. Our general partner and its affiliates also may provide us other services for which we will be charged fees as determined by our general partner. Payments to our general partner and its affiliates will be substantial and will reduce the amount of cash available for distribution to unitholders.

Unitholders have very limited voting rights and, even if they are dissatisfied, they cannot remove our general partner without its consent.

Unlike the holders of common stock in a corporation, unitholders have only limited voting rights on matters affecting our business and, therefore, limited ability to influence management s decisions regarding our business. Unitholders did not elect our general partner or the board of directors of our general partner and will have no right to elect our general partner or the board of directors of our general partner on an annual or other continuing basis. The board of directors of our general partner is chosen by the members of our general partner, which are wholly owned subsidiaries of MPC. Furthermore, if the unitholders are dissatisfied with the performance of our general partner, they will have little ability to remove our general partner. As a result of these limitations, the price at which our common units will trade could be diminished because of the absence or reduction of a takeover premium in the trading price.

The unitholders will be unable initially to remove our general partner without its consent because our general partner and its affiliates will own sufficient units upon completion of the offering to be able to prevent its removal. The vote of the holders of at least $66\,^{2}/_{3}\%$ of all outstanding common units and subordinated units voting together as a single class is required to remove our general partner. At closing, our general partner and its affiliates will own % of the common units and subordinated units (excluding common units purchased by officers and directors of our general partner and MPC under our directed unit program). Also, if our general partner is removed without cause during the subordination period and common units and subordinated units held by our general partner and its affiliates are not voted in favor of that removal, all remaining subordinated units will automatically be converted into common units, and any existing arrearages on the common units will be extinguished. A removal of our general partner under these circumstances would adversely affect the common units by prematurely eliminating their distribution and liquidation preference over the subordinated units, which would otherwise have continued until we had met certain distribution and performance tests.

Cause is narrowly defined under our partnership agreement to mean that a court of competent jurisdiction has entered a final, non-appealable judgment finding the general partner liable for actual fraud or willful or wanton misconduct in its capacity as our general partner. Cause does not include most cases of charges of poor management of the business, so the removal of our general partner because of the unitholders dissatisfaction with our general partner s performance in managing our partnership will most likely result in the termination of the subordination period.

Furthermore, unitholders voting rights are further restricted by the partnership agreement provision providing that any units held by a person that owns 20.0% or more of any class of units then outstanding, other than our general partner, its affiliates, their transferees, and persons who acquired such units with the prior approval of the board of directors of our general partner, cannot vote on any matter.

Our partnership agreement also contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting the unitholders ability to influence the manner or direction of management.

Our general partner interest or the control of our general partner may be transferred to a third party without unitholder consent.

Our general partner may transfer its general partner interest to a third party in a merger or in a sale of all or substantially all of its assets without the consent of the unitholders. Furthermore, there is no restriction in our partnership agreement on the ability of MPC to transfer its membership interest in our general partner to a third party. The new partners of our general partner would then be in a position to replace the board of directors and officers of our general partner with their own choices and to control the decisions taken by the board of directors and officers.

The incentive distribution rights of our general partner may be transferred to a third party without unitholder consent.

Our general partner may transfer its incentive distribution rights to a third party at any time without the consent of our unitholders. If our general partner transfers its incentive distribution rights to a third party but retains its general partner interest, our general partner may not have the same incentive to grow our partnership and increase quarterly distributions to unitholders over time as it would if it had retained ownership of its incentive distribution rights. For example, a transfer of incentive distribution rights by our general partner could reduce the likelihood of MPC selling or contributing additional midstream assets to us, as MPC would have less of an economic incentive to grow our business, which in turn would impact our ability to grow our asset base.

You will experience immediate and substantial dilution in pro forma net tangible book value of $ per common unit.

The assumed initial public offering price of $ per common unit (the mid-point of the price range set forth on the cover of this prospectus) exceeds our pro forma net tangible book value of $ per unit. Based on an assumed initial public offering price of $ per common unit, you will incur immediate and substantial dilution of $ per common unit. This dilution results primarily because the assets contributed by MPC are recorded in accordance with GAAP at their historical cost, and not their fair value. Please read Dilution.

We may issue additional units without unitholder approval, which would dilute unitholder interests.

At any time, we may issue an unlimited number of limited partner interests of any type without the approval of our unitholders and our unitholders will have no preemptive or other rights (solely as a result of their status as unitholders) to purchase any such limited partner interests. Further, neither our partnership agreement nor our revolving credit facility prohibits the issuance of equity securities that may effectively rank senior to our common units as to distributions or liquidations. The issuance by us of additional common units or other equity securities of equal or senior rank will have the following effects:

- our unitholders proportionate ownership interest in us will decrease;
- the amount of cash available for distribution on each unit may decrease;
- because a lower percentage of total outstanding units will be subordinated units, the risk that a shortfall in the payment of the minimum quarterly distribution will be borne by our common unitholders will increase;
- the ratio of taxable income to distributions may increase;
- the relative voting strength of each previously outstanding unit may be diminished; and

Ø the market price of our common units may decline.

MPC may sell units in the public or private markets, and such sales could have an adverse impact on the trading price of the common units.

After the sale of the common units offered by this prospectus, MPC will hold common units and subordinated units. All of the subordinated units will convert into common units at the end of the subordination period and may convert earlier under certain circumstances. Additionally, we have agreed to provide MPC with certain registration rights. Please read Units Eligible for Future Sale. The sale of these units in the public or private markets could have an adverse impact on the price of the common units or on any trading market that may develop.

Our general partner s discretion in establishing cash reserves may reduce the amount of cash available for distribution to unitholders.

Our partnership agreement requires our general partner to deduct from operating surplus cash reserves that it determines are necessary to fund our future operating expenditures. In addition, the partnership agreement permits the general partner to reduce available cash by establishing cash reserves for the proper conduct of our business, to comply with applicable law or agreements to which we are a party, or to provide funds for future distributions to partners. These cash reserves will affect the amount of cash available for distribution to unitholders.

Affiliates of our general partner, including MPC, may compete with us, and neither our general partner nor its affiliates have any obligation to present business opportunities to us.

Neither our partnership agreement nor our omnibus agreement will prohibit MPC or any other affiliates of our general partner from owning assets or engaging in businesses that compete directly or indirectly with us. In addition, MPC and other affiliates of our general partner may acquire, construct or dispose of additional midstream assets in the future without any obligation to offer us the opportunity to purchase any of those assets. As a result, competition from MPC and other affiliates of our general partner could materially adversely impact our results of operations and cash available for distribution to unitholders.

Our general partner may cause us to borrow funds in order to make cash distributions, even where the purpose or effect of the borrowing benefits the general partner or its affiliates.

In some instances, our general partner may cause us to borrow funds under our revolving credit facility from MPC or otherwise from third parties in order to permit the payment of cash distributions. These borrowings are permitted even if the purpose and effect of the borrowing is to enable us to make a distribution on the subordinated units, to make incentive distributions or to hasten the expiration of the subordination period.

Our general partner has a limited call right that may require you to sell your common units at an undesirable time or price.

If at any time our general partner and its affiliates own more than 80.0% of our common units, our general partner will have the right, but not the obligation, which it may assign to any of its affiliates or to us, to acquire all, but not less than all, of the common units held by unaffiliated persons at a price not less than their then-current market price. As a result, you may be required to sell your common units at an undesirable time or price and may not receive any return on your investment. You may also incur a tax liability upon a sale of your units. At the completion of this offering and assuming no exercise of the underwriters option to purchase additional common units, our general partner and its affiliates will own approximately % of our common units. At the end of the subordination period (which could occur as

Table of Contents

Risk factors

early as), assuming no additional issuances of common units (other than upon the conversion of the subordinated units) and no exercise of the underwriters option to purchase additional common units, our general partner and its affiliates will own approximately % of our common units (excluding any common units purchased by officers and directors of our general partner and MPC under our directed unit program). For additional information about the call right, please read Our Partnership Agreement Limited Call Right.

Your liability may not be limited if a court finds that unitholder action constitutes control of our business.

A general partner of a partnership generally has unlimited liability for the obligations of the partnership, except for those contractual obligations of the partnership that are expressly made non-recourse to the general partner. Our partnership is organized under Delaware law, and we conduct business in a number of other states. The limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in some jurisdictions. You could be liable for our obligations as if you were a general partner if a court or government agency were to determine that:

Ø we were conducting business in a state but had not complied with that particular state s partnership statute; or

Ø your right to act with other unitholders to remove or replace the general partner, to approve some amendments to our partnership agreement or to take other actions under our partnership agreement constitute control of our business.

Please read Our Partnership Agreement Limited Liability for a discussion of the implications of the limitations of liability on a unitholder.

Unitholders may have to repay distributions that were wrongfully distributed to them.

Under certain circumstances, unitholders may have to repay amounts wrongfully distributed to them. Under Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, we may not make a distribution to you if the distribution would cause our liabilities to exceed the fair value of our assets. Delaware law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. Transferees of common units are liable for the obligations of the transferor to make contributions to the partnership that are known to the transferee at the time of the transfer and for unknown obligations if the liabilities could be determined from our partnership agreement. Liabilities to partners on account of their partnership interest and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

There is no existing market for our common units, and a trading market that will provide you with adequate liquidity may not develop. The price of our common units may fluctuate significantly, and you could lose all or part of your investment.

Prior to this offering, there has been no public market for our common units. After this offering, there will be only publicly traded common units. In addition, MPC will own common units and subordinated units, representing an aggregate % limited partner interest in us. We do not know the extent to which investor interest will lead to the development of a trading market or how liquid that market might be. You may not be able to resell your common units at or above the initial public offering price. Additionally, the lack of liquidity may result in wide bid-ask spreads, contribute to significant fluctuations in the market price of the common units and limit the number of investors who are able to buy the common units.

Table of Contents

Risk factors

The initial public offering price for the common units offered hereby will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of the market price of the common units that will prevail in the trading market. The market price of our common units may decline below the initial public offering price. The market price of our common units may also be influenced by many factors, some of which are beyond our control, including:

Ø our quarterly distributions;

Ø our quarterly or annual earnings or those of other companies in our industry;

Ø announcements by us or our competitors of significant contracts or acquisitions;

Ø changes in accounting standards, policies, guidance, interpretations or principles;

Ø general economic conditions;

Ø the failure of securities analysts to cover our common units after this offering or changes in financial estimates by analysts;

Ø future sales of our common units; and

Ø other factors described in these Risk Factors.

Our general partner, or any transferee holding incentive distribution rights, may elect to cause us to issue common units and general partner units to it in connection with a resetting of the target distribution levels related to its incentive distribution rights, without the approval of our conflicts committee or the holders of our common units. This could result in lower distributions to holders of our common units.

Our general partner has the right, at any time when there are no subordinated units outstanding and it has received distributions on its incentive distribution rights at the highest level to which it is entitled (48.0%, in addition to distributions paid on its 2.0% general partner interest) for each of the prior four consecutive fiscal quarters, to reset the initial target distribution levels at higher levels based on our distributions at the time of the exercise of the reset election. Following a reset election, the minimum quarterly distribution will be adjusted to equal the reset minimum quarterly distribution, and the target distribution levels will be reset to correspondingly higher levels based on percentage increases above the reset minimum quarterly distribution.

If our general partner elects to reset the target distribution levels, it will be entitled to receive a number of common units and general partner units. The number of common units to be issued to our general partner will be equal to that number of common units that would have entitled their holder to an average aggregate quarterly cash distribution in the prior two quarters equal to the average of the distributions to our general partner on the incentive distribution rights in the prior two quarters. Our general partner will also be issued the number of general partner units necessary to maintain our general partner s interest in us at the level that existed immediately prior to the reset election. We anticipate that our general partner would exercise this reset right in order to facilitate acquisitions or internal growth projects that would not be sufficiently accretive to cash distributions per common unit without such conversion. It is possible, however, that our general partner could exercise this reset election at a time when it is experiencing, or expects to experience, declines in the cash distributions it receives related to its incentive distribution rights and may, therefore, desire to be issued common units rather than retain the right to receive distributions based on the initial target distribution levels. This risk could be elevated if our incentive distribution rights have been transferred to a third party. As a result, a reset election may cause our common unitholders to experience a reduction in the amount of cash distributions that they would

Risk factors

have otherwise received had we not issued new common units and general partner units in connection with resetting the target distribution levels. Additionally, our general partner has the right to transfer all or any portion of our incentive distribution rights at any time, and such transferee shall have the same rights as the general partner relative to resetting target distributions if our general partner concurs that the tests for resetting target distributions have been fulfilled. Please read Provisions of our Partnership Agreement Relating to Cash Distributions General Partner s Right to Reset Incentive Distribution Levels.

The NYSE does not require a publicly traded limited partnership like us to comply with certain of its corporate governance requirements.

We have applied to list our common units on the NYSE. Because we will be a publicly traded limited partnership, the NYSE does not require us to have a majority of independent directors on our general partner s board of directors or to establish a compensation committee or a nominating and corporate governance committee. Accordingly, unitholders will not have the same protections afforded to certain corporations that are subject to all of the NYSE corporate governance requirements. Please read Management Management of MPLX LP.

TAX RISKS

In addition to reading the following risk factors, please read Material Federal Income Tax Consequences for a more complete discussion of the expected material federal income tax consequences of owning and disposing of common units.

Our tax treatment depends on our status as a partnership for federal income tax purposes. If the Internal Revenue Service were to treat us as a corporation for federal income tax purposes, which would subject us to entity-level taxation, then our cash available for distribution to our unitholders would be substantially reduced.

The anticipated after-tax economic benefit of an investment in the common units depends largely on our being treated as a partnership for federal income tax purposes. We have not requested a ruling from the IRS on this or any other tax matter affecting us.

Despite the fact that we are a limited partnership under Delaware law, it is possible in certain circumstances for a partnership such as ours to be treated as a corporation for federal income tax purposes. A change in our business or a change in current law could cause us to be treated as a corporation for federal income tax purposes or otherwise subject us to taxation as an entity.

If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 35.0%, and would likely pay state and local income tax at varying rates. Distributions would generally be taxed again as corporate dividends (to the extent of our current and accumulated earnings and profits), and no income, gains, losses, deductions, or credits would flow through to you. Because a tax would be imposed upon us as a corporation, our cash available for distribution to you would be substantially reduced. Therefore, if we were treated as a corporation for federal income tax purposes, there would be material reduction in the anticipated cash flow and after-tax return to our unitholders, likely causing a substantial reduction in the value of our common units.

Our partnership agreement provides that, if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity-level taxation for federal, state or local income tax purposes, the minimum quarterly distribution amount and the target distribution amounts may be adjusted to reflect the impact of that law on us.

If we were subjected to a material amount of additional entity-level taxation by individual states, it would reduce our cash available for distribution to our unitholders.

Changes in current state law may subject us to additional entity-level taxation by individual states. Because of widespread state budget deficits and other reasons, several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation. Imposition of any such taxes may substantially reduce the cash available for distribution to you. Our partnership agreement provides that, if a law is enacted or existing law is modified or interpreted in a manner that subjects us to entity-level taxation, the minimum quarterly distribution amount and the target distribution amounts may be adjusted to reflect the impact of that law on us.

The tax treatment of publicly traded partnerships or an investment in our common units could be subject to potential legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis.

The present federal income tax treatment of publicly traded partnerships, including us, or an investment in our common units may be modified by administrative, legislative or judicial interpretation at any time. For example, from time to time, members of Congress propose and consider substantive changes to the existing federal income tax laws that affect publicly traded partnerships. Currently, one such legislative proposal would eliminate the qualifying income exception upon which we rely for our treatment as a partnership for U.S. federal income tax purposes. Please read Material Federal Income Tax Consequences Partnership Status. We are unable to predict whether any such changes will ultimately be enacted. However, it is possible that a change in law could affect us and may be applied retroactively. Any such changes could negatively impact the value of an investment in our units.

Our unitholders share of our income will be taxable to them for federal income tax purposes even if they do not receive any cash distributions from us.

Because a unitholder will be treated as a partner to whom we will allocate taxable income which could be different in amount than the cash we distribute, a unitholder s allocable share of our taxable income will be taxable to it, which may require the payment of federal income taxes and, in some cases, state and local income taxes, on its share of our taxable income even if it receives no cash distributions from us. Our unitholders may not receive cash distributions from us equal to their share of our taxable income or even equal to the actual tax liability that results from that income.

If the IRS contests the federal income tax positions we take, the market for our common units may be adversely impacted and the cost of any IRS contest will reduce our cash available for distribution to our unitholders.

We have not requested a ruling from the IRS with respect to our treatment as a partnership for federal income tax purposes or any other matter affecting us. The IRS may adopt positions that differ from the conclusions of our counsel expressed in this prospectus or from the positions we take, and the IRS s positions may ultimately be sustained. It may be necessary to resort to administrative or court proceedings to sustain some or all of our counsel s conclusions or the positions we take and such positions may not ultimately be sustained. A court may not agree with some or all of our counsel s conclusions or the positions we take. Any contest with the IRS, and the outcome of any IRS contest, may have a materially adverse impact on the market for our common units and the price at which they trade. In addition, our costs of any contest with the IRS will be borne indirectly by our unitholders and our general partner because the costs will reduce our cash available for distribution.

Tax gain or loss on the disposition of our common units could be more or less than expected.

If our unitholders sell common units, they will recognize a gain or loss for federal income tax purposes equal to the difference between the amount realized and their tax basis in those common units. Because distributions in excess of their allocable share of our net taxable income decrease their tax basis in their common units, the amount, if any, of such prior excess distributions with respect to the common units a unitholder sells will, in effect, become taxable income to the unitholder if it sells such common units at a price greater than its tax basis in those common units, even if the price received is less than its original cost. Furthermore, a substantial portion of the amount realized on any sale of your common units, whether or not representing gain, may be taxed as ordinary income due to potential recapture items, including depreciation recapture. In addition, because the amount realized includes a unitholder s share of our nonrecourse liabilities, a unitholder that sells common units, may incur a tax liability in excess of the amount of cash received from the sale. Please read Material Federal Income Tax Consequences Disposition of Common Units Recognition of Gain or Loss for a further discussion of the foregoing.

Tax-exempt entities and non-U.S. persons face unique tax issues from owning our common units that may result in adverse tax consequences to them.

Investment in common units by tax-exempt entities, such as employee benefit plans and individual retirement accounts (known as IRAs), and non-U.S. persons raises issues unique to them. For example, virtually all of our income allocated to organizations that are exempt from federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income and will be taxable to them. Distributions to non-U.S. persons will be reduced by withholding taxes at the highest applicable effective tax rate, and non-U.S. persons will be required to file federal income tax returns and pay tax on their share of our taxable income. If you are a tax-exempt entity or a non-U.S. person, you should consult a tax advisor before investing in our common units.

We will treat each purchaser of common units as having the same tax benefits without regard to the actual common units purchased. The IRS may challenge this treatment, which could adversely affect the value of the common units.

Because we cannot match transferors and transferees of common units and because of other reasons, we will adopt depreciation and amortization positions that may not conform to all aspects of existing Treasury Regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to you. Our counsel is unable to opine as to the validity of such filing positions. It also could affect the timing of these tax benefits or the amount of gain from your sale of common units and could have a negative impact on the value of our common units or result in audit adjustments to your tax returns. Please read Material Federal Income Tax Consequences Tax Consequences of Unit Ownership Section 754 Election for a further discussion of the effect of the depreciation and amortization positions we will adopt.

We prorate our items of income, gain, loss and deduction for federal income tax purposes between transferors and transferees of our units each month based upon the ownership of our units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The IRS may challenge this treatment, which could change the allocation of items of income, gain, loss and deduction among our unitholders.

We will prorate our items of income, gain, loss and deduction for federal income tax purposes between transferors and transferees of our units each month based upon the ownership of our units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The use of this proration method may not be permitted under existing Treasury Regulations, and, accordingly, our counsel is unable to opine as to the validity of this method. Recently, however, the U.S. Treasury Department issued proposed regulations that provide a safe harbor pursuant to which publicly traded partnerships may use a similar monthly simplifying convention to allocate tax items among transferor and transferee unitholders. Nonetheless, the proposed regulations do not specifically authorize the use of the proration method we will adopt. If the IRS were to challenge this method or new Treasury regulations were issued, we may be required to change the allocation of items of income, gain, loss and deduction among our unitholders. Latham & Watkins LLP has not rendered an opinion with respect to whether our monthly convention for allocating taxable income and losses is permitted by existing Treasury Regulations. Please read Material Federal Income Tax Consequences Disposition of Common Units Allocations Between Transferors and Transferees.

A unitholder whose common units are loaned to a short seller to effect a short sale of common units may be considered as having disposed of those common units. If so, he would no longer be treated for federal income tax purposes as a partner with respect to those common units during the period of the loan and may recognize gain or loss from the disposition.

Because a unitholder whose common units are loaned to a short seller to effect a short sale of common units may be considered as having disposed of the loaned common units, he may no longer be treated for federal income tax purposes as a partner with respect to those common units during the period of the loan to the short seller and the unitholder may recognize gain or loss from such disposition. Moreover, during the period of the loan to the short seller, any of our income, gain, loss or deduction with respect to those common units may not be reportable by the unitholder and any cash distributions received by the unitholder as to those common units could be fully taxable as ordinary income. Our counsel has not rendered an opinion regarding the treatment of a unitholder where common units are loaned to a short seller to effect a short sale of common units; therefore, our unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a loan to a short seller are urged to consult a tax advisor to discuss whether it is advisable to modify any applicable brokerage account agreements to prohibit their brokers from loaning their common units.

We will adopt certain valuation methodologies and monthly conventions for federal income tax purposes that may result in a shift of income, gain, loss and deduction between our general partner and our unitholders. The IRS may challenge this treatment, which could adversely affect the value of the common units.

When we issue additional units or engage in certain other transactions, we will determine the fair market value of our assets and allocate any unrealized gain or loss attributable to our assets to the capital accounts of our unitholders and our general partner. Our methodology may be viewed as understating the value of our assets. In that case, there may be a shift of income, gain, loss and deduction between certain unitholders and our general partner, which may be unfavorable to such unitholders. Moreover, under our valuation methods, subsequent purchasers of common units may have a greater portion of their Internal Revenue Code Section 743(b) adjustment allocated to our tangible assets and a lesser portion allocated to our intangible assets. The IRS may challenge our valuation methods, or our allocation of the Section 743(b) adjustment attributable to our tangible and intangible assets, and allocations of taxable income, gain, loss and deduction between our general partner and certain of our unitholders.

A successful IRS challenge to these methods or allocations could adversely affect the amount of taxable income or loss being allocated to our unitholders. It also could affect the amount of taxable gain from our unitholders sale of common units and could have a negative impact on the value of the common units or result in audit adjustments to our unitholders tax returns without the benefit of additional deductions.

The sale or exchange of 50.0% or more of our capital and profits interests during any twelve-month period will result in the termination of our partnership for federal income tax purposes.

We will be considered to have technically terminated our partnership for federal income tax purposes if there is a sale or exchange of 50.0% or more of the total interests in our capital and profits within a twelve-month period. For purposes of determining whether the 50.0% threshold has been met, multiple sales of the same interest will be counted only once. Our technical termination would, among other things, result in the closing of our taxable year for all unitholders, which would result in us filing two tax returns (and our unitholders could receive two Schedules K-1 if relief was not available, as described below) for one fiscal year and could result in a deferral of depreciation deductions allowable in computing our taxable income. In the case of a unitholder reporting on a taxable year other than a fiscal year ending December 31, the closing of our taxable year may also result in more than twelve months of our taxable income or loss being includable in his taxable income for the year of termination. Our termination currently would not affect our classification as a partnership for federal income tax purposes, but instead we would be treated as a new partnership for tax purposes. If treated as a new partnership, we must make new tax elections and could be subject to penalties if we are unable to determine that a termination occurred. The IRS has recently announced a publicly traded partnership technical termination relief program whereby, if a publicly traded partnership that technically terminated requests publicly traded partnership technical termination relief and such relief is granted by the IRS, among other things, the partnership will only have to provide one Schedule K-1 to unitholders for the year notwithstanding two partnership tax years. Please read Material Federal Income Tax Consequences Disposition of Common Units Constructive Termination for a discussion of the consequences of our termination for federal income tax purposes.

As a result of investing in our common units, you may become subject to state and local taxes and return filing requirements in jurisdictions where we operate or own or acquire properties.

In addition to federal income taxes, our unitholders will likely be subject to other taxes, including state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we conduct business or control property now or in the future, even if they do not live in any of those jurisdictions. Our unitholders will likely be required to file state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions. Further, our unitholders may be subject to penalties for failure to comply with those requirements. We initially expect to conduct business in Illinois, Indiana, Kentucky, Louisiana, Michigan, Ohio, Pennsylvania, Texas and West Virginia. Many of these states currently impose a personal income tax on individuals. As we make acquisitions or expand our business, we may control assets or conduct business in additional states that impose a personal income tax. It is your responsibility to file all federal, state and local tax returns. Our counsel has not rendered an opinion on the state or local tax consequences of an investment in our common units. Please consult your tax advisor.

Table of Contents

Use of proceeds

We expect to receive net proceeds of approximately $ million from the sale of common units offered by this prospectus, based on an assumed initial public offering price of $ per common unit (the mid-point of the price range set forth on the cover of this prospectus), after deducting underwriting discounts, structuring fees and estimated offering expenses. We intend to use these proceeds as follows:

- approximately $219.4 million will be contributed to Pipe Line Holdings, which Pipe Line Holdings will retain on behalf of us and MPC to fund our respective pro rata portions of certain estimated expansion capital expenditures;
- $ million will be distributed to MPC, in partial consideration of its contribution of assets to us and to reimburse MPC for certain capital expenditures it incurred with respect to these assets;
- $10.0 million will be retained for general partnership purposes, including to fund our working capital needs; and
- $ million will be used to pay revolving credit facility origination fees.

In connection with this offering, we will enter into a $500.0 million revolving credit facility.

The net proceeds from any exercise by the underwriters of their option to purchase additional common units will be used to redeem from MPC a number of common units equal to the number of common units issued upon exercise of the option at a price per common unit equal to the net proceeds per common unit in this offering before expenses but after deducting underwriting discounts and the structuring fee. Accordingly, any exercise of the underwriters option will not affect the total number of units outstanding or the amount of cash needed to pay the minimum quarterly distribution on all units. Please read Underwriting.

An increase or decrease in the initial public offering price of $1.00 per common unit would cause the net proceeds from the offering, after deducting underwriting discounts, to increase or decrease by $ million, based on an assumed initial public offering price of $ per common unit (the mid-point of the price range set forth on the cover of this prospectus). If the proceeds increase due to a higher initial public offering price or decrease due to a lower initial public offering price, then the cash distribution to MPC from the proceeds of this offering will increase or decrease, as applicable, by a corresponding amount.

Table of Contents

Capitalization

The following table shows:

- Ø the historical cash and cash equivalents and capitalization of our Predecessor as of June 30, 2012; and
- Ø our pro forma capitalization as of June 30, 2012, giving effect to the pro forma adjustments described in our unaudited pro forma combined financial data included elsewhere in this prospectus, including this offering and the application of the net proceeds of this offering in the manner described under Use of Proceeds and the other transactions described under Prospectus Summary The Transactions.

This table is derived from, should be read together with and is qualified in its entirety by reference to the historical interim combined financial statements and the accompanying notes and the pro forma combined financial data and accompanying notes included elsewhere in this prospectus.

	As of June 30, 2012	
	MPLX LP Predecessor Historical	MPLX LP Pro Forma (1)
	(in millions, except per unit data)	
Cash and cash equivalents	$ 0.6	$ 235.0(2)
Debt:		
Long-term debt(3)	$ 11.6	$ 11.6
Revolving credit facility		
Net investment/equity:		
Net investment	$ 1,435.3	$
Held by public:		
Common units		
Held by MPC:		
Common units		
Subordinated units		
General partner units		
Total MPLX LP partners capital		
Non-controlling interest in Pipe Line Holdings		
Total net investment/equity	1,435.3	
Total capitalization	$ 1,446.9	$

(1) Assumes the mid-point of the price range set forth on the cover of this prospectus.
(2) Includes $219.4 million that will be contributed to Pipe Line Holdings, which Pipe Line Holdings will retain on behalf of us and MPC to fund our respective pro rata portions of certain estimated capital expenditures.
(3) Consists of capital lease obligations, including amounts due within one year.

Table of Contents

Dilution

Dilution is the amount by which the offering price per common unit in this offering will exceed the pro forma net tangible book value per unit after the offering. On a pro forma basis as of June 30, 2012, after giving effect to the offering of common units and the related transactions, our net tangible book value was approximately $ million, or $ per unit. Purchasers of common units in this offering will experience substantial and immediate dilution in pro forma net tangible book value per common unit for financial accounting purposes, as illustrated in the following table.

Assumed initial public offering price per common unit(1)		$
Pro forma net tangible book value per unit before the offering(2)	$	
Decrease in net tangible book value per unit attributable to purchasers in the offering		
Less: Pro forma net tangible book value per unit after the offering(3)		
Immediate dilution in net tangible book value per common unit to purchasers in the offering(4)(5)		$

(1) The mid-point of the price range set forth on the cover of this prospectus.

(2) Determined by dividing the number of units (common units, subordinated units and general partner units) to be issued to the general partner and its affiliates for their contribution of assets and liabilities to us into the pro forma net tangible book value of the contributed assets and liabilities.

(3) Determined by dividing the number of units to be outstanding after this offering (total common units, subordinated units and general partner units) and the application of the related net proceeds into our pro forma net tangible book value, after giving effect to the application of the net proceeds of this offering.

(4) If the initial public offering price were to increase or decrease by $1.00 per common unit, then dilution in net tangible book value per common unit would equal $ and $, respectively.

(5) Because the total number of units outstanding following this offering will not be impacted by any exercise of the underwriters option to purchase additional common units and any net proceeds from such exercise will not be retained by us, there will be no change to the dilution in net tangible book value per common unit to purchasers in this offering due to any such exercise of the option.

The following table sets forth the number of units that we will issue and the total consideration contributed to us by the general partner and its affiliates in respect of their units and by the purchasers of common units in this offering upon consummation of the transactions contemplated by this prospectus.

	Units acquired		Total consideration	
	Number (in millions)	%	Amount (in thousands)	%
General partner and its affiliates(1)(2)(3)		%	$	%
Purchasers in this offering		%	$	%
Total		100.0%	$	100.0%

(1) Upon the consummation of the transactions contemplated by this prospectus, our general partner and its affiliates will own common units, subordinated units and general partner units.

footnotes continued on following page

Table of Contents

Dilution

(2) Assumes the underwriters option to purchase additional common units is not exercised.

(3) The assets contributed by the general partner and its affiliates were recorded at historical cost in accordance with accounting principles generally accepted in the United States. Book value of the consideration provided by the general partner and its affiliates, as of June 30, 2012, after giving effect to the application of the net proceeds of the offering, is as follows:

	(in millions)
Book value of net assets contributed	$
Less: Distribution to MPC from net proceeds of this offering	
Total consideration	$

Cash distribution policy and restrictions on distributions

The following discussion of our cash distribution policy should be read in conjunction with the specific assumptions included in this section. In addition, Forward-Looking Statements and Risk Factors should be read for information regarding statements that do not relate strictly to historical or current facts and regarding certain risks inherent in our business.

For additional information regarding our historical and pro forma results of operations, please refer to our historical combined financial statements and accompanying notes and the pro forma combined financial data and accompanying notes included elsewhere in this prospectus.

GENERAL

Rationale for Our Cash Distribution Policy

Our partnership agreement requires that we distribute all of our available cash quarterly. This requirement forms the basis of our cash distribution policy and reflects a basic judgment that our unitholders will be better served by distributing our available cash rather than retaining it, because, among other reasons, we believe we will generally finance any expansion capital expenditures from external financing sources. Under our current cash distribution policy, we intend to make a minimum quarterly distribution to the holders of our common units and subordinated units of $ per unit, or $ per unit on an annualized basis, to the extent we have sufficient cash from our operations after the establishment of cash reserves and the payment of costs and expenses, including the payment of expenses to our general partner. However, we have no legal obligation to make quarterly cash distributions in this or any other amount, and our general partner has considerable discretion to determine the amount of our available cash each quarter. In addition, our general partner may change our cash distribution policy at any time, subject to the requirement in our partnership agreement to distribute all of our available cash quarterly. Generally, our available cash is our (i) cash on hand at the end of a quarter after the payment of our expenses and the establishment of cash reserves and (ii) cash on hand resulting from working capital borrowings made after the end of the quarter. Because we are not subject to an entity-level federal income tax, we expect to have more cash to distribute than would be the case if we were subject to federal income tax. If we do not generate sufficient available cash from operations, we may, but are under no obligation to, borrow funds to pay the minimum quarterly distribution to our unitholders.

Limitations on Cash Distributions and Our Ability to Change Our Cash Distribution Policy

Although our partnership agreement requires that we distribute all of our available cash quarterly, there is no guarantee that we will make quarterly cash distributions to our unitholders at our minimum quarterly distribution rate or at any other rate, and we have no legal obligation to do so. Our current cash distribution policy is subject to certain restrictions, as well as the considerable discretion of our general partner in determining the amount of our available cash each quarter. The following factors will affect our ability to make cash distributions, as well as the amount of any cash distributions we make:

- Our cash distribution policy will be subject to restrictions on cash distributions under our revolving credit facility. Should we be unable to satisfy these restrictions included in our revolving credit facility, we would be prohibited from making cash distributions notwithstanding our cash distribution policy. Please read Management s Discussion and Analysis of Financial Condition and Results of Operations Capital Resources and Liquidity Revolving Credit Facility.

Table of Contents

Cash distribution policy and restrictions on distributions

- The amount of cash that we distribute and the decision to make any distribution is determined by our general partner, taking into consideration the terms of our partnership agreement. Specifically, our general partner will have the authority to establish cash reserves for the prudent conduct of our business and for future cash distributions to our unitholders, and the establishment of or increase in those reserves could result in a reduction in cash distributions from levels we currently anticipate pursuant to our stated cash distribution policy. Any decision to establish cash reserves made by our general partner in good faith will be binding on our unitholders.

- While our partnership agreement requires us to distribute all of our available cash, our partnership agreement, including the provisions requiring us to make cash distributions, may be amended. During the subordination period our partnership agreement may not be amended without the approval of our public common unitholders, except in a limited number of circumstances when our general partner can amend our partnership agreement without any unitholder approval. For a description of these limited circumstances, please read Our Partnership Agreement Amendment of Our Partnership Agreement No Unitholder Approval. However, after the subordination period has ended our partnership agreement may be amended with the consent of our general partner and the approval of a majority of the outstanding common units, including common units owned by our general partner and its affiliates. At the closing of this offering, MPC will own our general partner and will indirectly own an aggregate of approximately % of our outstanding common units and subordinated units (excluding common units purchased by officers and directors of our general partner and MPC under our directed unit program). Please read Our Partnership Agreement Amendment of Our Partnership Agreement.

- Under Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, or the Delaware Act, we may not make a distribution if the distribution would cause our liabilities to exceed the fair value of our assets.

- We may lack sufficient cash to pay distributions to our unitholders due to cash flow shortfalls attributable to a number of operational, commercial or other factors as well as increases in our operating or general and administrative expenses, principal and interest payments on our debt, tax expenses, working capital requirements and anticipated cash needs. Our cash available for distribution to unitholders is directly impacted by our cash expenses necessary to run our business and will be reduced dollar-for-dollar to the extent such uses of cash increase. Please read Provisions of Our Partnership Agreement Relating to Cash Distributions Distributions of Available Cash.

- Our ability to make cash distributions to our unitholders depends on the performance of our subsidiaries and their ability to distribute cash to us. The ability of our subsidiaries to make cash distributions to us may be restricted by, among other things, the provisions of future indebtedness, applicable state partnership and limited liability company laws and other laws and regulations.

- If and to the extent our available cash materially declines from quarter to quarter, we may elect to change our current cash distribution policy and reduce the amount of our quarterly distributions in order to service or repay our debt or fund expansion capital expenditures.

Our Ability to Grow is Dependent on Our Ability to Access External Expansion Capital

Our partnership agreement requires us to distribute all of our available cash to our unitholders on a quarterly basis. As a result, we expect that we will rely primarily upon external financing sources, including borrowings under our revolving credit facility and the issuance of debt and equity securities, to fund future acquisitions and other expansion capital expenditures. To the extent we are unable to finance growth with external sources of capital, the requirement in our partnership agreement to distribute all of our available cash and our current cash distribution policy will significantly impair our ability to grow.

55

Table of Contents

Cash distribution policy and restrictions on distributions

In addition, because we will distribute all of our available cash, our growth may not be as fast as businesses that reinvest all of their available cash to expand ongoing operations. Our revolving credit facility will restrict our ability to incur additional debt, including through the issuance of debt securities. Please read Risk Factors Risks Related to Our Business Restrictions in our revolving credit facility could adversely affect our business, financial condition, results of operations, ability to make cash distributions to our unitholders and the value of our units. To the extent we issue additional units, the payment of distributions on those additional units may increase the risk that we will be unable to maintain or increase our cash distributions per unit. There are no limitations in our partnership agreement on our ability to issue additional units, including units ranking senior to our common units, and our unitholders will have no preemptive or other rights (solely as a result of their status as unitholders) to purchase any such additional units. If we incur additional debt (under our revolving credit facility or otherwise) to finance our growth strategy, we will have increased interest expense, which in turn will reduce the available cash that we have to distribute to our unitholders. Please read Risk Factors Risks Related to Our Business Debt we incur in the future may limit our flexibility to obtain financing and to pursue other business opportunities.

OUR MINIMUM QUARTERLY DISTRIBUTION

Upon the consummation of this offering, our partnership agreement will provide for a minimum quarterly distribution of $ per unit for each whole quarter, or $ per unit on an annualized basis. Our ability to make cash distributions at the minimum quarterly distribution rate will be subject to the factors described above under General Limitations on Cash Distributions and Our Ability to Change Our Cash Distribution Policy. Quarterly distributions, if any, will be made within 45 days after the end of each calendar quarter to holders of record on or about the first day of each such month. If the distribution date does not fall on a business day, we will make the distribution on the first business day immediately preceding the indicated distribution date. We do not expect to make distributions for the period that begins on October 1, 2012 and ends on the day prior to the closing of this offering other than the distribution to be made to MPC in connection with the closing of this offering as described in Prospectus Summary The Transactions and Use of Proceeds. We will adjust the amount of our first distribution for the period from the closing of this offering through December 31, 2012 based on the actual length of the period. The amount of available cash needed to pay the minimum quarterly distribution on all of our common units, subordinated units and general partner units to be outstanding immediately after this offering for one quarter and on an annualized basis is summarized in the table below:

		Minimum quarterly distributions	
	Number of units	**One quarter**	**Annualized (four quarters)**
Publicly held common units		$	$
Common units held by MPC(1)			
Subordinated units held by MPC			
General partner units			
Total		$	$

(1) Assumes no exercise of the underwriters option to purchase additional common units.

As of the date of this offering, our general partner will be entitled to 2.0% of all distributions that we make prior to our liquidation. Our general partner s initial 2.0% interest in these distributions may be

Cash distribution policy and restrictions on distributions

reduced if we issue additional units in the future and our general partner does not contribute a proportionate amount of capital to us in order to maintain its initial 2.0% general partner interest. Our general partner will also hold the incentive distribution rights, which entitle the holder to increasing percentages, up to a maximum of 48.0%, of the cash we distribute in excess of $ per unit per quarter.

During the subordination period, before we make any quarterly distributions to our subordinated unitholders, our common unitholders are entitled to receive payment of the full minimum quarterly distribution for such quarter plus any arrearages in distributions of the minimum quarterly distribution from prior quarters. Please read Provisions of Our Partnership Agreement Relating to Cash Distributions Subordinated Units and Subordination Period. We cannot guarantee, however, that we will pay the minimum quarterly distribution on our common units in any quarter.

Although holders of our common units may pursue judicial action to enforce provisions of our partnership agreement, including those related to requirements to make cash distributions as described above, our partnership agreement provides that any determination made by our general partner in its capacity as our general partner must be made in good faith and that any such determination will not be subject to any other standard imposed by the Delaware Act or any other law, rule or regulation or at equity. Our partnership agreement provides that, in order for a determination by our general partner to be made in good faith, our general partner must believe that the determination is not adverse to the best interests of our partnership. Please read Conflicts of Interest and Duties.

The provision in our partnership agreement requiring us to distribute all of our available cash quarterly may not be modified without amending our partnership agreement; however, as described above, the actual amount of our cash distributions for any quarter is subject to fluctuations based on the amount of cash we generate from our business, the amount of reserves our general partner establishes in accordance with our partnership agreement and the amount of available cash from working capital borrowings.

In the sections that follow, we present in detail the basis for our belief that we will be able to fully fund our annualized minimum quarterly distribution of $ per unit for the twelve months ending December 31, 2013. In those sections, we present two tables, consisting of:

- Ø Unaudited Pro Forma Cash Available for Distribution, in which we present the amount of cash we would have had available for distribution on a pro forma basis for the year ended December 31, 2011 and the twelve months ended June 30, 2012, derived from our unaudited pro forma financial data that are included in this prospectus, as adjusted to give pro forma effect to this offering and the related formation transactions; and

- Ø Estimated Cash Available for Distribution for the Twelve Months Ending December 31, 2013, in which we provide our estimated forecast of our ability to generate sufficient cash available for distribution for us to pay the minimum quarterly distribution on all units for the twelve months ending December 31, 2013.

Cash distribution policy and restrictions on distributions

UNAUDITED PRO FORMA CASH AVAILABLE FOR DISTRIBUTION FOR THE YEAR ENDED DECEMBER 31, 2011 AND THE TWELVE MONTHS ENDED JUNE 30, 2012

If we had completed the transactions contemplated in this prospectus on January 1, 2011, our unaudited pro forma cash available for distribution for the year ended December 31, 2011 would have been approximately $50.3 million. If we had completed the transactions contemplated in this prospectus on January 1, 2011, our unaudited pro forma cash available for distribution for the twelve months ended June 30, 2012 would have been approximately $55.5 million. These amounts would have been insufficient to pay the full minimum quarterly distribution on all of our common units and subordinated units during such periods. Specifically, on a pro forma basis, we would have experienced an average shortfall of approximately $ million in each of the four quarters in the twelve months ended June 30, 2012 relative to the aggregate minimum quarterly distribution for each of those quarters.

We based the pro forma adjustments upon currently available information and specific estimates and assumptions. The pro forma amounts below do not purport to present our results of operations had the transactions contemplated in this prospectus actually been completed as of the dates indicated. In addition, cash available to pay distributions is primarily a cash accounting concept, while our pro forma combined financial data have been prepared on an accrual basis. As a result, you should view the amount of pro forma available cash only as a general indication of the amount of cash available to pay distributions that we might have generated had we been formed in earlier periods.

Table of Contents

Cash distribution policy and restrictions on distributions

The following tables illustrate, on a pro forma basis, for the year ended December 31, 2011 and the twelve months ended June 30, 2012, the amount of cash that would have been available for distribution to our unitholders and our general partner, assuming in each case that this offering and the other transactions contemplated in this prospectus had been consummated on January 1, 2011 with respect to each period presented.

MPLX LP

Unaudited Pro Forma Cash Available for Distribution

		Pro Forma Three Months Ended			
(In millions)	**Year Ended December 31, 2011**	**March 31, 2011**	**June 30, 2011**	**September 30, 2011**	**December 31, 2011**
Net income attributable to MPLX LP(1)	$ 45.3	$ 12.9	$ 8.7	$ 13.5	$ 10.2
Add:					
Net income attributable to non-controlling interest in Pipe Line Holdings	43.7	12.4	8.4	13.1	9.8
Net income	89.0	25.3	17.1	26.6	20.0
Add:					
Depreciation	29.3	7.1	7.1	7.9	7.2
Provision for income taxes	0.1				0.1
Interest and other financial costs	0.1	0.1			
Adjusted EBITDA(2)	118.5	32.5	24.2	34.5	27.3
Less:					
Adjusted EBITDA attributable to non-controlling interest in Pipe Line Holdings	58.2	15.9	11.9	17.0	13.4
Adjusted EBITDA attributable to MPLX LP(3)	60.3	16.6	12.3	17.5	13.9
Less:					
Cash interest paid, net(4)	0.1	0.1			
Income taxes paid					
Maintenance capital expenditures(5)	6.5	1.0	0.7	1.3	3.5
Expansion capital expenditures(5)	72.4	7.8	16.5	20.9	27.2
Incremental general and administrative expense of being a separate publicly traded partnership(6)	3.4	0.8	0.9	0.8	0.9
Add:					
Offering proceeds retained to fund expansion capital expenditures(5)	72.4	7.8	16.5	20.9	27.2
Cash available for distribution attributable to MPLX LP	$ 50.3	$ 14.7	$ 10.7	$ 15.4	$ 9.5
Cash distributions:					
	$	$	$	$	$

Distribution per unit (based on a minimum quarterly distribution rate of $ per unit)					
Distributions to public common unitholders	$	$	$	$	$
Distributions to MPC:					
Common units					
Subordinated units					
General partner units					
Aggregate minimum quarterly distributions	$	$	$	$	$
Excess (shortfall)	$	$	$	$	$
Percent of minimum quarterly cash distributions payable to common unitholders	%	%	%	%	%
Percent of minimum quarterly cash distributions payable to subordinated unitholders	%	%	%	%	%

Table of Contents

Cash distribution policy and restrictions on distributions

		Pro Forma Three Months Ended			
(In millions)	**Twelve Months Ended June 30, 2012**	**September 30, 2011**	**December 31, 2011**	**March 31, 2012**	**June 30, 2012**
Net income attributable to MPLX LP(1)	$ 51.9	$ 13.5	$ 10.2	$ 16.4	$ 11.8
Add:					
Net income attributable to non-controlling interest in Pipe Line Holdings	50.3	13.1	9.8	15.9	11.5
Net income	102.2	26.6	20.0	32.3	23.3
Add:					
Depreciation	30.1	7.9	7.2	7.5	7.5
Provision for income taxes	0.1		0.1		
Interest and other financial costs					
Adjusted EBITDA(2)	132.4	34.5	27.3	39.8	30.8
Less:					
Adjusted EBITDA attributable to non-controlling interest in Pipe Line Holdings	65.1	17.0	13.4	19.5	15.2
Adjusted EBITDA attributable to MPLX LP(3)	67.3	17.5	13.9	20.3	15.6
Less:					
Cash interest paid, net(4)					
Income taxes paid					
Maintenance capital expenditures(5)	8.4	1.3	3.5	0.9	2.7
Expansion capital expenditures(5)	98.1	20.9	27.2	19.5	30.5
Incremental general and administrative expense of being a separate publicly traded partnership(6)	3.4	0.8	0.9	0.8	0.9
Add:					
Offering proceeds retained to fund expansion capital expenditures(5)	98.1	20.9	27.2	19.5	30.5
Cash available for distribution attributable to MPLX LP	$ 55.5	$ 15.4	$ 9.5	$ 18.6	$ 12.0
Cash distributions:					
Distribution per unit (based on a minimum quarterly distribution rate of $ per unit)	$	$	$	$	$
Distributions to public common unitholders	$	$	$	$	$
Distributions to MPC:					
Common units					
Subordinated units					
General partner units					
Aggregate minimum quarterly distributions	$	$	$	$	$

Excess (shortfall)	$	$	$	$	$
Percent of minimum quarterly cash distributions payable to common unitholders	%	%	%	%	%
Percent of minimum quarterly cash distributions payable to subordinated unitholders	%	%	%	%	%

footnotes on following page

Table of Contents

Cash distribution policy and restrictions on distributions

(1) *Reflects pro forma net income attributable to our 51.0% indirect ownership interest in Pipe Line Holdings and our 100.0% ownership interest in our butane cavern for the periods indicated. For additional information, please read our unaudited pro forma financial data and accompanying notes included elsewhere in this prospectus.*

(2) *Adjusted EBITDA is defined in Selected Historical and Pro Forma Financial and Operating Data Non-GAAP Financial Measure.*

(3) *Represents Adjusted EBITDA attributable to our 51.0% indirect ownership interest in Pipe Line Holdings less 100.0% of certain overhead expenses attributable to our butane cavern.*

(4) *Includes interest expense on our capital lease on a 51.0% basis and commitment fees on our revolving credit facility on a 100.0% basis that would have been paid had our revolving credit facility been in place during the periods presented, less capitalized interest related to the construction of our butane cavern.*

(5) *Represents capital expenditures attributable to our 51.0% indirect ownership interest in Pipe Line Holdings and our 100.0% ownership interest in our butane cavern. For purposes of determining our pro forma cash available for distribution for the year ended December 31, 2011 and the twelve months ended June 30, 2012, we have assumed that we contributed \$72.4 million and \$98.1 million, respectively to Pipe Line Holdings from the net proceeds of this offering to fund our portion of the total cost of the expansion capital expenditures for such periods. Historically, we have not made a distinction between maintenance capital expenditures and expansion capital expenditures. For a discussion of maintenance and expansion capital expenditures, please read Provisions of our Partnership Agreement Relating to Cash Distributions Capital Expenditures.*

(6) *Reflects approximately \$3.4 million in estimated annual incremental general and administrative expenses we expect to incur as a result of being a separate publicly-traded partnership.*

ESTIMATED CASH AVAILABLE FOR DISTRIBUTION FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2013

We forecast that our estimated cash available for distribution for the twelve months ending December 31, 2013 will be approximately \$87.1 million. This amount would exceed by \$ million the amount needed to pay the aggregate annualized minimum quarterly distributions of \$ million on all of our units for the twelve months ending December 31, 2013. We own a 51.0% general partner interest in Pipe Line Holdings, which owns a 100.0% interest in MPL and ORPL. As the sole general partner of Pipe Line Holdings, we will control the management of Pipe Line Holdings, including its cash distribution policy. MPC has retained a 49.0% limited partner interest in Pipe Line Holdings. The number of outstanding units on which we have based our belief does not include any common units that may be issued under the incentive compensation plan that our general partner will adopt prior to the closing of this offering.

We do not, as a matter of course, make public projections as to future operations, earnings or other results of our business. However, our management has prepared the forecast of estimated cash available for distribution and related assumptions set forth below to supplement our historical combined financial statements in support of our belief that we will generate sufficient cash available for distribution to pay the aggregate annualized minimum quarterly distributions on all of our units for the twelve months ending December 31, 2013. This forecast is a forward-looking statement and should be read together with the historical combined financial statements and the accompanying notes included elsewhere in this prospectus and Management s Discussion and Analysis of Financial Condition and Results of Operations. The accompanying prospective financial information was not prepared with a view toward complying with the published guidelines of the SEC or guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of our management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management s knowledge and belief, the assumptions on which we base our belief that we will generate sufficient cash available for distribution to pay the aggregate annualized minimum quarterly distributions on all of our units for the twelve months ending December 31, 2013.

Table of Contents

Cash distribution policy and restrictions on distributions

The prospective financial information included in this registration statement has been prepared by, and is the responsibility of, our management. Neither PricewaterhouseCoopers LLP, nor any other independent accountants, have examined, compiled or performed any procedures with respect to the accompanying prospective financial information and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto. The PricewaterhouseCoopers LLP reports included in this prospectus relate to our historical financial information. Those reports do not extend to the prospective financial information and should not be read to do so.

When considering our financial forecast, you should keep in mind the risk factors and other cautionary statements under Risk Factors. Any of the risks discussed in this prospectus, to the extent they occur, could cause our actual results of operations to vary significantly from those that would enable us to generate sufficient cash available for distribution to pay the aggregate annualized minimum quarterly distribution on all of our units for the twelve months ending December 31, 2013.

We are providing the forecast of estimated cash available for distribution and related assumptions set forth below to supplement our historical combined financial statements included elsewhere in this prospectus in support of our belief that we will have sufficient cash available for distribution to allow us to pay the aggregate annualized minimum quarterly distributions on all of our units for the twelve months ending December 31, 2013. Please read below under Assumptions and Considerations for further information as to the assumptions we have made for the financial forecast.

We do not intend to release publicly the results of any future revisions we may make to the forecast or to update this forecast to reflect events or circumstances after the date of this prospectus. In light of this, the statement that we believe that we will have sufficient cash available for distribution to allow us to pay the aggregate annualized minimum quarterly distributions on all of our units for the twelve months ending December 31, 2013, should not be regarded as a representation by us, the underwriters or any other person that we will make such distributions. Therefore, you are cautioned not to place undue reliance on this information.

Table of Contents

Cash distribution policy and restrictions on distributions

MPLX LP

Estimated Cash Available for Distribution

(in millions)	Twelve months ending December 31, 2013	Three Months Ended March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013
Revenues and other income:					
Sales and other operating revenues(1)	$ 81.5	$ 18.9	$ 19.5	$ 21.1	$ 22.0
Sales to related parties	400.1	99.1	98.1	100.7	102.2
Other income	4.5	1.1	1.1	1.2	1.1
Other income related parties	14.6	3.7	3.7	3.6	3.6
Total revenues and other income	500.7	122.8	122.4	126.6	128.9
Costs and expenses:					
Cost of revenues (excludes items below)	147.0	33.9	33.8	39.5	39.8
Purchases from related parties(2)	105.2	26.0	26.1	26.6	26.5
Depreciation	42.4	10.6	10.6	10.6	10.6
General and administrative expenses(3)	44.2	11.0	11.0	11.1	11.1
Other taxes	7.3	1.8	1.8	1.8	1.9
Total costs and expenses	346.1	83.3	83.3	89.6	89.9
Income from operations	154.6	39.5	39.1	37.0	39.0
Net interest and other financial costs(4)	2.0	0.5	0.5	0.5	0.5
Income before income taxes	152.6	39.0	38.6	36.5	38.5
Provision for income taxes	0.2	0.1		0.1	
Net income	152.4	38.9	38.6	36.4	38.5
Less:					
Net income attributable to non-controlling interest in Pipe Line Holdings	74.9	19.1	19.0	17.9	18.9
Net income attributable to MPLX LP(5)	77.5	19.8	19.6	18.5	19.6
Add:					
Net income attributable to non-controlling interest in Pipe Line Holdings	74.9	19.1	19.0	17.9	18.9
Depreciation	42.4	10.6	10.6	10.6	10.6
Provision for income taxes	0.2	0.1		0.1	
Net interest and other financial costs(4)	2.0	0.5	0.5	0.5	0.5
Estimated Adjusted EBITDA(6)	197.0	50.1	49.7	47.6	49.6
Less:					
Estimated Adjusted EBITDA attributable to non-controlling interest in Pipe Line Holdings	92.2	23.5	23.2	22.2	23.3
	104.8	26.6	26.5	25.4	26.3

Estimated Adjusted EBITDA attributable to MPLX LP(7)					
Less:					
Cash interest paid, net(8)	1.2	0.3	0.3	0.3	0.3
Income taxes paid	0.1	0.1			
Maintenance capital expenditures(9)	16.4	1.2	3.4	4.4	7.4
Expansion capital expenditures(10)	69.3	10.4	17.4	24.2	17.3
Add:					
Offering proceeds retained to fund expansion capital expenditures(10)	69.3	10.4	17.4	24.2	17.3
Estimated cash available for distribution attributable to MPLX LP	$ 87.1	$ 25.0	$ 22.8	$ 20.7	$ 18.6
Distributions to public common unitholders	$	$	$	$	$
Distributions to MPC:					
Common units					
Subordinated units					
General partner units					
Aggregate minimum quarterly distributions					
	$	$	$	$	$
Excess of cash available for distribution over aggregate minimum quarterly distributions	$	$	$	$	$

footnotes on following page

Cash distribution policy and restrictions on distributions

(1) Includes revenue from volumes shipped by MPC on various pipelines under joint tariffs with third parties. For accounting purposes, this revenue is classified as third party revenue because we receive payment from those third parties with respect to volumes shipped under the joint tariffs; however, the volumes associated with this revenue are applied towards MPC s minimum volume commitments on the applicable pipelines because MPC is the shipper of record.

(2) Consists primarily of employee compensation and benefits expense with respect to the MPC employees that will provide employee services to us under the employee services agreements that we will enter into with MPC in connection with this offering, as well as reimbursements to MPC for various shared services costs, such as engineering and information technology services.

(3) Includes approximately $3.4 million of estimated annual general and administrative expenses that we expect to incur as a result of being a separate publicly-traded partnership.

(4) Includes, on a 100.0% basis: amortization of debt issuance costs relating to our revolving credit facility; commitment fees on our revolving credit facility; interest expense attributable to our capital lease; interest income on approximately $219.4 million of the net proceeds of this offering that Pipe Line Holdings will retain on behalf of MPC and us to fund certain expansion capital expenditures; and interest income on approximately $10.0 million of the net proceeds of this offering that we will retain for general partnership purposes.

(5) Represents net income attributable to our 51.0% indirect ownership interest in Pipe Line Holdings, plus net income attributable to 100.0% of our butane cavern, less estimated annual general and administrative expenses that we expect to incur as a result of being a separate publicly-traded partnership.

(6) Adjusted EBITDA is defined in Selected Historical and Pro Forma Financial and Operating Data Non-GAAP Financial Measure.

(7) Represents estimated Adjusted EBITDA attributable to our 51.0% indirect ownership interest in Pipe Line Holdings, plus estimated Adjusted EBITDA attributable to 100.0% of our butane cavern, less 100.0% of estimated annual general and administrative expenses we expect to incur as a result of being a separate publicly-traded partnership.

(8) Includes interest expense on our capital lease on a 51.0% basis and commitment fees on our revolving credit facility on a 100.0% basis. We do not expect to make any borrowings under our revolving credit facility during the forecast period.

(9) Represents estimated maintenance capital expenditures attributable to our 51.0% indirect ownership interest in Pipe Line Holdings.

(10) Includes estimated expansion capital expenditures attributable to our 51.0% indirect ownership interest in Pipe Line Holdings and amounts associated with certain non-recurring expenditures classified as asset retirement expenditures relating to the upgrade project on our Patoka to Catlettsburg crude oil pipeline. We intend to fund these expenditures with a portion of the net proceeds retained from this offering. Please read Assumptions and Considerations Capital Expenditures.

ASSUMPTIONS AND CONSIDERATIONS

The forecast has been prepared by and is the responsibility of management. The forecast reflects our judgment as of the date of this prospectus of conditions we expect to exist and the course of action we expect to take during the twelve months ending December 31, 2013. While the assumptions disclosed in this prospectus are not all-inclusive, the assumptions listed below are those that we believe are material to our forecasted results of operations and any assumptions not discussed below were not deemed to be material. We believe we have a reasonable objective basis for these assumptions. We believe our actual results of operations will approximate those reflected in our forecast, but we can give no assurance that our forecasted results will be achieved. There will likely be differences between our forecast and the actual results and those differences could be material. If the forecast is not achieved, we may not be able to make cash distributions on our common units at the minimum quarterly distribution rate or at all.

Table of Contents

Cash distribution policy and restrictions on distributions

General Considerations

As discussed in this prospectus, a substantial majority of our revenues and certain of our expenses will be determined by contractual arrangements that we will enter into with MPC at the closing of this offering. Accordingly, our forecasted results are not directly comparable with historical periods. Please read Management s Discussion and Analysis of Financial Condition and Results of Operations Factors Affecting the Comparability of Our Financial Results. Most of our revenues will be fee-based under long-term transportation and storage services agreements with MPC that include minimum volume commitments. We have, however, assumed for purposes of this forecast that we will transport volumes for MPC in excess of the minimum volume commitments under our transportation services agreements. We are not directly exposed to material commodity price risk. As we do not take ownership of the crude oil or products that we transport and store for our customers, do not engage in the trading of any commodities and have not forecasted any gains or losses from commodity imbalances, we have not made any assumptions regarding future commodity price levels in developing our forecast of estimated cash available for distribution for the twelve months ending December 31, 2013.

Revenues and Volumes

Overview

We estimate that we will generate total revenues and other income of $500.7 million for the twelve months ending December 31, 2013, as compared to pro forma total revenues and other income of $346.7 million and $379.4 million for the year ended December 31, 2011 and the twelve months ended June 30, 2012, respectively. This amount represents the forecasted revenues attributable to 100.0% of the assets that will be owned by MPL and ORPL following the closing of this offering, as well as our butane cavern, which was placed into service on August 1, 2012. We own a 51.0% indirect ownership interest in MPL and ORPL through our ownership interest in Pipe Line Holdings, and we own 100.0% of our butane cavern.

We expect approximately $364.1 million, or 72.7%, of our total forecasted revenues and other income to be supported by MPC s minimum volume commitments under our transportation and storage services agreements with MPC. We expect that approximately $66.8 million, or 13.3%, of our total forecasted revenues and other income to be generated by pipeline transportation volumes from MPC in excess of its minimum volume commitments. We also expect approximately $50.7 million, or 10.1%, of our total forecasted revenues and other income to be generated by providing transportation services to third parties, which excludes revenues attributable to volumes shipped by MPC under joint tariffs with third parties that are treated as third party revenues for accounting purposes. We expect that approximately $19.1 million, or 3.9%, of our total forecasted revenues and other income will be categorized as other income and reflect fees for providing operating and management services to MPC and third parties.

Based on our assumptions for the twelve months ending December 31, 2013, we expect approximately $445.5 million, or 89.0%, of our total forecasted revenues and other income to be generated by MPC and related parties, including revenues attributable to volumes shipped by MPC under joint tariffs with third parties that are treated as third party revenue for accounting purposes.

Our forecasted revenues have been determined by reference to historical volumes handled by us for MPC and third parties for the year ended December 31, 2011 and the twelve months ended June 30, 2012. The forecasted revenues also take into account the minimum volume commitments under the transportation and storage services agreements that we will enter into with MPC at the closing of this offering, forecasted volumes from MPC above the minimum throughput commitments, an increase in third party crude oil volumes and increases in various tariff rates.

Cash distribution policy and restrictions on distributions

We expect that any variances between actual revenues during the forecast period and forecasted revenues will be driven by differences between actual volumes during the forecast period and forecasted volumes (subject to the minimum volume commitments of MPC), changes in uncommitted volumes from MPC and third parties, changes in the weighted average tariff paid for volumes of crude oil and products that we handle and variations between the weighted average tariff per barrel and actual tariffs applied to such volumes.

We estimate that our revenues and other income for the forecast period will increase by approximately $154.0 million as compared to pro forma revenues and other income for the year ended December 31, 2011, due primarily to the following reasons:

- an approximate $98.4 million increase related to tariff adjustments, including:
  - approximately $60.9 million related to general tariff increases on July 1, 2012 and July 1, 2013 on a majority of our pipeline systems in accordance with FERC s indexing methodology;
  - approximately $32.2 million related to tariff increases in January 2012 and October 2012 on our Patoka to Catlettsburg crude oil pipeline related to historical and planned upgrades on that pipeline; and
  - approximately $5.3 million related to a tariff increase in October 2012 on our Robinson to Mt. Vernon product pipeline to more accurately reflect our costs of operating the pipeline;
- an approximate $35.5 million increase related to volume adjustments, including:
  - approximately $14.7 million related to volume adjustments on our crude systems, primarily attributable to increased light equivalent MPC volumes on our Detroit crude system and increased light equivalent third party volumes on our Patoka to Lima crude system; and
  - approximately $20.8 million related to volume adjustments on our products systems, primarily attributable to increased MPC volumes on our ORPL products system and Garyville to Zachary products system and partially offset by decreases in third party volumes on our Texas City and Wood River to Clermont products systems; and
- approximately $20.1 million of other revenue and income, primarily related to $15.0 million of storage services revenue associated with our Neal butane cavern, which was placed into service on August 1, 2012, that was not included in the pro forma periods presented.

Volumes

The following table compares forecasted volumes to historical volumes shipped on our pipeline systems and barge dock and the aggregate storage capacities of our tank farms and butane cavern, contrasted with MPC s minimum volume commitments on our pipeline systems and barge dock and reserved storage capacity at our tank farms and butane cavern.

While the tariff revenues we generate from shipments on our pipeline systems and barge dock are calculated using physical barrels, our crude oil transportation services agreements with MPC are based on light equivalent barrels in order to account for viscosity surcharges based on the type of crude oil we transport. For this reason, all crude oil volumes discussed or included in tables in this subsection Volumes are presented in light equivalent barrels. For a description of the differences between physical barrels of crude oil and light equivalent barrels of crude oil, please read footnote 2 to the table Crude Oil Volumes Transported in Business Our Assets and Operations.

66

Table of Contents

Cash distribution policy and restrictions on distributions

	Pro Forma		Forecasted	MPC Contracted	
	Year ended December 31, 2011	Twelve months ended June 30, 2012	Twelve months ending December 31, 2013	Minimum	Minimum as a percentage of forecast
Crude oil throughput (mbpd)(1)(2):					
Third parties	203	203	252		
Related parties	838	853	938	745	79%
Total:	1,041	1,056	1,190	745	63%
Products throughput (mbpd)(1):					
Third parties	60	70	55		
Related parties(3)	971	932	1,093	859	79%
Total:	1,031	1,002	1,148	859	75%
Available storage capacity (mbbl):					
Tank farms (mbbl)(4)	3,293	3,293	3,293	3,293	100%
Butane cavern (mbbl)			1,000	1,000	100%

(1) Reflects 100.0% of the volumes shipped on the crude oil and product pipeline systems and barge dock owned by MPL and ORPL during the time periods presented. We own a 51.0% indirect ownership interest in MPL and ORPL.

(2) Crude oil throughput is presented on a light equivalent barrel basis.

(3) Includes volumes shipped by MPC on various pipelines under joint tariffs with third parties. For accounting purposes, revenue attributable to these volumes is classified as third party revenue because we receive payment from those third parties with respect to volumes shipped under the joint tariffs; however, these volumes are applied towards MPC s minimum volume commitments on the applicable pipelines because MPC is the shipper of record.

(4) Reflects 100.0% of the capacity at the tank farms owned by MPL that is available to MPC on a firm basis under our storage services agreements. We own a 51.0% indirect ownership interest in MPL through Pipe Line Holdings.

Cash distribution policy and restrictions on distributions

The following tables includes additional information about our transportation and storage services agreements, including MPC s minimum volume commitments under the agreements.

	Initial term (years)	MPC minimum commitment (mbpd)	2011 MPC throughput (mbpd)	MPC forecasted throughput (mbpd)(1)	Weighted average tariff ($ per bbl)(2)	MPC annual minimum revenue (in millions)(2)
Crude Systems						
Patoka to Lima	10	40	132	127	$ 0.52	$ 7.6
Catlettsburg and Robinson	10	380	428	439	$ 0.74	$ 101.4
Detroit	10	155	107	186	$ 0.23	$ 12.8
Wood River to Patoka	5	130	133	146	$ 0.20	$ 10.5
Wood River Barge Dock(3)	5	40	38	40	$ 1.32	$ 19.2
Total		745	838	938		$ 151.5
Products Systems						
Garyville to Zachary(4)	10	300	258	300	$ 0.55	$ 59.8
Zachary to Connecting Pipelines	10	80	132	170	$ 0.04	$ 1.3
Texas City to Pasadena(4)	10	81	85	92	$ 0.27	$ 7.9
Pasadena to Connecting Pipelines	10	61	50	72	$ 0.07	$ 1.5
Ohio River Pipe Line (ORPL)(5)	10	128	126	146	$ 1.25	$ 58.2
Robinson(4)	10	209	320	313	$ 0.65	$ 49.9
Total		859	971	1,093		$ 178.6

(1) *For the twelve months ending December 31, 2013.*

(2) *Based on estimated tariff rates for the twelve months ending December 31, 2013. Annual minimum revenue is based on MPC s minimum volume commitments under our transportation services agreements.*

(3) *We have forecasted only crude oil volumes for our barge dock; however our barge dock can handle products as well as crude oil.*

(4) *Includes volumes shipped by MPC on various pipelines under joint tariffs with third parties. For accounting purposes, revenue attributable to these volumes is classified as third party revenue because we receive payment from those third parties with respect to volumes shipped under the joint tariffs; however, the volumes associated with this revenue are applied towards MPC s minimum volume commitments on the applicable pipelines because MPC is the shipper of record.*

(5) *The estimated weighted average tariff for the ORPL products system assumes that MPC ships only its minimum throughput commitment. Once MPC has satisfied its minimum throughput commitment on any of our ORPL pipelines for any quarter, all excess volumes shipped by MPC on those pipelines will be at a reduced incentive tariff rate.*

Cash distribution policy and restrictions on distributions

	Initial term (years)	MPC minimum commitment (mbbls)	2011 capacity contracted to MPC (mbbls)	MPC forecasted storage volumes (mbbls)(1)	Weighted average fee ($ per barrel per month)(2)	MPC annual minimum revenue (in millions)(2)
Neal Butane Cavern(3)	10	1,000		1,000	$ 1.25	$ 15.0
Patoka Tank Farm	3	1,386	1,386	1,386	$ 0.48	$ 8.0
Wood River Tank Farm	3	419	419	419	$ 0.48	$ 2.4
Martinsville Tank Farm	3	738	738	738	$ 0.48	$ 4.3
Lebanon Tank Farm	3	750	750	750	$ 0.48	$ 4.3
Total		4,293	3,293	4,293		$ 34.0

(1) Tank farm volumes represent the total available capacity (in mbbls) contracted to MPC on a firm basis.
(2) Based on estimated fees for the twelve months ending December 31, 2013.
(3) Our Neal butane cavern was placed into service on August 1, 2012.

We estimate that MPC will ship approximately 938 mbpd on our crude systems for the twelve months ending December 31, 2013 as compared to approximately 838 mbpd for the year ended December 31, 2011. We expect that this increase will be primarily due to additional light equivalent crude barrels being shipped on our Detroit crude system. This increase is directly related to the completion of the heavy oil upgrading and expansion project at MPC s Detroit refinery. We also expect that MPC will increase its shipments on our recently-activated Roxanna to Patoka crude oil pipeline. We forecast that volumes during the forecast period on the remainder of our crude systems will be consistent with volumes for the year ended December 31, 2011.

We estimate that third parties will ship approximately 252 mbpd on our crude systems for the twelve months ending December 31, 2013 as compared to approximately 203 mbpd for the year ended December 31, 2011. We expect this increase to be due to increased shipments on our Patoka to Lima crude system and our Wood River to Patoka crude system. Capacity on our Patoka to Lima crude system recently increased from 268 mbpd to approximately 290 mbpd in connection with the removal of a self-imposed restriction on the operating capacity of the pipeline related to certain maintenance activities. Based on current demand trends, we expect third parties to utilize this increased capacity.

We estimate that MPC will ship approximately 1,093 mbpd on our products systems for the twelve months ending December 31, 2013 as compared to approximately 971 mbpd for the year ended December 31, 2011. We expect this increase to be primarily due to increased shipments on our ORPL products system due to the recent reactivation of the Columbus to Dayton portion of our Heath to Dayton product pipeline. We also expect to see increased MPC shipments on our Texas City products system and Garyville to Zachary products system for the twelve months ending December 31, 2013. We forecast that volumes for the twelve months ending December 31, 2013 on the remainder of our products systems will be consistent with volumes for the year ended December 31, 2011.

We estimate that third parties will ship approximately 55 mbpd on our products systems for the twelve months ending December 31, 2013 as compared to approximately 60 mbpd for the year ended December 31, 2011. Based on current throughput trends, we expect this decrease will be primarily on our Texas City to Pasadena products system and our Wood River to Clermont product pipeline.

We are forecasting storage services revenue based on the aggregate available capacity contracted to MPC at our tank farms and butane cavern under our storage services agreements.

Table of Contents

Cash distribution policy and restrictions on distributions

Revenues

The following table shows our total revenues attributable to the services we provide on our pipeline systems and at our storage assets and our revenue per barrel for each of the periods indicated.

	Pro Forma		Forecasted
	Year ended December 31, 2011	Twelve months ended June 30, 2012	Twelve months ending December 31, 2013
	(in millions, except per barrel amounts)		
Revenues and other income:			
Sales and other operating revenues(1)(2)(3)	$ 62.1	$ 67.4	$ 81.5
Sales to related parties:			
Pipeline transportation services to MPC(2)	251.4	273.7	366.1
Storage services to MPC tank farms(2)	19.1	19.1	19.0
Storage services to MPC butane cavern			15.0
Loss on sale of assets		(0.3)	
Other income(4)	4.0	7.0	4.5
Other income related parties(5)	10.1	12.5	14.6
Total revenues and other income	$ 346.7	$ 379.4	$ 500.7
Revenues:			
Pipeline transportation services(2)	$ 313.5	$ 341.1	$ 447.6
Per barrel(6)(7)	0.42	0.45	0.53
Storage services tank farms(2)	19.1	19.1	19.0
Per barrel (per month)(6)	0.48	0.48	0.48
Storage services butane cavern			15.0
Per barrel (per month)			1.25

(1) Represents pipeline transportation services revenues from third party shippers.

(2) Amounts shown reflect 100.0% of the revenues attributable to MPL and ORPL. We own a 51.0% indirect ownership interest in MPL and ORPL through Pipe Line Holdings. Our pipeline transportation services revenue includes MPC s minimum volume commitment on our Wood River barge dock.

(3) Includes revenues from volumes shipped by MPC on various pipelines under joint tariffs with third parties. For accounting purposes, this revenue is classified as third party revenue because we receive payment from those third parties with respect to volumes shipped under the joint tariffs; however, the volumes associated with this revenue are applied towards MPC s minimum volume commitments on the applicable pipelines because MPC is the shipper of record.

(4) Primarily represents operating fees from third parties for the operation of pipelines by MPL. We own a 51.0% indirect ownership interest in MPL through Pipe Line Holdings.

(5) MPL is party to various operating agreements and management services agreements with MPC and other related parties under which MPL receives fees for operating and managing certain pipelines. We own a 51.0% indirect ownership interest in MPL through Pipe Line Holdings.

(6) Amounts shown reflect 100.0% of the per barrel revenues attributable to MPL and ORPL. We own a 51.0% indirect ownership interest in MPL and ORPL through Pipe Line Holdings.

(7) Amounts shown were calculated based on the weighted average tariff applied to actual volumes throughput on our pipeline systems with respect to the year ended December 31, 2011 and the twelve months ended June 30, 2012, and to forecasted volumes we expect will be throughput on our pipeline systems for the twelve months ending December 31, 2013.

70

Cash distribution policy and restrictions on distributions

Pipeline Transportation Services Revenues. We estimate that total pipeline transportation revenues will be approximately $447.6 million, or 89.4% of our total revenues and other income, for the twelve months ending December 31, 2013, as compared to $313.5 million for the year ended December 31, 2011. Of our forecasted total pipeline transportation revenues, $330.1 million relates to MPC s minimum throughput commitments to ship an average of at least 1,604 mbpd of crude oil and products on our pipeline systems and at our barge dock under the pipeline transportation services agreements that we will enter into with MPC at the closing of this offering. Approximately $66.8 million of forecasted pipeline transportation revenues relates to MPC throughput volumes in excess of MPC s minimum throughput commitments. Approximately $50.7 million of forecasted pipeline transportation revenues relates to third party volumes, which excludes revenue attributable to volumes shipped by MPC under joint tariffs with third parties. This revenue is reflected as third party sales and other operating revenue in the table above because we receive payment from third parties with respect to volumes shipped under the joint tariffs; however, the volumes associated with this revenue are applied towards MPC s minimum volume commitments on the applicable pipelines. Our forecast includes:

- an approximate $60.9 million increase in revenues attributable to index-related tariff increases on July 1, 2012 and July 1, 2013 along a majority of our pipeline systems;
- an approximate $32.2 million increase in revenues attributable to tariff increases in January 2012 and October 2012 in connection with a major upgrade project on our Patoka to Catlettsburg crude oil pipeline that we expect to complete in September 2014;
- an approximate $35.7 million increase in revenues attributable to increased volumes on our pipeline systems as described above; and
- an approximate $5.3 million increase in revenues attributable to a tariff increase on our Robinson to Mt. Vernon product pipeline that will take effect in October 2012 and is designed to more accurately reflect our actual costs of operating the pipeline.

Storage Services Revenues. We estimate that our storage services revenues will be approximately $34.0 million, or 6.8% of our total revenues and other income, for the twelve months ending December 31, 2013, as compared to $19.1 million for the year ended December 31, 2011. Under the storage services agreements for our tank farms that we will enter into with MPC, we will provide approximately 3.3 million barrels of tank shell capacity at our tank farms to MPC at a rate of $0.48 per barrel of tank shell capacity per month. Under the storage services agreement for our butane cavern, we will provide approximately 1.0 million barrels of storage capacity to MPC at a rate of $1.25 per barrel of capacity per month. Our butane cavern was placed into service on August 1, 2012 and, as a result, our pro forma revenues and other income for the year ended December 31, 2011 and the twelve months ended June 30, 2012 do not include any revenues attributable to our butane cavern.

Other Income. We estimate that our total other income will be approximately $19.1 million, or 3.8% of our total revenues and other income, for the twelve months ending December 31, 2013, as compared to $14.1 million for the year ended December 31, 2011. This increase is primarily attributable to our renegotiation of our existing operating agreements in July 2011 with MPC and third parties to reflect inflationary increases in the fees we charge to operate certain MPC and third-party owned pipelines. Approximately $14.6 million, or 76.4% of our forecasted total other income for the twelve months ending December 31, 2013, will be generated under our management services agreements that we will enter into with MPC in connection with this offering, as well as under our existing operating agreements with MPC and its affiliates. We also expect that approximately $4.5 million, or 23.6%, of our forecasted total other income for the twelve months ending December 31, 2013 will be generated under our existing operating agreements with third parties.

Cash distribution policy and restrictions on distributions

Cost of Revenues

Our cost of revenues includes fuel and power costs, repairs and maintenance expenses and lease costs. We estimate that we will incur cost of revenues of approximately $147.0 million for the twelve months ending December 31, 2013 as compared to pro forma cost of revenues of $96.8 million for the year ended December 31, 2011. The increase in our forecasted cost of revenues as compared to pro forma cost of revenues for the year ended December 31, 2011 is primarily due to the following reasons:

- an increase of approximately $34.1 million in pipeline integrity and repair and maintenance expenses, including $14.4 million associated with mechanical integrity expenses on our pipeline systems, $5.6 million associated with our corrosion prevention program, and approximately $14.1 million associated with other operating and maintenance programs.
- an additional annual lease payment of approximately $6.0 million on one of our crude oil pipeline systems;
- an increase of approximately $4.0 million in fuel and power costs due to new assets being placed into service and increases in throughput volumes;
- the recognition of an approximately $3.0 million oil measurement gain for the year ended December 31, 2011, which reduced our cost of revenues for that period (we have not forecasted any crude oil or product measurement gains);
- an increase of approximately $1.5 million in connection with operating and maintenance costs associated with our new butane cavern; and
- an increase of approximately $1.6 million in connection with miscellaneous pipeline expense projects.

Our transportation and storage services agreements with MPC contain inflation adjustment provisions that should substantially mitigate inflation-related increases in cost of revenues in rising cost environments.

Purchases from Related Parties

We estimate that our purchases from related parties will be approximately $105.2 million for the twelve months ending December 31, 2013, as compared to pro forma purchases from related parties of $91.8 million and approximately $91.4 million for the year ended December 31, 2011 and the twelve months ended June 30, 2012, respectively. This increase in our forecasted purchases from related parties of approximately $13.4 million and $13.8 million compared to pro forma purchases from related parties for the year ended December 31, 2011 and the twelve months ended June 30, 2012, respectively relates primarily to salary increases and additional shared services from MPC. Purchases from related parties consist primarily of the following:

- employee compensation and benefits expenses with respect to the MPC employees that will provide services to us under the employee services agreements that we will enter into with MPC in connection with this offering; and

- fixed fees and other reimbursements to MPC in connection with various shared services, such as engineering, information technology, legal and certain executive management services that MPC will provide to us under the omnibus agreement that we will enter into with MPC at the closing of this offering.

Depreciation

We estimate that depreciation will be approximately $42.4 million for the twelve months ending December 31, 2013, as compared to pro forma depreciation of approximately $29.3 million and $30.1

Cash distribution policy and restrictions on distributions

million for the year ended December 31, 2011 and the twelve months ended June 30, 2012, respectively. Depreciation is expected to increase during the forecast period primarily due to approximately $7.7 million of depreciation relating to our butane cavern, approximately $5.4 million of increased depreciation related to capital expenditures associated with our upgrade project on our Patoka to Catlettsburg crude oil pipeline, and various capital expenditures related to the activation of our Roxanna to Patoka crude oil pipeline and portions of our Heath to Dayton product pipeline.

General and Administrative Expenses

We estimate that our general and administrative expenses will be approximately $44.2 million for the twelve months ending December 31, 2013, as compared to pro forma general and administrative expenses of $33.6 million and $44.1 million for the year ended December 31, 2011 and the twelve months ended June 30, 2012, respectively. The increase in our forecasted general and administrative expenses of approximately $10.6 million compared to pro forma general and administrative expenses for the year ended December 31, 2011, relate primarily to additional insurance premiums and an estimated $3.4 million of annual incremental expenses that we expect to incur as a result of being a separate publicly traded partnership, with the remainder being attributable to increases in personnel needed to operate and manage our assets and businesses and inflationary increases in costs of labor.

Our forecasted general and administrative expenses consist of:

Ø approximately $19.9 million of general and administrative expenses that will be allocated to us by MPC under our omnibus agreement that we will enter into with MPC at the closing of this offering. These expenses primarily relate to information technology, human resources and other financial and administrative services that will be provided to us by MPC, as well as our allocated share of insurance costs associated with covering our operations under MPC s corporate property, casualty, pollution and general liability policies. We will pay MPC for our allocated share of these expenses on the basis of costs actually incurred by MPC in providing these services to us. We will also reimburse MPC for any direct charges incurred on our behalf;

Ø approximately $10.8 million of direct costs for estimated employee-related expenses relating to the management and operation of our assets under our employee services agreements with MPC that are not included in purchases from related parties. The direct employee-related expenses incurred by the president, vice president of operations, accounting and human resources organizational components are classified as general administrative expenses;

Ø approximately $6.6 million of expenses relating to insurance premiums for our stand-alone property, casualty, pollution and general liabilities policies that will supplement the coverage that we are allocated under MPC s corporate policies;

Ø approximately $3.4 million of incremental annual expenses as a result of being a separate publicly traded partnership, such as costs associated with annual and quarterly reports to unitholders, financial statement audit, tax return and Schedule K-1 preparation and distribution, investor relations activities, registrar and transfer agent fees, incremental director and officer liability insurance premiums and independent director compensation; and

Ø fixed annual fees in the amount of approximately $3.5 million in the aggregate that we will pay to MPC under our omnibus agreement for the provision of executive management services by certain executive officers of our general partner.

For a more complete description of our omnibus agreement and the related services, reimbursements and fees, please read Certain Relationships and Related Party Transactions Agreements Governing the

Cash distribution policy and restrictions on distributions

Transactions Omnibus Agreement. For a more complete description of our employee services and the related services and costs, please read Certain Relationships and Related Party Transactions Agreements Governing the Transactions Employee Services Agreements.

Capital Expenditures

We estimate that total capital expenditures on a 100.0% basis will be approximately $168.1 million for the twelve months ending December 31, 2013 as compared to pro forma capital expenditures of $105.0 million and $159.2 million for the year ended December 31, 2011 and the twelve months ended June 30, 2012, respectively. Based on our 51.0% indirect interest in Pipe Line Holdings and our 100.0% interest in our butane cavern, our estimated total capital expenditures for the twelve months ending December 31, 2013 will be approximately $85.7 million as compared to pro forma capital expenditures of $78.9 million and $106.5 million for the year ended December 31, 2011 and the twelve months ended June 30, 2012, respectively. Our forecast estimate is based on the following assumptions:

Ø *Maintenance Capital Expenditures.* We estimate that our maintenance capital expenditures will be approximately $32.2 million on a 100.0% basis ($16.4 million on a 51.0% basis) for the twelve months ending December 31, 2013. Estimated maintenance capital expenditures were $12.8 million ($6.5 million on a 51.0% basis) and $16.5 million ($8.4 million on a 51.0% basis) for the year ended December 31, 2011 and the twelve months ended June 30, 2012 on a pro forma basis, respectively. The estimated maintenance capital expenditures relate primarily to increased safety and security expenditures and increased costs related to valve replacement and electrical system maintenance.

Ø *Expansion Capital Expenditures.* We estimate that our expansion capital expenditures will be approximately $135.9 million on a 100.0% basis ($69.3 million on a 51.0% basis) for the twelve months ending December 31, 2013. We estimate that the total cost of these projects on a 100.0% basis will be approximately $219.4 million through December 31, 2014. Of this total cost, we estimate that our portion, based on our 51.0% indirect ownership interest in Pipe Line Holdings, will be approximately $111.9 million, while MPC s portion, based on its 49.0% ownership interest in Pipe Line Holdings, will be approximately $107.5 million. Our estimated expansion capital expenditures include the following:

approximately $79.0 million on a 100.0% basis ($40.3 million on a 51.0% basis) relating to a major upgrade project on our Patoka to Catlettsburg crude oil pipeline;

approximately $30.8 million on a 100.0% basis ($15.7 million on a 51.0% basis) relating to the installation of crude oil blending equipment at our Patoka tank farm;

approximately $19.2 million on a 100.0% basis ($9.8 million on a 51.0% basis) relating to various projects to add connections and increase operating capacity; and

approximately $6.9 million on a 100.0% basis ($3.5 million on a 51.0% basis) relating to our SCADA system upgrade.

In order to fund the total cost of these projects, we will contribute approximately $219.4 million from the net proceeds of this offering to Pipe Line Holdings, which Pipe Line Holdings will retain on behalf of us and MPC in order to fund our respective pro rata portions of the estimated total cost of certain expansion capital expenditures over the next two years. Pro forma expansion capital expenditures on a 100.0% basis were $92.2 million and $142.7 million for the year ended December 31, 2011 and the twelve months ended June 30, 2012, respectively. Based on our 51.0% interest in Pipe Line Holdings and our 100.0% interest in our butane cavern, pro forma expansion capital expenditures were $72.4 million and $98.1 million for those periods, respectively.

Cash distribution policy and restrictions on distributions

These pro forma capital expenditures primarily related to the construction of our butane cavern and the first phase of our Patoka to Catlettsburg upgrade project.

Since our butane cavern was placed into service on August 1, 2012, we have not forecasted any maintenance or expansion capital expenditures associated with our butane cavern for the twelve months ending December 31, 2013.

Financing

We estimate that net interest and other financial costs will be approximately $2.0 million on a 100.0% basis for the twelve months ending December 31, 2013, as compared to $0.1 million pro forma interest and other financial costs for the year ended December 31, 2011. Our forecasted net interest and other financial costs for the twelve months ending December 31, 2013 is based on the following assumptions:

- we do not anticipate having any borrowings under our revolving credit facility through December 31, 2013;
- our interest expense will include commitment fees for the unused portion of our revolving credit facility;
- our interest expense will also include the amortization of debt issuance costs incurred in connection with our revolving credit facility;
- we will have interest income based on the net proceeds of this offering that we will contribute to Pipe Line Holdings to fund certain estimated expansion capital expenditures; and
- we will remain in compliance with the financial and other covenants in our revolving credit facility.

Regulatory, Industry and Economic Factors

Our forecast of estimated Adjusted EBITDA for the twelve months ending December 31, 2013 is based on the following significant assumptions related to regulatory, industry and economic factors:

- MPC will not default under any of our transportation and storage services agreements or reduce, suspend or terminate its obligations, nor will any events occur that would be deemed a force majeure event, under such agreements;
- all forecasted increases in our tariff rates will occur on schedule, and there will be no challenges to our tariff rates;
- there will not be any new federal, state or local regulation, or any interpretation of existing regulation, of the portions of the industries in which we operate that will be materially adverse to our business;

- Ø there will not be any material accidents, weather-related incidents, unscheduled downtime or similar unanticipated events with respect to our assets or MPC s refineries;
- Ø there will not be a shortage of skilled labor; and
- Ø there will not be any material adverse changes in the refining industry, the midstream energy industry, or overall economic conditions.

Table of Contents

Provisions of our partnership agreement relating to cash distributions

Set forth below is a summary of the significant provisions of our partnership agreement that relate to cash distributions.

DISTRIBUTIONS OF AVAILABLE CASH

General

Our partnership agreement requires that, within 45 days after the end of each quarter, beginning with the quarter ending December 31, 2012, we distribute all of our available cash to unitholders of record on the applicable record date. We will adjust the amount of our distribution for the period from the completion of this offering through December 31, 2012 based on the actual length of the period.

Definition of Available Cash

Available cash generally means, for any quarter, all cash and cash equivalents on hand at the end of that quarter:

- *less*, the amount of cash reserves established by our general partner to:
  - provide for the proper conduct of our business (including reserves for our future capital expenditures, anticipated future debt service requirements and refunds of collected rates reasonably likely to be refunded as a result of a settlement or hearing related to FERC rate proceedings or rate proceedings under applicable law subsequent to that quarter);
  - comply with applicable law, any of our debt instruments or other agreements; or
  - provide funds for distributions to our unitholders and to our general partner for any one or more of the next four quarters (provided that our general partner may not establish cash reserves for distributions if the effect of the establishment of such reserves will prevent us from distributing the minimum quarterly distribution on all common units and any cumulative arrearages on such common units for the current quarter);
- *plus*, if our general partner so determines, all or any portion of the cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made subsequent to the end of such quarter.

The purpose and effect of the last bullet point above is to allow our general partner, if it so decides, to use cash from working capital borrowings made after the end of the quarter but on or before the date of determination of available cash for that quarter to pay distributions to unitholders. Under our partnership agreement, working capital borrowings are generally borrowings that are made under a credit facility, commercial paper facility or similar financing arrangement, and in all cases are used solely for working capital purposes or to pay distributions to partners and with the intent of the borrower to repay such borrowings within twelve months with funds other than from additional working capital borrowings.

Provisions of our partnership agreement relating to cash distributions

Intent to Distribute the Minimum Quarterly Distribution

Under our current cash distribution policy, we intend to make a minimum quarterly distribution to the holders of our common units and subordinated units of $ per unit, or $ per unit on an annualized basis, to the extent we have sufficient cash from our operations after the establishment of cash reserves and the payment of costs and expenses, including reimbursements of expenses to our general partner. However, there is no guarantee that we will pay the minimum quarterly distribution on our units in any quarter. The amount of distributions paid under our policy and the decision to make any distribution is determined by our general partner, taking into consideration the terms of our partnership agreement. Please read Management s Discussion and Analysis of Financial Condition and Results of Operations Capital Resources and Liquidity Revolving Credit Facility for a discussion of the restrictions to be included in our revolving credit facility that may restrict our ability to make distributions.

General Partner Interest and Incentive Distribution Rights

Initially, our general partner will be entitled to 2.0% of all quarterly distributions from inception that we make prior to our liquidation. This general partner interest will be represented by general partner units. Our general partner has the right, but not the obligation, to contribute a proportionate amount of capital to us to maintain its current general partner interest. The general partner s initial 2.0% interest in these distributions will be reduced if we issue additional units in the future and our general partner does not contribute a proportionate amount of capital to us to maintain its 2.0% general partner interest.

Our general partner also currently holds incentive distribution rights that entitle it to receive increasing percentages, up to a maximum of 48.0%, of the cash we distribute from operating surplus (as defined below) in excess of $ per unit per quarter. The maximum distribution of 48.0% does not include any distributions that our general partner or its affiliates may receive on common, subordinated or general partner units that they own. Please read General Partner Interest and Incentive Distribution Rights for additional information.

OPERATING SURPLUS AND CAPITAL SURPLUS

General

All cash distributed to unitholders will be characterized as either being paid from operating surplus or capital surplus. We treat distributions of available cash from operating surplus differently than distributions of available cash from capital surplus.

Operating Surplus

We define operating surplus as:

Ø $ million (as described below); *plus*

Ø all of our cash receipts after the closing of this offering, excluding cash from interim capital transactions (as defined below), provided that cash receipts from the termination of a commodity hedge or interest rate hedge prior to its specified termination date shall be included in operating surplus in equal quarterly installments over the remaining scheduled life of such commodity hedge or interest rate hedge; *plus*

Ø working capital borrowings made after the end of a quarter but on or before the date of determination of operating surplus for that quarter; *plus*

- Ø cash distributions (including incremental distributions on incentive distribution rights) paid in respect of equity issued, other than equity issued in this offering, to finance all or a portion of expansion

Provisions of our partnership agreement relating to cash distributions

capital expenditures in respect of the period from the date that we enter into a binding obligation to commence the construction, development, replacement, improvement or expansion of a capital asset and ending on the earlier to occur of the date the capital asset commences commercial service and the date that it is abandoned or disposed of; *less*

- all of our operating expenditures (as defined below) after the closing of this offering; *less*
- the amount of cash reserves established by our general partner to provide funds for future operating expenditures; *less*
- all working capital borrowings not repaid within twelve months after having been incurred, or repaid within such 12-month period with the proceeds of additional working capital borrowings.

As described above, operating surplus does not reflect actual cash on hand that is available for distribution to our unitholders and is not limited to cash generated by operations. For example, it includes a provision that will enable us, if we choose, to distribute as operating surplus up to $ million of cash we receive in the future from non-operating sources such as asset sales, issuances of securities and long-term borrowings that would otherwise be distributed as capital surplus. In addition, the effect of including, as described above, certain cash distributions on equity interests in operating surplus will be to increase operating surplus by the amount of any such cash distributions. As a result, we may also distribute as operating surplus up to the amount of any such cash that we receive from non-operating sources.

The proceeds of working capital borrowings increase operating surplus and repayments of working capital borrowings are generally operating expenditures (as described below) and thus reduce operating surplus when repayments are made. However, if working capital borrowings, which increase operating surplus, are not repaid during the twelve-month period following the borrowing, they will be deemed repaid at the end of such period, thus decreasing operating surplus at such time. When such working capital borrowings are in fact repaid, they will not be treated as a further reduction in operating surplus because operating surplus will have been previously reduced by the deemed repayment.

We define interim capital transactions as (i) borrowings, refinancings or refundings of indebtedness (other than working capital borrowings and items purchased on open account or for a deferred purchase price in the ordinary course of business) and sales of debt securities, (ii) sales of equity securities, and (iii) sales or other dispositions of assets, other than sales or other dispositions of inventory, accounts receivable and other assets in the ordinary course of business and sales or other dispositions of assets as part of normal asset retirements or replacements.

We define operating expenditures as all of our cash expenditures, including, but not limited to, taxes, reimbursements of expenses of our general partner and its affiliates, officer, director and employee compensation, debt service payments, payments made in the ordinary course of business under interest rate hedge contracts and commodity hedge contracts (provided that payments made in connection with the termination of any interest rate hedge contract or commodity hedge contract prior to the expiration of its settlement or termination date specified therein will be included in operating expenditures in equal quarterly installments over the remaining scheduled life of such interest rate hedge contract or commodity hedge contract and amounts paid in connection with the initial purchase of a rate hedge contract or a commodity hedge contract will be amortized at the life of such rate hedge contract or commodity hedge contract), maintenance capital expenditures (as discussed in further detail below), and repayment of working capital borrowings; provided, however, that operating expenditures will not include:

- repayments of working capital borrowings where such borrowings have previously been deemed to have been repaid (as described above);

78

Table of Contents

Provisions of our partnership agreement relating to cash distributions

- payments (including prepayments and prepayment penalties) of principal of and premium on indebtedness other than working capital borrowings;
- expansion capital expenditures;
- payment of transaction expenses (including taxes) relating to interim capital transactions;
- distributions to our partners;
- repurchases of partnership interests (excluding repurchases we make to satisfy obligations under employee benefit plans); or
- any other expenditures or payments using the proceeds of this offering that are described in Use of Proceeds.

Capital Surplus

Capital surplus is defined in our partnership agreement as any distribution of available cash in excess of our cumulative operating surplus. Accordingly, except as described above, capital surplus would generally be generated by:

- borrowings other than working capital borrowings;
- sales of our equity and debt securities;
- sales or other dispositions of assets, other than inventory, accounts receivable and other assets sold in the ordinary course of business or as part of ordinary course retirement or replacement of assets; and
- capital contributions received.

Characterization of Cash Distributions

All available cash distributed by us on any date from any source will be treated as distributed from operating surplus until the sum of all available cash distributed by us since the closing of this offering equals the operating surplus from the closing of this offering through the end of the quarter immediately preceding that distribution. We anticipate that distributions from operating surplus will generally not represent a return of capital. However, operating surplus, as defined in our partnership agreement, includes certain components, including a $ million cash basket, that represent non-operating sources of cash. Consequently, it is possible that all or a portion of specific distributions from operating surplus may represent a return of capital. Any available cash distributed by us in excess of our cumulative operating surplus will be deemed to be capital surplus under our partnership agreement. Our partnership agreement treats a distribution of capital surplus as the repayment of the initial unit price from this initial public offering and as a return of capital. We do not anticipate that we will make any distributions from capital surplus.

CAPITAL EXPENDITURES

Maintenance capital expenditures are cash expenditures (including expenditures for the construction or development of new capital assets or the replacement, improvement or expansion of existing capital assets) made to maintain, over the long term, our operating capacity or operating income. Examples of maintenance capital expenditures are expenditures to repair, refurbish and replace pipelines and storage facilities, to maintain equipment reliability, integrity and safety and to address environmental laws and regulations.

Provisions of our partnership agreement relating to cash distributions

Expansion capital expenditures are cash expenditures incurred for acquisitions or capital improvements that we expect will increase our operating capacity or operating income over the long term. Examples of expansion capital expenditures include the acquisition of equipment, or the construction, development or acquisition of additional pipeline or storage capacity, to the extent such capital expenditures are expected to expand our long-term operating capacity or operating income. Expansion capital expenditures include interest payments (and related fees) on debt incurred to finance all or a portion of expansion capital expenditures in respect of the period from the date that we enter into a binding obligation to commence the construction, development, replacement, improvement or expansion of a capital asset and ending on the earlier to occur of the date that such capital improvement commences commercial service and the date that such capital improvement is abandoned or disposed of.

Capital expenditures that are made in part for maintenance capital purposes and in part for expansion capital purposes will be allocated as maintenance capital expenditures or expansion capital expenditures by our general partner.

SUBORDINATED UNITS AND SUBORDINATION PERIOD

General

Our partnership agreement provides that, during the subordination period (which we define below), the common units will have the right to receive distributions of available cash from operating surplus each quarter in an amount equal to $ per common unit, which amount is defined in our partnership agreement as the minimum quarterly distribution, plus any arrearages in the payment of the minimum quarterly distribution on the common units from prior quarters, before any distributions of available cash from operating surplus may be made on the subordinated units. These units are deemed subordinated because for a period of time, referred to as the subordination period, the subordinated units will not be entitled to receive any distributions until the common units have received the minimum quarterly distribution plus any arrearages from prior quarters. Furthermore, no arrearages will be paid on the subordinated units. The practical effect of the subordinated units is to increase the likelihood that, during the subordination period, there will be available cash to be distributed on the common units.

Subordination Period

Except as described below, the subordination period will begin on the closing date of this offering and will extend until the first business day following the distribution of available cash in respect of any quarter beginning after , 2015, that each of the following tests are met:

- distributions of available cash from operating surplus on each of the outstanding common units subordinated units and general partner units equaled or exceeded $ (the annualized minimum quarterly distribution), for each of the three consecutive, non-overlapping four-quarter periods immediately preceding that date;

- the adjusted operating surplus (as defined below) generated during each of the three consecutive, non-overlapping four-quarter periods immediately preceding that date equaled or exceeded the sum of $ (the annualized minimum quarterly distribution) on all of the outstanding common units subordinated units and general partner units during those periods on a fully diluted basis; and

- there are no arrearages in payment of the minimum quarterly distribution on the common units.

Table of Contents

Provisions of our partnership agreement relating to cash distributions

Early Termination of the Subordination Period

Notwithstanding the foregoing, the subordination period will automatically terminate on the first business day following the distribution of available cash in respect of any quarter, beginning with the quarter ending , that each of the following tests are met:

- distributions of available cash from operating surplus on each of the outstanding common units, subordinated units and general partner units equaled or exceeded $ (150.0% of the annualized minimum quarterly distribution) for the four-quarter period immediately preceding that date;
- the adjusted operating surplus (as defined below) generated during the four-quarter period immediately preceding that date equaled or exceeded the sum of (i) $ (150.0% of the annualized minimum quarterly distribution) on all of the outstanding common units, subordinated units and general partner units during that period on a fully diluted basis and (ii) the corresponding distributions on the incentive distribution rights; and
- there are no arrearages in payment of the minimum quarterly distributions on the common units.

Expiration Upon Removal of the General Partner

In addition, if the unitholders remove our general partner other than for cause:

- the subordinated units held by any person will immediately and automatically convert into common units on a one-for-one basis, provided (i) neither such person nor any of its affiliates voted any of its units in favor of the removal and (ii) such person is not an affiliate of the successor general partner;
- if all of the subordinated units convert pursuant to the foregoing, all cumulative common unit arrearages on the common units will be extinguished and the subordination period will end; and
- our general partner will have the right to convert its general partner interest and its incentive distribution rights into common units or to receive cash in exchange for those interests.

Expiration of the Subordination Period

When the subordination period ends, each outstanding subordinated unit will convert into one common unit and will thereafter participate pro rata with the other common units in distributions of available cash.

Adjusted Operating Surplus

Adjusted operating surplus is intended to reflect the cash generated from operations during a particular period and therefore excludes net drawdowns of reserves of cash established in prior periods. Adjusted operating surplus for a period consists of:

- operating surplus generated with respect to that period (excluding any amount attributable to the item described in the first bullet of the definition of operating surplus); *less*

- any net increase in working capital borrowings with respect to that period; *less*

- any net decrease in cash reserves for operating expenditures with respect to that period not relating to an operating expenditure made with respect to that period; *plus*

- any net decrease in working capital borrowings with respect to that period; *plus*

- any net decrease made in subsequent periods to cash reserves for operating expenditures initially established with respect to that period to the extent such decrease results in a reduction in adjusted operating surplus in subsequent periods; *plus*

- any net increase in cash reserves for operating expenditures with respect to that period required by any debt instrument for the repayment of principal, interest or premium.

Provisions of our partnership agreement relating to cash distributions

DISTRIBUTIONS OF AVAILABLE CASH FROM OPERATING SURPLUS DURING THE SUBORDINATION PERIOD

We will make distributions of available cash from operating surplus for any quarter during the subordination period in the following manner:

Ø *first*, 98.0% to the common unitholders, pro rata, and 2.0% to our general partner, until we distribute for each outstanding common unit an amount equal to the minimum quarterly distribution for that quarter;

Ø *second*, 98.0% to the common unitholders, pro rata, and 2.0% to our general partner, until we distribute for each outstanding common unit an amount equal to any arrearages in payment of the minimum quarterly distribution on the common units for any prior quarters during the subordination period;

Ø *third*, 98.0% to the subordinated unitholders, pro rata, and 2.0% to our general partner, until we distribute for each outstanding subordinated unit an amount equal to the minimum quarterly distribution for that quarter; and

Ø *thereafter*, in the manner described in General Partner Interest and Incentive Distribution Rights below.

The preceding discussion is based on the assumptions that our general partner maintains its 2.0% general partner interest and that we do not issue additional classes of equity securities.

Distributions of Available Cash from Operating Surplus after the Subordination Period

We will make distributions of available cash from operating surplus for any quarter after the subordination period in the following manner:

Ø *first*, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until we distribute for each outstanding unit an amount equal to the minimum quarterly distribution for that quarter; and

Ø *thereafter*, in the manner described in General Partner Interest and Incentive Distribution Rights below.

The preceding discussion is based on the assumptions that our general partner maintains its 2.0% general partner interest and that we do not issue additional classes of equity securities.

GENERAL PARTNER INTEREST AND INCENTIVE DISTRIBUTION RIGHTS

Our partnership agreement provides that our general partner initially will be entitled to 2.0% of all distributions that we make prior to our liquidation. Our general partner has the right, but not the obligation, to contribute a proportionate amount of capital to us in order to maintain its 2.0% general partner interest if we issue additional units. Our general partner s 2.0% interest, and the percentage of our cash distributions to which it is entitled from such 2.0% interest, will be proportionately reduced if we issue additional units in the future (other than the issuance of common units upon exercise by the underwriters of their option to purchase additional common units in this offering, the issuance of common units upon conversion of outstanding subordinated units or the issuance of common units upon a reset of the incentive distribution rights) and our general partner does not contribute a proportionate amount of capital to us in order to maintain its 2.0% general partner interest. Our partnership agreement does not require that our general partner fund its capital contribution with cash. Our general partner may instead fund its capital contribution by the contribution to us of common units or other property.

Table of Contents

Provisions of our partnership agreement relating to cash distributions

Incentive distribution rights represent the right to receive an increasing percentage (13.0%, 23.0% and 48.0%) of quarterly distributions of available cash from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Our general partner currently holds the incentive distribution rights, but may transfer these rights separately from its general partner interest, subject to restrictions in our partnership agreement.

The following discussion assumes that our general partner maintains its 2.0% general partner interest, and that our general partner continues to own the incentive distribution rights.

If for any quarter:

- we have distributed available cash from operating surplus to the common unitholders and subordinated unitholders in an amount equal to the minimum quarterly distribution; and

- we have distributed available cash from operating surplus on outstanding common units in an amount necessary to eliminate any cumulative arrearages in payment of the minimum quarterly distribution;

then, we will distribute any additional available cash from operating surplus for that quarter among the unitholders and our general partner in the following manner:

- *first*, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until each unitholder receives a total of $ per unit for that quarter (the first target distribution);

- *second*, 85.0% to all unitholders, pro rata, and 15.0% to our general partner, until each unitholder receives a total of $ per unit for that quarter (the second target distribution);

- *third*, 75.0% to all unitholders, pro rata, and 25.0% to our general partner, until each unitholder receives a total of $ per unit for that quarter (the third target distribution); and

- *thereafter*, 50.0% to all unitholders, pro rata, and 50.0% to our general partner.

PERCENTAGE ALLOCATIONS OF AVAILABLE CASH FROM OPERATING SURPLUS

The following table illustrates the percentage allocations of available cash from operating surplus between the unitholders and our general partner based on the specified target distribution levels. The amounts set forth under Marginal percentage interest in distributions are the percentage interests of our general partner and the unitholders in any available cash from operating surplus we distribute up to and including the corresponding amount in the column Total quarterly distribution per unit target amount. The percentage interests shown for our unitholders and our general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests set forth below for our general partner include its 2.0% general partner interest and assume that our general partner has contributed any additional capital necessary to maintain its 2.0% general partner interest, our general partner has not transferred its incentive distribution rights and that there are no arrearages on common units.

	Total quarterly distribution per unit target amount		Marginal percentage interest in distributions	
			Unitholders	General Partner
Minimum Quarterly Distribution	$		98.0%	2.0%
First Target Distribution	above $	up to $	98.0%	2.0%
Second Target Distribution	above $	up to $	85.0%	15.0%
Third Target Distribution	above $	up to $	75.0%	25.0%
Thereafter	above $		50.0%	50.0%

Table of Contents

Provisions of our partnership agreement relating to cash distributions

GENERAL PARTNER S RIGHT TO RESET INCENTIVE DISTRIBUTION LEVELS

Our general partner, as the initial holder of our incentive distribution rights, has the right under our partnership agreement, subject to certain conditions, to elect to relinquish the right to receive incentive distribution payments based on the initial target distribution levels and to reset, at higher levels, the minimum quarterly distribution amount and target distribution levels upon which the incentive distribution payments to our general partner would be set. If our general partner transfers all or a portion of the incentive distribution rights in the future, then the holder or holders of a majority of our incentive distribution rights will be entitled to exercise this right. The following discussion assumes that our general partner holds all of the incentive distribution rights at the time that a reset election is made. Our general partner s right to reset the minimum quarterly distribution amount and the target distribution levels upon which the incentive distributions payable to our general partner are based may be exercised, without approval of our unitholders or the conflicts committee, at any time when there are no subordinated units outstanding, we have made cash distributions to the holders of the incentive distribution rights at the highest level of incentive distribution for each of the four consecutive fiscal quarters immediately preceding such time and the amount of each such distribution did not exceed adjusted operating surplus for such quarter, respectively. If our general partner and its affiliates are not the holders of a majority of the incentive distribution rights at the time an election is made to reset the minimum quarterly distribution amount and the target distribution levels, then the proposed reset will be subject to the prior written concurrence of the general partner that the conditions described above have been satisfied. The reset minimum quarterly distribution amount and target distribution levels will be higher than the minimum quarterly distribution amount and the target distribution levels prior to the reset such that our general partner will not receive any incentive distributions under the reset target distribution levels until cash distributions per unit following this event increase as described below. We anticipate that our general partner would exercise this reset right in order to facilitate acquisitions or internal growth projects that would otherwise not be sufficiently accretive to cash distributions per common unit, taking into account the existing levels of incentive distribution payments being made to our general partner.

In connection with the resetting of the minimum quarterly distribution amount and the target distribution levels and the corresponding relinquishment by our general partner of incentive distribution payments based on the target distributions prior to the reset, our general partner will be entitled to receive a number of newly issued common units based on a predetermined formula described below that takes into account the cash parity value of the average cash distributions related to the incentive distribution rights received by our general partner for the two quarters immediately preceding the reset event as compared to the average cash distributions per common unit during that two-quarter period. In addition, our general partner will be issued the number of general partner units necessary to maintain our general partner s interest in us immediately prior to the reset election.

The number of common units that our general partner would be entitled to receive from us in connection with a resetting of the minimum quarterly distribution amount and the target distribution levels then in effect would be equal to the quotient determined by dividing (x) the average aggregate amount of cash distributions received by our general partner in respect of its incentive distribution rights during the two consecutive fiscal quarters ended immediately prior to the date of such reset election by (y) the average of the aggregate amount of cash distributed per common unit during each of these two quarters.

Following a reset election, the minimum quarterly distribution amount will be reset to an amount equal to the average cash distribution amount per common unit for the two fiscal quarters immediately preceding the reset election (which amount we refer to as the reset minimum quarterly distribution)

Table of Contents

Provisions of our partnership agreement relating to cash distributions

and the target distribution levels will be reset to be correspondingly higher such that we would distribute all of our available cash from operating surplus for each quarter thereafter as follows:

- *first*, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until each unitholder receives an amount equal to 115.0% of the reset minimum quarterly distribution for that quarter;

- *second*, 85.0% to all unitholders, pro rata, and 15.0% to our general partner, until each unitholder receives an amount per unit equal to 125.0% of the reset minimum quarterly distribution for the quarter;

- *third*, 75.0% to all unitholders, pro rata, and 25.0% to our general partner, until each unitholder receives an amount per unit equal to 150.0% of the reset minimum quarterly distribution for the quarter; and

- *thereafter*, 50.0% to all unitholders, pro rata, and 50.0% to our general partner.

The following table illustrates the percentage allocations of available cash from operating surplus between the unitholders and our general partner at various cash distribution levels (i) pursuant to the cash distribution provisions of our partnership agreement in effect at the completion of this offering, as well as (ii) following a hypothetical reset of the minimum quarterly distribution and target distribution levels based on the assumption that the average quarterly cash distribution amount per common unit during the two fiscal quarters immediately preceding the reset election was $.

			Marginal percentage interest in distributions						
	Quarterly distribution per unit prior to reset		Common unitholders	General partner interest	Incentive distribution rights	Quarterly distribution per unit following hypothetical reset			
Minimum Quarterly Distribution	$		98.0%	2.0%					
First Target Distribution	above $	up to $	98.0%	2.0%				up to $	(1)
Second Target Distribution	above $	up to $	85.0%	2.0%	13.0%	above $	(1)	up to $	(2)
Third Target Distribution	above $	up to $	75.0%	2.0%	23.0%	above $	(2)	up to $	(3)
Thereafter		above $	50.0%	2.0%	48.0%			above $	(3)

(1) This amount is 115.0% of the hypothetical reset minimum quarterly distribution.
(2) This amount is 125.0% of the hypothetical reset minimum quarterly distribution.
(3) This amount is 150.0% of the hypothetical reset minimum quarterly distribution.

The following table illustrates the total amount of available cash from operating surplus that would be distributed to the unitholders and our general partner, including in respect of incentive distribution rights, based on an average of the amounts distributed for the two quarters immediately prior to the reset. The table assumes that immediately prior to the reset there would be common units outstanding, our general partner s 2.0% interest has been maintained, and the average distribution to each common unit would be $ per quarter for the two consecutive non-overlapping quarters prior to the reset.

Table of Contents

Provisions of our partnership agreement relating to cash distributions

	Quarterly distribution per unit prior to reset		Cash distributions to common unitholders prior to reset	Cash distribution to general partner prior to reset: Common units	2.0% General partner interest	Incentive distribution rights	Total	Total distributions
Minimum Quarterly Distribution	$		$	$	$	$	$	$
First Target Distribution	above $	up to $						
Second Target Distribution	above $	up to $						
Third Target Distribution	above $	up to $						
Thereafter		above $						
			$	$	$	$	$	$

The following table illustrates the total amount of available cash from operating surplus that would be distributed to the unitholders and the general partner, including in respect of incentive distribution rights, with respect to the quarter after the reset occurs. The table reflects that, as a result of the reset, there would be common units outstanding, our general partner has maintained its 2.0% general partner interest, and that the average distribution to each common unit would be $. The number of common units issued as a result of the reset was calculated by dividing (x) as the average of the amounts received by the general partner in respect of its incentive distribution rights for the two consecutive non-overlapping quarters prior to the reset as shown in the table above, by (y) the average of the cash distributions made on each common unit per quarter for the two consecutive non-overlapping quarters prior to the reset as shown in the table above, or $.

	Quarterly distribution per unit after reset		Cash distributions to common unitholders after reset	Cash distribution to general partner after reset: Common units	2.0% General partner interest	Incentive distribution rights	Total	Total distributions
Minimum Quarterly Distribution	$		$	$	$	$	$	$
First Target Distribution	above $	up to $						
Second Target Distribution	above $	up to $						
Third Target Distribution	above $	up to $						
Thereafter		above $						
			$	$	$	$	$	$

Our general partner will be entitled to cause the minimum quarterly distribution amount and the target distribution levels to be reset on more than one occasion, provided that it may not make a reset election except at a time when it has received incentive distributions for the immediately preceding four consecutive fiscal quarters based on the highest level of incentive distributions that it is entitled to receive under our partnership agreement.

86

Provisions of our partnership agreement relating to cash distributions

DISTRIBUTIONS FROM CAPITAL SURPLUS

How Distributions from Capital Surplus Will Be Made

We will make distributions of available cash from capital surplus, if any, in the following manner:

Ø *first*, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until we distribute for each common unit that was issued in this offering, an amount of available cash from capital surplus equal to the initial public offering price in this offering;

Ø *second*, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until we distribute for each common unit, an amount of available cash from capital surplus equal to any unpaid arrearages in payment of the minimum quarterly distribution on the outstanding common units; and

Ø *thereafter*, as if they were from operating surplus.

The preceding discussion is based on the assumptions that our general partner maintains its 2.0% general partner interest and that we do not issue additional classes of equity securities.

Effect of a Distribution from Capital Surplus

Our partnership agreement treats a distribution of capital surplus as the repayment of the initial unit price from this initial public offering, which is a return of capital. The initial public offering price less any distributions of capital surplus per unit is referred to as the unrecovered initial unit price. Each time a distribution of capital surplus is made, the minimum quarterly distribution and the target distribution levels will be reduced in the same proportion as the corresponding reduction in the unrecovered initial unit price. Because distributions of capital surplus will reduce the minimum quarterly distribution after any of these distributions are made, it may be easier for our general partner to receive incentive distributions and for the subordinated units to convert into common units. However, any distribution of capital surplus before the unrecovered initial unit price is reduced to zero cannot be applied to the payment of the minimum quarterly distribution or any arrearages.

Once we distribute capital surplus on a unit issued in this offering in an amount equal to the initial unit price, we will reduce the minimum quarterly distribution and the target distribution levels to zero. We will then make all future distributions from operating surplus, with 50.0% being paid to the unitholders, pro rata, and 2.0% to our general partner and 48.0% to the holder of our incentive distribution rights.

ADJUSTMENT TO THE MINIMUM QUARTERLY DISTRIBUTION AND TARGET DISTRIBUTION LEVELS

In addition to adjusting the minimum quarterly distribution and target distribution levels to reflect a distribution of capital surplus, if we combine our units into fewer units or subdivide our units into a greater number of units, we will proportionately adjust:

Ø the minimum quarterly distribution;

Ø target distribution levels;

- the unrecovered initial unit price;
- the number of general partner units comprising the general partner interest; and
- the arrearages in payment of the minimum quarterly distribution on the common units.

Provisions of our partnership agreement relating to cash distributions

For example, if a two-for-one split of the common units should occur, the minimum quarterly distribution, the target distribution levels and the unrecovered initial unit price would each be reduced to 50.0% of its initial level, and each subordinated unit would be split into two subordinated units. We will not make any adjustment by reason of the issuance of additional units for cash or property.

In addition, if legislation is enacted or if the official interpretation of existing law is modified by a governmental authority, so that we become taxable as a corporation or otherwise subject to taxation as an entity for federal, state or local income tax purposes, our partnership agreement specifies that the minimum quarterly distribution and the target distribution levels for each quarter may be reduced by multiplying each distribution level by a fraction, the numerator of which is available cash for that quarter (reduced by the amount of the estimated tax liability for such quarter payable by reason of such legislation or interpretation) and the denominator of which is the sum of available cash for that quarter (reduced by the amount of the estimated tax liability for such quarter payable by reason of such legislation or interpretation) plus our general partner s estimate of our aggregate liability for the quarter for such income taxes payable by reason of such legislation or interpretation. To the extent that the actual tax liability differs from the estimated tax liability for any quarter, the difference may be accounted for in subsequent quarters.

DISTRIBUTIONS OF CASH UPON LIQUIDATION

General

If we dissolve in accordance with our partnership agreement, we will sell or otherwise dispose of our assets in a process called liquidation. We will first apply the proceeds of liquidation to the payment of our creditors. We will distribute any remaining proceeds to the unitholders and our general partner, in accordance with their capital account balances, as adjusted to reflect any gain or loss upon the sale or other disposition of our assets in liquidation.

The allocations of gain and loss upon liquidation are intended, to the extent possible, to entitle the holders of outstanding common units to a preference over the holders of outstanding subordinated units upon our liquidation, to the extent required to permit common unitholders to receive their unrecovered initial unit price plus the minimum quarterly distribution for the quarter during which liquidation occurs plus any unpaid arrearages in payment of the minimum quarterly distribution on the common units. However, there may not be sufficient gain upon our liquidation to enable the holders of common units to fully recover all of these amounts, even though there may be cash available for distribution to the holders of subordinated units. Any further net gain recognized upon liquidation will be allocated in a manner that takes into account the incentive distribution rights of our general partner.

Manner of Adjustments for Gain

The manner of the adjustment for gain is set forth in our partnership agreement. If our liquidation occurs before the end of the subordination period, we will allocate any gain to our partners in the following manner:

Ø *first*, to our general partner to the extent of any negative balance in its capital account;

Ø *second*, 98.0% to the common unitholders, pro rata, and 2.0% to our general partner, until the capital account for each common unit is equal to the sum of:

(1) the unrecovered initial unit price;

88

Provisions of our partnership agreement relating to cash distributions

(2) the amount of the minimum quarterly distribution for the quarter during which our liquidation occurs; and

(3) any unpaid arrearages in payment of the minimum quarterly distribution;

- *third*, 98.0% to the subordinated unitholders, pro rata, and 2.0% to our general partner, until the capital account for each subordinated unit is equal to the sum of:

(1) the unrecovered initial unit price; and

(2) the amount of the minimum quarterly distribution for the quarter during which our liquidation occurs;

- *fourth*, 98.0% to all unitholders, pro rata, and 2.0% to our general partner, until we allocate under this paragraph an amount per unit equal to:

(1) the sum of the excess of the first target distribution per unit over the minimum quarterly distribution per unit for each quarter of our existence; *less*

(2) the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the minimum quarterly distribution per unit that we distributed 98.0% to the unitholders, pro rata, and 2.0% to our general partner, for each quarter of our existence;

- *fifth*, 85.0% to all unitholders, pro rata, and 15.0% to our general partner, until we allocate under this paragraph an amount per unit equal to:

(1) the sum of the excess of the second target distribution per unit over the first target distribution per unit for each quarter of our existence; *less*

(2) the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the first target distribution per unit that we distributed 85.0% to the unitholders, pro rata, and 15.0% to our general partner for each quarter of our existence;

- *sixth*, 75.0% to all unitholders, pro rata, and 25.0% to our general partner, until we allocate under this paragraph an amount per unit equal to:

(1) the sum of the excess of the third target distribution per unit over the second target distribution per unit for each quarter of our existence; *less*

(2) the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the second target distribution per unit that we distributed 75.0% to the unitholders, pro rata, and 25.0% to our general partner for each quarter of our existence;

Ø *thereafter*, 50.0% to all unitholders, pro rata, and 50.0% to our general partner.

The percentages set forth above are based on the assumption that our general partner has not transferred its incentive distribution rights and that we do not issue additional classes of equity securities.

If the liquidation occurs after the end of the subordination period, the distinction between common units and subordinated units will disappear, so that clause (3) of the second bullet point above and all of the fourth bullet point above will no longer be applicable.

Provisions of our partnership agreement relating to cash distributions

Manner of Adjustments for Losses

If our liquidation occurs before the end of the subordination period, after making allocations of loss to the general partner and the unitholders in a manner intended to offset in reverse order the allocations of gains that have previously been allocated, we will generally allocate any loss to our general partner and unitholders in the following manner:

- *first*, 98.0% to the holders of subordinated units in proportion to the positive balances in their capital accounts and 2.0% to our general partner, until the capital accounts of the subordinated unitholders have been reduced to zero;
- *second*, 98.0% to the holders of common units in proportion to the positive balances in their capital accounts and 2.0% to our general partner, until the capital accounts of the common unitholders have been reduced to zero; and
- *thereafter*, 100.0% to our general partner.

If the liquidation occurs after the end of the subordination period, the distinction between common units and subordinated units will disappear, so that all of the first bullet point above will no longer be applicable.

Adjustments to Capital Accounts

Our partnership agreement requires that we make adjustments to capital accounts upon the issuance of additional units. In this regard, our partnership agreement specifies that we allocate any unrealized and, for tax purposes, unrecognized gain resulting from the adjustments to the unitholders and the general partner in the same manner as we allocate gain upon liquidation. In the event that we make positive adjustments to the capital accounts upon the issuance of additional units, our partnership agreement requires that we generally allocate any later negative adjustments to the capital accounts resulting from the issuance of additional units or upon our liquidation in a manner that results, to the extent possible, in the partners capital account balances equaling the amount that they would have been if no earlier positive adjustments to the capital accounts had been made. In contrast to the allocations of gain, and except as provided above, we generally will allocate any unrealized and unrecognized loss resulting from the adjustments to capital accounts upon the issuance of additional units to the unitholders and our general partner based on their respective percentage ownership of us. In this manner, prior to the end of the subordination period, we generally will allocate any such loss equally with respect to our common and subordinated units. If we make negative adjustments to the capital accounts as a result of such loss, future positive adjustments resulting from the issuance of additional units will be allocated in a manner designed to reverse the prior negative adjustments, and special allocations will be made upon liquidation in a manner that results, to the extent possible, in our unitholders capital account balances equaling the amounts they would have been if no earlier adjustments for loss had been made.

Selected historical and pro forma financial and operating data

The following table shows selected historical combined financial and operating data of our Predecessor as of the dates and for the periods indicated and selected pro forma combined financial and operating data of MPLX LP as of the date and for the periods indicated. Our Predecessor consists of a 100.0% interest in all of the assets and operations of MPL and ORPL that MPC will contribute to us at the closing of this offering, as well as the joint interest assets that will not be contributed to us. In connection with the closing of this offering, MPC will transfer the joint interest assets from our Predecessor to other MPC subsidiaries and then contribute to us a 51.0% indirect ownership interest in Pipe Line Holdings, which owns our Predecessor s assets and operations (other than the joint interest assets), and a 100.0% indirect ownership in our butane cavern. However, as required by GAAP, we will continue to consolidate 100.0% of the assets and operations of Pipe Line Holdings in our financial statements. In addition, we will record the contribution at historical cost, as it will be considered a reorganization of entities under common control.

The selected historical combined financial and operating data of our Predecessor as of and for the years ended December 31, 2009, 2010 and 2011 are derived from audited combined financial statements of our Predecessor appearing elsewhere in this prospectus. The selected historical interim combined financial data of our Predecessor as of and for the six months ended June 30, 2011 and 2012 are derived from the unaudited interim combined financial statements of our Predecessor appearing elsewhere in this prospectus. The selected historical combined financial data of our Predecessor for the years ended December 31, 2007 and 2008 are derived from unaudited historical combined financial statements of our Predecessor that are not included in this prospectus. The following table should be read together with, and is qualified in its entirety by reference to, the historical audited and unaudited interim combined financial statements and the accompanying notes included elsewhere in this prospectus. The following table should also be read together with Management s Discussion and Analysis of Financial Condition and Results of Operations.

The selected pro forma combined financial data presented in the following table for the year ended December 31, 2011 and as of and for the six months ended June 30, 2012 are derived from the unaudited pro forma combined financial data included elsewhere in this prospectus. The pro forma balance sheet assumes that the offering and the related transactions occurred as of June 30, 2012, and the pro forma statements of income for the year ended December 31, 2011 and the six months ended June 30, 2012 assume that the offering and the related transactions occurred as of January 1, 2011. These transactions primarily include, and the pro forma financial data give effect to, the following:

- MPC s transfer of the joint interest assets from our Predecessor to other MPC subsidiaries;
- our Predecessor s collection of loans receivable from MPCIF under our Predecessor s cash management agreements with MPCIF, the distribution to MPC of most of those proceeds and the termination of the cash management agreements prior to the closing of this offering;
- our establishment of an account payable to MPC to balance contributed working capital;
- MPC s contribution to us of a 51.0% indirect ownership interest in Pipe Line Holdings, which owns our Predecessor s assets and operations (other than the joint interest assets), and a 100.0% interest in the Neal butane cavern. As our butane cavern was not in service during any period presented, the pro forma periods reflect only minimal expenses and no revenues associated with our butane cavern;
- our entry into a new $500.0 million revolving credit facility, which we have assumed was not drawn during the pro forma periods presented, and the amortization of the origination fees associated with the facility;

- our execution of multiple long-term transportation, storage and management services agreements with MPC and recognition of revenues and other income under those agreements that were not recognized by our Predecessor;

Table of Contents

Selected historical and pro forma financial and operating data

Ø our entry into an omnibus agreement and employee services agreements with MPC;

Ø the consummation of this offering and our issuance of common units to the public, general partner units and the incentive distribution rights to our general partner and common units and subordinated units to MPC; and

Ø the application of the net proceeds of this offering as described in Use of Proceeds.

The pro forma financial data does not give effect to an estimated $3.4 million in incremental general and administrative expenses that we expect to incur annually as a result of being a separate publicly-traded partnership.

The following table presents the non-GAAP financial measure of Adjusted EBITDA, which we use in our business. For a definition of Adjusted EBITDA and a reconciliation to our most directly comparable financial measures calculated and presented in accordance with GAAP, please read Non-GAAP Financial Measure.

	MPLX LP Predecessor Historical							MPLX LP Pro Forma	
	Year ended December 31,					Six months ended June 30,		Six months ended June 30,	Year ended December 31,
(In millions)	2011	2010	2009	2008 (unaudited)	2007 (unaudited)	2012 (unaudited)	2011 (unaudited)	2012 (unaudited)	2011 (unaudited)
Combined statements of income data:									
Sales and other operating revenues	$ 62.1	$ 49.7	$ 43.3	$ 41.6	$ 34.1	$ 33.9	$ 28.6	$ 33.9	$ 62.1
Sales to related parties	334.8	346.2	331.4	325.0	326.0	169.2	164.3	150.7	270.5
Gain (loss) on sale of assets			0.2			(0.3)		(0.3)	
Other income	4.3	0.4	1.3	2.0	1.7	3.3	0.4	3.2	4.0
Other income related parties	9.4	8.0	7.3	5.2	5.2	6.4	3.9	6.7	10.1
Total revenues and other income	410.6	404.3	383.5	373.8	367.0	212.5	197.2	194.2	346.7
Total costs and expenses	278.6	300.9	260.9	249.7	230.0	148.1	128.9	138.6	257.5
Income from operations	$ 132.0	$ 103.4	$ 122.6	$ 124.1	$ 137.0	$ 64.4	$ 68.3	$ 55.6	$ 89.2
Net income	$ 134.0	$ 103.3	$ 122.3	$ 123.8	$ 136.5	$ 65.0	$ 70.0	$ 55.6	$ 89.0
Net income attributable to MPLX LP								$ 28.2	$ 45.3
Combined balance sheets data (at period end):									
Property, plant and equipment, net	$ 866.8	$ 847.8	$ 890.8	$ 917.2	$ 850.1	$ 914.3	$ 841.3	$ 844.0	
Total assets	1,303.1	1,118.0	1,068.8	1,098.8	1,025.2	1,501.6	1,296.5	1,244.4	
Long-term debt(1)	11.9	12.5	13.1	13.0	13.0	11.6	12.3	11.6	
Combined statements of cash flows data:									

Net cash provided by (used in):									
Operating activities	$ 181.9	$ 117.3	$ 145.1	$ 148.3	$ 156.3	$ 94.9	$ 87.7		
Investing activities	(218.7)	(64.6)	(57.5)	(98.3)	(50.6)	(225.2)	(199.5)		
Financing activities	36.7	(53.0)	(88.3)	(49.0)	(107.3)	130.8	112.0		
Additions to property, plant and equipment(2)	(49.8)	(13.7)	(57.7)	(98.4)	(50.6)	(54.8)	(11.3)		
Other financial data:									
Adjusted EBITDA(3)	$ 168.3	$ 156.0	$ 155.4	$ 155.5	$ 167.2	$ 82.8	$ 86.0	$ 70.6	$ 118.5
Adjusted EBITDA attributable to MPLX LP(4)								$ 35.9	$ 60.3

footnotes on following page

Table of Contents

Selected historical and pro forma financial and operating data

(1) Consists of capital lease obligations, including amounts due within one year.
(2) Represents cash capital expenditures as reflected on combined statements of cash flows for the periods indicated, which are included in cash used in investing activities.
(3) For a discussion of the non-GAAP financial measure of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our most directly comparable measures calculated and presented in accordance with GAAP, please read Non-GAAP Financial Measure below.
(4) Represents Adjusted EBITDA attributable to our 51.0% indirect ownership interest in Pipe Line Holdings, less 100.0% of certain overhead expenses attributable to our butane cavern. As our butane cavern was not in service during any period presented, the pro forma periods reflect only minimal expenses and no revenues associated with our butane cavern.

	MPLX LP Predecessor Historical							MPLX LP Pro Forma	
	Year ended December 31,					Six months ended June 30,		Six months ended June 30,	Year ended December 31,
	2011	**2010**	**2009**	**2008**	**2007**	**2012**	**2011**	**2012**	**2011**
Operating information(1):									
Pipeline throughput (mbpd)									
Crude oil pipelines(2)	1,184	1,204	1,113	1,215	1,214	1,157	1,197	1,026	993
Product pipelines	1,031	968	953	960	1,049	935	994	935	1,031
Total	2,215	2,172	2,066	2,175	2,263	2,092	2,191	1,961	2,024
Crude oil pipelines (light equivalent barrels)(2)(3)	1,232	1,276	1,157	1,263	1,258	1,194	1,261	1,062	1,041
Average tariff rates ($ per barrel)(4)									
Crude oil pipelines(2)	$ 0.48	$ 0.49	$ 0.48	$ 0.46	$ 0.45	$ 0.53	$ 0.48	$ 0.48	$ 0.40
Product pipelines	0.46	0.46	0.45	0.40	0.37	0.48	0.45	0.50	0.44
Total pipelines	0.47	0.48	0.46	0.43	0.41	0.51	0.46	0.49	0.42

(1) Operating information relating to the joint interest assets is included in the MPLX LP Predecessor historical periods and excluded in the MPLX LP pro forma periods presented.
(2) For all periods presented, excludes volumes transported on the St. James, LA to Garyville, LA crude oil pipeline system that was transferred from common carrier to private service on October 1, 2009.
(3) For a description of the differences between physical barrels of crude oil and light equivalent barrels of crude oil, please read footnote 2 to the table Crude Oil Volumes Transported in Business Our Assets and Operations.
(4) Average tariffs calculated using actual revenues divided by physical barrels.

NON-GAAP FINANCIAL MEASURE

We define Adjusted EBITDA as net income before depreciation, provision for income taxes, and net interest and other financial income (costs). Adjusted EBITDA is used as a supplemental financial measure by management and by external users of our financial statements, such as investors and commercial banks, to assess:

Ø our operating performance as compared to those of other companies in the logistics business, without regard to financing methods, historical cost basis or capital structure;

- the ability of our assets to generate sufficient cash flow to make distributions to our partners;
- our ability to incur and service debt and fund capital expenditures; and
- the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities.

Table of Contents

Selected historical and pro forma financial and operating data

We believe that the presentation of Adjusted EBITDA in this prospectus provides information useful to investors in assessing our financial condition and results of operations. The GAAP measures most directly comparable to Adjusted EBITDA are net income and net cash provided by operating activities. Adjusted EBITDA should not be considered an alternative to net income, net cash provided by operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Adjusted EBITDA excludes some, but not all, items that affect net income, and these measures may vary among other companies. As a result, Adjusted EBITDA as presented below may not be comparable to similarly titled measures of other companies.

The following table presents a reconciliation of Adjusted EBITDA to net income and net cash provided by (used in) operating activities, the most directly comparable GAAP financial measures, on a historical basis and pro forma basis, as applicable, for each of the periods indicated.

	MPLX LP Predecessor Historical							MPLX LP Pro Forma	
	Year ended December 31,					Six months ended June 30,		Six months ended June 30,	Year ended December 31,
(In millions)	2011	2010	2009	2008	2007 (unaudited)	2012	2011 (unaudited)	2012	2011 (unaudited)
Reconciliation of Adjusted EBITDA to net income:									
Net Income	$ 134.0	$ 103.3	$ 122.3	$ 123.8	$ 136.5	$ 65.0	$ 70.0	$ 55.6	$ 89.0
Plus:									
Depreciation	36.3	52.6	32.8	31.4	30.2	18.4	17.7	15.0	29.3
Provision for income taxes	0.1	0.3	0.3	0.3	0.5	0.2			0.1
Less:									
Net interest and other financial income	2.1	0.2				0.8	1.7		(0.1)
Adjusted EBITDA	$ 168.3	$ 156.0	$ 155.4	$ 155.5	$ 167.2	$ 82.8	$ 86.0	$ 70.6	$ 118.5
Less: Adjusted EBITDA attributable to non-controlling interest in Pipe Line Holdings								34.7	58.2
Adjusted EBITDA attributable to MPLX LP								$ 35.9	$ 60.3
Reconciliation of Adjusted EBITDA to net cash provided by operating activities:									
Net cash provided by operating activities	$ 181.9	$ 117.3	$ 145.1	$ 148.3	$ 156.3	$ 94.9	$ 87.7		
Less:									
Increase (decrease) in working capital	12.6	(40.6)	(6.1)	(2.6)	0.1	14.2	(2.6)		
Net interest and other financial income	2.1	0.2				0.8	1.7		
All other, net	(0.8)	2.0	(3.6)	(4.2)	(11.9)	(3.0)	2.7		
Plus:									
Net gain on disposal of assets			0.2			(0.3)			
Income taxes paid (received)	0.3	0.3	0.4	0.4	(0.9)	0.2	0.1		

Adjusted EBITDA	$ 168.3	$ 156.0	$ 155.4	$ 155.5	$ 167.2	$ 82.8	$ 86.0

Management s discussion and analysis of financial condition and results of operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the historical combined financial statements and notes of MPLX LP Predecessor and our pro forma combined financial data included elsewhere in this prospectus. Among other things, those historical combined financial statements and pro forma combined data include more detailed information regarding the basis of presentation for the following information.

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section entitled Risk Factors included elsewhere in this prospectus.

OVERVIEW

We are a fee-based, growth-oriented limited partnership formed in March 2012 by MPC to own, operate, develop and acquire crude oil, refined product and other hydrocarbon-based product pipelines and other midstream assets. Our primary assets consist of:

Ø a 51.0% general partner interest in Pipe Line Holdings, a newly-formed entity that owns a 100.0% interest in MPL and ORPL, which in turn collectively own:

- a network of pipeline systems that includes approximately 962 miles of common carrier crude oil pipelines and approximately 1,819 miles of common carrier product pipelines extending across nine states. This network includes approximately 153 miles of common carrier crude oil and product pipelines that we operate under long-term leases with third parties;

- a barge dock located on the Mississippi River near Wood River, Illinois with approximately 80 mbpd of crude oil and product throughput capacity; and

- crude oil and product tank farms located in Patoka, Wood River and Martinsville, Illinois and Lebanon, Indiana.

Ø a 100.0% interest in a butane cavern located in Neal, West Virginia with approximately 1.0 million barrels of storage capacity that serves MPC s Catlettsburg, Kentucky refinery.

As the sole general partner of Pipe Line Holdings, we will control all aspects of management of Pipe Line Holdings, including its cash distribution policy. The only outstanding partnership interests in Pipe Line Holdings will be our 51.0% general partner interest and the 49.0% limited partner interest retained by MPC. We believe our network of petroleum pipelines is one of the largest in the United States, based on total annual volumes delivered. Our assets are integral to the success of MPC s operations.

HOW WE GENERATE REVENUE

We generate revenue primarily by charging tariffs for transporting crude oil, refined products and other hydrocarbon-based products through our pipelines and at our barge dock and fees for storing crude oil and products at our storage facilities. We are also the operator of additional crude oil and product pipelines owned by MPC and its affiliates and third parties for which we are paid operating fees. We do not take ownership of the crude oil or products that we transport and store for our customers, and we do not engage in the trading of any commodities.

Table of Contents

Management s discussion and analysis of financial condition and results of operations

MPC historically has been the source of the substantial majority of our revenues. At the closing of this offering, we will enter into new long-term, fee-based transportation and storage services agreements with MPC with minimum volume commitments, and MPC will continue to be the source of the substantial majority of our revenues for the foreseeable future. We believe these transportation and storage services agreements will promote stable and predictable cash flows.

MPC historically has shipped volumes in excess of its minimum throughput commitment for most of our crude oil and product pipeline systems and we expect those excess shipments to continue. All of our transportation services agreements for our crude oil and product pipeline systems, except our Wood River to Patoka crude system, will include a 10-year term and will automatically renew for up to two additional five-year terms unless terminated by either party no later than six months prior to the end of the term. The transportation services agreements for our Wood River to Patoka crude system and our barge dock will each include a five-year term and will automatically renew for up to four additional two-year terms unless terminated by either party no later than six months prior to the end of the term. Our storage services agreement for our butane cavern will include a 10-year term but will not automatically renew. Our storage services agreements for our tank farms will include a three-year term and automatically renew for additional one-year terms unless terminated by either party no later than six months prior to the end of the term.

For more information about our transportation and storage services agreements with MPC, including MPC s minimum volume commitments under the agreements, please read Cash Distribution Policy and Restrictions on Distributions Assumptions and Considerations Revenues and Volumes and Business Our Transportation and Storage Services Agreements with MPC.

HOW WE EVALUATE OUR OPERATIONS

Our management intends to use a variety of financial and operating metrics to analyze our performance. These metrics are significant factors in assessing our operating results and profitability and include: (i) throughput volumes; (ii) income from operations; (iii) Adjusted EBITDA; and (iv) distributable cash flow.

Throughput Volumes. The amount of revenue we generate primarily depends on the volumes of crude oil, refined products and other hydrocarbon-based products that we transport for our customers. The volumes transported on our pipelines are primarily affected by the supply of and demand for crude oil and products in the markets served directly or indirectly by our assets. Although MPC will commit to minimum throughput volumes under the transportation services agreements described above, our results of operations will be impacted by our ability to:

Ø utilize the remaining uncommitted capacity on, or add additional capacity to, our pipeline systems;

Ø increase throughput volumes on our pipeline systems by making outlet connections to existing or new third party pipelines or other facilities, primarily driven by the anticipated supply of and demand for crude oil and products; and

Ø identify and execute organic expansion projects, and capture incremental MPC and third-party volumes.

Income from Operations. Income from operations represents our total revenue and other income less our total costs and expenses. Our management seeks to maximize our income from operations by maximizing revenue and managing our expenses. We generate revenue primarily by charging tariffs for transporting crude oil, refined products and other hydrocarbon-based products through our pipelines

96

Management s discussion and analysis of financial condition and results of operations

and at our barge dock and fees for storing crude oil and products at our storage facilities. The FERC regulates the tariffs we can charge on our common carrier pipelines; however, as volumes of crude oil, refined products and other hydrocarbon-based products handled through our pipelines fluctuate, so does our revenue.

Total costs and expenses include cost of revenues, purchases from related parties, depreciation, general and administrative expenses and other taxes. These expenses are primarily comprised of labor expenses, repairs and maintenance expenses, fuel and power costs, lease costs, property and payroll taxes and administrative expenses. These expenses generally remain relatively stable across broad ranges of throughput volumes but can fluctuate from period to period depending on the mix of activities performed during that period and the timing of these expenses. We will seek to manage our maintenance expenditures on our pipelines and storage assets by scheduling maintenance over time to avoid significant variability in our maintenance expenditures and minimize their impact on our cash flow.

Adjusted EBITDA and Distributable Cash Flow. We define Adjusted EBITDA as net income before depreciation, provision for income taxes and net interest and other financial income (costs). Although we have not quantified distributable cash flow on a historical basis, after the closing of this offering we intend to use distributable cash flow, which we define as Adjusted EBITDA less net cash interest paid, income taxes paid and maintenance capital expenditures, to analyze our performance. Distributable cash flow will not reflect changes in working capital balances. Distributable cash flow and Adjusted EBITDA are not presentations made in accordance with GAAP.

Adjusted EBITDA and distributable cash flow are non-GAAP supplemental financial measures that management and external users of our combined financial statements, such as industry analysts, investors, lenders and rating agencies, may use to assess:

- our operating performance compared to other publicly traded partnerships in our industry, without regard to historical cost basis or, in the case of Adjusted EBITDA, financing methods;
- the ability of our assets to generate sufficient cash flow to make distributions to our unitholders;
- our ability to incur and service debt and fund capital expenditures; and
- the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities.

We believe that the presentation of Adjusted EBITDA in this prospectus provides useful information to investors in assessing our financial condition and results of operations. The GAAP measures most directly comparable to Adjusted EBITDA are net income and net cash provided by operating activities. Adjusted EBITDA should not be considered as an alternative to GAAP net income or net cash provided by operating activities. Adjusted EBITDA has important limitations as an analytical tool because it excludes some but not all items that affect net income and net cash provided by operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. You should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Additionally, because Adjusted EBITDA may be defined differently by other companies in our industry, our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

For a discussion of the non-GAAP financial measure of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to its most comparable measures calculated and presented in accordance with GAAP, please read Selected Historical and Pro Forma Financial and Operating Data Non-GAAP Financial Measure.

Management s discussion and analysis of financial condition and results of operations

FACTORS AFFECTING THE COMPARABILITY OF OUR FINANCIAL RESULTS

Our future results of operations may not be comparable to our Predecessor s historical results of operations for the reasons described below:

Joint Interest Assets. Our Predecessor s results of operations historically included revenues and expenses relating to our Predecessor s minority undivided joint interests in the Capline and Maumee crude oil pipeline systems. We refer to our Predecessor s minority undivided joint interests in these pipeline systems as the joint interest assets. While third parties operate the joint interest assets, our Predecessor published tariffs and collected revenues from shippers that utilized capacity attributable to our Predecessor s undivided interest portion of the joint interest assets, and paid the operator of the joint interest assets for our Predecessor s proportionate share of all costs and expenses related to the operation and maintenance of the joint interest assets. MPC will not contribute the joint interest assets to us in connection with this offering.

Contribution of 51.0% General Partner Interest in Pipe Line Holdings. Our Predecessor s results of operations historically included 100.0% of the revenues and expenses relating to the assets that will be contributed to us, as well as the joint interest assets that will not be contributed to us. At the closing of this offering, MPC will contribute to us a 51.0% general partner interest in Pipe Line Holdings. Following the closing of this offering, we will consolidate the results of operations of Pipe Line Holdings and then record a 49.0% non-controlling interest deduction for the limited partner interest in Pipe Line Holdings retained by MPC.

Neal Butane Cavern. Our Predecessor s results of operations historically have included minimal expenses and no revenues associated with our Neal butane cavern, which was placed into service on August 1, 2012.

Revenues. Following the closing of this offering, most of our revenues will be generated from the transportation and storage services agreements that we will enter into with MPC at the closing of this offering and under which MPC will pay us fees for transporting crude oil and products on our pipeline systems, for handling crude oil and products at our barge dock and for providing storage services at our tank farms and butane cavern. These contracts contain minimum volume commitments. Historically, our Predecessor did not have long-term transportation and storage arrangements with MPC. In addition, we expect to generate revenue generally not previously recognized by our Predecessor related to the following:

Ø general tariff increases that will go into effect on a majority of our pipeline systems on July 1, 2013 in accordance with the FERC s indexing methodology;

Ø a tariff increase that went into effect in January 2012, and an additional tariff increase that will go into effect in October 2012, on our Patoka to Catlettsburg crude oil pipeline related to historical and planned upgrades on that pipeline; and

Ø a tariff increase that will go into effect in October 2012 on our Robinson to Mt. Vernon product pipeline to more accurately reflect our costs of operating the pipeline.

General and Administrative Expenses. Our Predecessor s general and administrative expenses included direct charges for the management and operation of our assets and certain overhead and shared services expenses allocated by MPC, as well as certain overhead expenses allocated by Marathon Oil Corporation (Marathon Oil) through June 30, 2011, for general and administrative services, such as information technology, engineering, legal, human resources and other financial and administrative services. These expenses were charged or allocated to our Predecessor based on the nature of the expenses and our Predecessor s proportionate share of utilization, capital employed, wages or headcount. Following the

98

closing of this offering, MPC will continue to charge us a combination of direct and allocated charges for administrative and operational services, which are projected to be higher than those charged to our Predecessor for the year ended December 31, 2011 due to MPC s provision of additional services, and a fixed annual fee for the provision of executive management services by certain executive officers of our general partner. For more information about the fixed annual fee and the services covered by it, please read Certain Relationships and Related Party Transactions Agreements Governing the Transactions Omnibus Agreement. We also expect to incur an additional $3.4 million of incremental annual general and administrative expenses as a result of being a separate publicly traded partnership, 100.0% of which will be attributable to us.

Financing. There are differences in the way we will finance our operations as compared to the way our Predecessor financed its operations. Historically, our Predecessor s operations were financed as part of MPC s integrated operations and our Predecessor did not record any separate costs associated with financing its operations. Additionally, our Predecessor largely relied on internally generated cash flows and capital contributions from MPC to satisfy its capital expenditure requirements. Following the closing of this offering, we intend to make cash distributions to our unitholders at an initial distribution rate of $ per unit per quarter ($ per unit on an annualized basis). Based on the terms of our cash distribution policy, we expect that we will distribute to our unitholders and our general partner most of the excess cash generated by our operations. We also expect that we will retain approximately $10.0 million from the net proceeds of this offering for general partnership purposes and will contribute approximately $219.4 million from the net proceeds of this offering to Pipe Line Holdings, which Pipe Line Holdings will retain on behalf of us and MPC in order to fund our respective pro rata share of the estimated total cost of certain expansion capital expenditures over the next two years, based on our and MPC s ownership interest in Pipe Line Holdings. We expect to fund any other future expansion capital expenditures primarily from external sources, including borrowings under our anticipated $500.0 million revolving credit facility and future issuances of equity and debt securities.

Spinoff from Marathon Oil. Effective June 30, 2011, Marathon Oil engaged in a spinoff of its refining, marketing and transportation business (the RM&T Business) into an independent, publicly traded company, MPC, through the distribution of MPC common stock to the stockholders of Marathon Oil common stock. MPC s consolidated financial statements do not include all of the actual expenses that would have been incurred had MPC been a stand-alone company during periods prior to the spinoff and may not reflect MPC s consolidated results of operations, financial position and cash flows had MPC been a stand-alone company during those periods. Actual costs that would have been incurred if MPC had been a stand-alone company depend upon multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure. Subsequent to the spinoff, MPC began performing these functions using internal resources or services provided by third parties, certain of which were provided by Marathon Oil during a transition period pursuant to a transition services agreement. As a result, our Predecessor s historical financial statements for periods prior to the spinoff do not include all of the actual expenses that would have been allocated to our Predecessor had MPC been a stand-alone company during periods prior to the spinoff.

FACTORS THAT IMPACT OUR BUSINESS

Supply and Demand for Crude Oil and Products. We will generate the substantial majority of our revenues under fee-based contracts with MPC. These contracts are intended to promote cash flow stability and minimize our direct exposure to commodity price fluctuations. Since we do not take ownership of the crude oil or products that we transport and store for our customers, and we do not engage in the trading of any commodities, our direct exposure to commodity price fluctuations is limited to our treatment of volume imbalances on our pipeline systems. However, we also have indirect exposure

Management s discussion and analysis of financial condition and results of operations

to commodity price fluctuations to the extent such fluctuations affect the shipping patterns of MPC or our other customers. Our throughput volumes depend primarily on the volume of refined products produced at MPC s refineries, which in turn is ultimately dependent on MPC s refining margins. Refining margins depend on the cost of crude oil or other feedstocks and the price of refined products. These prices are affected by numerous factors beyond our or MPC s control, including the domestic and global supply of and demand for crude oil and refined products. While we believe we have substantially mitigated our indirect exposure to commodity price fluctuations through the minimum volume commitments in our transportation and storage services agreements with MPC during the respective terms of those agreements, our ability to execute our growth strategy in our areas of operation will depend on the availability of attractively priced crude oil in the areas served by our pipelines, which is also affected by the overall supply of and demand for crude oil. Certain measures of commercial activity that are correlated with crude oil and products demand continue to show moderate improvement. Crude oil prices have recently declined due to an increase in world supplies leading to higher than normal feedstock inventories. However, we expect the current global economic weakness and high unemployment in the United States to continue to constrain domestic demand for refined products.

Changes in Crude Oil Sourcing and Refined Product Demand Dynamics. One of the strategic advantages of our crude oil pipeline systems is their ability to transport attractively priced crude oil from multiple supply markets. Our crude oil shippers, including MPC, periodically change the relative mix of crude oil grades used at the refineries served by our pipelines depending on the availability and pricing of different grades of crude oil, as well as changes in the pricing and demand dynamics in the various refined product markets that are served by those refineries. Changes in the crude oil sourcing patterns of our crude oil shippers are reflected in changes in the relative volumes of crude oil handled by our various pipeline systems from period to period. While these changes in relative volumes can affect the revenue attributable to specific crude oil pipeline systems due to differences in tariffs and viscosity surcharges, generally our total crude oil transportation revenues are significantly affected only by changes in overall crude oil supply and demand dynamics.

Similarly, our product pipeline systems have the ability to serve multiple end user markets. Our refined products shippers, including MPC, periodically change the relative mix of refined products shipped on our refined products pipelines, as well as the destination points, based on changes in the pricing and demand dynamics in the various refined product markets that our refined products pipelines serve. Changes in the refined products shipping patterns of our shippers are reflected in relative volumes of refined products handled by our various pipeline systems from period to period. While these changes in relative volumes can affect the revenue attributable to specific refined products pipeline systems due to differences in tariffs, generally our total product transportation revenues are significantly affected only by changes in overall refined products supply and demand dynamics.

Acquisition Opportunities. We plan to pursue acquisitions of complementary assets from MPC as well as third parties. We believe MPC will offer us the opportunity to purchase additional midstream assets that it owns, including additional interests in Pipe Line Holdings. We also may pursue acquisitions jointly with MPC. Our third-party acquisition strategy will include midstream assets both within our existing geographic footprint and in new areas. We believe MPC will promote and support the successful execution of our business strategies given its significant ownership in us following this offering and its stated intention to use us to grow its midstream business. We believe MPC will offer us the opportunity to purchase additional assets from it, including additional interests in our network of pipeline systems, barge dock and tank farms that it has retained through its interest in Pipe Line Holdings. However, MPC is under no obligation to offer to sell us additional assets or to pursue acquisitions jointly with us, and we are under no obligation to buy any such additional assets or pursue any such joint acquisitions. We believe that we will be well positioned to acquire midstream assets from MPC and third parties should

Table of Contents

Management s discussion and analysis of financial condition and results of operations

such opportunities arise, and identifying and executing acquisitions will be a key part of our strategy. However, if we do not make acquisitions on economically acceptable terms, our future growth will be limited, and the acquisitions we do make may reduce, rather than increase, our cash available for distribution.

Third-Party Business. In the future, we plan to seek increased third-party volumes on our crude oil and product pipelines. We believe that the strategic location of our assets and their ability to access attractively priced crude oil and to supply products to attractive markets may create opportunities to capture incremental third-party business and facilitate our growth. Immediately following the closing of this offering, the substantial majority of our revenue will be generated under our transportation and storage services agreements with, and tariffs and fees paid by, MPC. Unless we are successful in attracting third-party customers, our ability to increase volumes will be dependent on MPC and its future growth.

RESULTS OF OPERATIONS

Three Months Ended June 30, 2012 compared to Three Months Ended June 30, 2011 and Six Months Ended June 30, 2012 compared to Six Months Ended June 30, 2011

	Three Months Ended June 30,			Six Months Ended June 30,		
(Dollars in millions)	**2012**	**2011**	**Variance**	**2012**	**2011**	**Variance**
Revenues and other income:						
Sales and other operating revenues	$ 18.1	$ 13.8	$ 4.3	$ 33.9	$ 28.6	$ 5.3
Sales to related parties	87.5	86.9	0.6	169.2	164.3	4.9
Loss on sale of assets	(0.3)		(0.3)	(0.3)		(0.3)
Other income	1.7	0.1	1.6	3.3	0.4	2.9
Other income related parties	3.4	2.0	1.4	6.4	3.9	2.5
Total revenues and other income	110.4	102.8	7.6	212.5	197.2	15.3
Costs and expenses:						
Cost of revenues (excludes items below)	45.4	44.6	0.8	83.1	75.8	7.3
Purchases from related parties	8.1	8.0	0.1	15.1	15.2	(0.1)
Depreciation	9.2	8.8	0.4	18.4	17.7	0.7
General and administrative expenses	15.2	6.9	8.3	24.8	14.1	10.7
Other taxes	3.0	2.8	0.2	6.7	6.1	0.6
Total costs and expenses	80.9	71.1	9.8	148.1	128.9	19.2
Income from operations	29.5	31.7	(2.2)	64.4	68.3	(3.9)
Related party interest and other financial income	0.4	1.2	(0.8)	0.8	1.9	(1.1)
Interest and other financial income (costs)		(0.1)	0.1		(0.2)	0.2
Income before income taxes	29.9	32.8	(2.9)	65.2	70.0	(4.8)
Provision for income taxes	0.1		0.1	0.2		0.2
Net income	$ 29.8	$ 32.8	$ (3.0)	$ 65.0	$ 70.0	$ (5.0)
Pipeline throughput (mbpd):						
Crude oil pipelines	1,193	1,221	(28)	1,157	1,197	(40)

Product pipelines	954	1,014	(60)	935	994	(59)
Total	2,147	2,235	(88)	2,092	2,191	(99)
Crude oil pipelines (light equivalent barrels)	1,229	1,281	(52)	1,194	1,261	(67)

Table of Contents

Management s discussion and analysis of financial condition and results of operations

Total sales and other operating revenues, including sales to related parties, increased $4.9 million in the second quarter of 2012 compared to the second quarter of 2011, primarily due to a $4.3 million increase in sales and other operating revenues. The increase in sales and other operating revenues reflects a $3.0 million increase due to higher average tariffs received on the volumes of crude oil and products shipped and a $1.7 million increase related to a 68 mbpd increase in third party volumes shipped. Sales to related parties was essentially flat since the 156 mbpd decrease in related party volumes shipped was offset by higher average tariffs received on the volumes shipped.

Total sales and other operating revenues, including sales to related parties, increased $10.2 million in the first six months of 2012 compared to the first six months of 2011 due to a $5.3 million increase in sales and other operating revenues and a $4.9 million increase in sales to related parties. The increase in sales and other operating revenues was primarily related to a $4.2 million increase due to higher average tariffs received on the volumes of crude oil and products shipped, and a $1.2 million increase related to a 38 mbpd increase in third party crude oil and products volumes shipped. The increase in sales to related parties was primarily related to a $21.0 million increase due to higher average tariffs received on the volumes of crude oil and products shipped, partially offset by a $16.0 million decrease related to a 137 mbpd decrease in related party crude oil and products volumes shipped. The decrease in volumes shipped was primarily due to the Capline crude system and the Garyville to Zachary products system. In response to changes in crude oil supply sourcing, we converted our Roxanna to Patoka pipeline to crude oil service, which partially offset a decrease in volumes shipped on the Capline crude system.

Other income and other income related parties increased $3.0 million in the second quarter and $5.4 million in the first six months of 2012 compared to the corresponding periods of 2011, primarily due to higher operating fees received from MPC and Marathon Oil, which were increased to reflect arm s-length rates.

Cost of revenues increased $0.8 million in the second quarter and $7.3 million in the first six months of 2012 compared to the corresponding periods of 2011. The increases were primarily due to unfavorable changes in measurement differences of $1.3 million and $4.1 million, respectively. The first six months of 2012 also had higher outside services costs of $1.9 million, primarily related to mechanical integrity work on our crude oil pipelines.

General and administrative expenses increased $8.3 million in the second quarter and $10.7 million in the first six months of 2012 compared to the corresponding periods of 2011. The increases were primarily due to $6.7 million of pension settlement expenses recorded in the second quarter of 2012 and higher expense allocations from MPC resulting from MPC s increased costs associated with being a separate stand-alone company following its spinoff from Marathon Oil on June 30, 2011.

Related party interest and other financial income decreased $1.1 million in the first six months of 2012 compared to the first six months of 2011. We had $0.8 million interest income in the first six months of 2012 from loans receivable from MPCIF compared to $1.9 million dividend income in the first six months of 2011 from our investment in preferred stock of MOC Portfolio Delaware, Inc. (PFD), a subsidiary of Marathon Oil. Please read Capital Resources and Liquidity and note 3 to the interim combined financial statements contained elsewhere in this prospectus for further discussion of our loan receivable from MPCIF and our investment in PFD preferred stock.

Table of Contents

Management s discussion and analysis of financial condition and results of operations

Year Ended December 31, 2011 compared to Year Ended December 31, 2010

(Dollars in millions)	Year ended December 31, 2011	2010	Variance
Revenues and other income:			
Sales and other operating revenues	$ 62.1	$ 49.7	$ 12.4
Sales to related parties	334.8	346.2	(11.4)
Other income	4.3	0.4	3.9
Other income related parties	9.4	8.0	1.4
Total revenues and other income	410.6	404.3	6.3
Costs and expenses:			
Cost of revenues (excludes items below)	164.2	176.1	(11.9)
Purchases from related parties	31.9	32.2	(0.3)
Depreciation	36.3	52.6	(16.3)
General and administrative expenses	34.3	29.1	5.2
Other taxes	11.9	10.9	1.0
Total costs and expenses	278.6	300.9	(22.3)
Income from operations	132.0	103.4	28.6
Related party interest and other financial income	2.3	0.2	2.1
Interest and other financial (costs)	(0.2)		(0.2)
Income before income taxes	134.1	103.6	30.5
Provision for income taxes	0.1	0.3	(0.2)
Net income	$ 134.0	$ 103.3	$ 30.7
Pipeline throughput (mbpd):			
Crude oil pipelines	1,184	1,204	(20)
Product pipelines	1,031	968	63
Total	2,215	2,172	43
Crude oil pipelines (light equivalent barrels)	1,232	1,276	(44)

Management s discussion and analysis of financial condition and results of operations

Total sales and other operating revenues, including sales to related parties, increased $1.0 million in 2011 compared to 2010, due to a $12.4 increase in sales and other operating revenues, partially offset by a $11.4 million decrease in sales to related parties. The increase in sales and other operating revenues was primarily due to a $9.9 million increase related to a 39 mbpd increase in third party volumes shipped, and a $2.6 million increase due to higher average tariffs received on the volumes of crude oil and products shipped. The decrease in sales to related parties was primarily due to a $19.9 million decrease related to a 50 mbpd decrease in related party crude oil volumes shipped, partially offset by a $6.1 million increase due to higher average tariffs received on the volumes of crude oil and products shipped.

Other income and other income related parties increased $5.3 million in 2011 compared to 2010, primarily due to higher operating fees received from MPC and Marathon Oil, which were increased to reflect arm s-length rates following MPC s spinoff from Marathon Oil effective June 30, 2011.

Cost of revenues decreased $11.9 million in 2011 compared to 2010. The decrease was primarily due to lower mechanical integrity costs on our Patoka to Catlettsburg crude oil pipeline in 2011 compared to 2010.

Depreciation decreased $16.3 million in 2011 compared to 2010, primarily due to depreciation recorded in 2010 for the cancellation of a crude oil pipeline project associated with MPC s heavy oil upgrading and expansion project at its Detroit refinery.

General and administrative expenses increased $5.2 million in 2011 compared to 2010. The increase was primarily due to higher expense allocations from MPC resulting from MPC s increased costs associated with being a separate stand-alone company and an increase in our overall allocation percentage.

Other taxes increased $1.0 million in 2011 compared to 2010, primarily due to higher property taxes and payroll taxes in 2011 compared to 2010.

Related party interest and other financial income increased $2.1 million in 2011 compared to 2010, primarily due to higher dividend income in 2011 compared to 2010 from our investment in PFD preferred stock. Please read Capital Resources and Liquidity and note 4 to the audited combined financial statements contained elsewhere in this prospectus for further discussion of our investment in PFD preferred stock.

Table of Contents

Management s discussion and analysis of financial condition and results of operations

Year Ended December 31, 2010 compared to Year Ended December 31, 2009

(Dollars in millions)	Year ended December 31, 2010	2009	Variance
Revenues and other income:			
Sales and other operating revenues	$ 49.7	$ 43.3	$ 6.4
Sales to related parties	346.2	331.4	14.8
Net gain on disposal of assets		0.2	(0.2)
Other income	0.4	1.3	(0.9)
Other income related parties	8.0	7.3	0.7
Total revenues and other income	404.3	383.5	20.8
Costs and expenses:			
Cost of revenues (excludes items below)	176.1	160.6	15.5
Purchases from related parties	32.2	29.8	2.4
Depreciation	52.6	32.8	19.8
General and administrative expenses	29.1	26.6	2.5
Other taxes	10.9	11.1	(0.2)
Total costs and expenses	300.9	260.9	40.0
Income from operations	103.4	122.6	(19.2)
Related party interest and other financial income	0.2		0.2
Income before income taxes	103.6	122.6	(19.0)
Provision for income taxes	0.3	0.3	
Net income	$ 103.3	$ 122.3	$ (19.0)
Pipeline throughput (mbpd):			
Crude oil pipelines(1)	1,204	1,113	91
Product pipelines	968	953	15
Total	2,172	2,066	106
Crude oil pipelines (light equivalent barrels)(1)	1,276	1,157	119

(1) Excludes volumes transported on the St. James, LA to Garyville, LA crude oil pipeline system that was transferred from common carrier to private service on October 1, 2009.

Total sales and other operating revenues, including sales to related parties, increased $21.2 million in 2010 compared to 2009, due to a $14.8 million increase in sales to related parties and a $6.4 million increase in sales and other operating revenue. The increase in sales to related parties was primarily due to a $10.2 million increase resulting from an increase in related party volumes shipped on higher tariff pipelines, partially offset by a decrease in related party volumes shipped on lower tariff pipelines, primarily associated with the transfer of the St. James to Garyville crude oil pipeline to MPC. We also received higher average tariffs on the volumes of crude oil and products shipped, which contributed $4.3 million to the increase in sales to related parties. The increase in sales and other operating revenues was primarily due to a $5.2

million increase related to a 19 mbpd increase in third party crude oil volumes shipped and a $2.4 million increase resulting from higher average tariffs received on the volumes of crude oil and products shipped.

Cost of revenues increased $15.5 million in 2010 compared to 2009, primarily due to higher mechanical integrity costs on our Patoka to Catlettsburg crude system in 2010 compared to 2009.

Depreciation increased $19.8 million in 2010 compared to 2009, primarily due to depreciation recorded in 2010 for the cancellation of a crude oil pipeline project associated with the heavy oil upgrading and expansion project at MPC s Detroit refinery.

Management s discussion and analysis of financial condition and results of operations

CAPITAL RESOURCES AND LIQUIDITY

Historically, our sources of liquidity included cash generated from operations and funding from MPC. We participated in MPC s centralized cash management program for periods prior to September 30, 2010, under which the net balance of our cash receipts and cash disbursements was settled with MPC on a daily basis. On October 1, 2010, we ceased participating in MPC s centralized cash management program and entered into agreements with PFD, a subsidiary of Marathon Oil, to invest our excess cash in related party debt securities. The agreement with PFD was terminated effective June 30, 2011. On June 21, 2011, we executed an agreement with MPCIF, which allowed us, on a daily basis, to send our excess cash to MPCIF as an advance or request cash from MPCIF as a draw. Our net cash balance with MPCIF on the last day of each quarter was classified as loans receivable from related party. The agreement with MPCIF will be terminated in connection with the closing of this offering. Please read note 4 to the audited combined financial statements included elsewhere in this prospectus for additional information regarding our agreements with PFD and MPCIF. Following this offering, MPC will invest our excess cash on our behalf directly with third-party institutions as part of the treasury services that it will provide to us under our omnibus agreement.

In addition to our retention of approximately $10.0 million of the net proceeds from this offering for general partnership purposes, including to fund our working capital needs, and Pipe Line Holdings retention of approximately $219.4 million of the net proceeds from this offering to fund certain budgeted expansion capital expenditures over the two-year period following this offering, we expect our ongoing sources of liquidity following this offering to include cash generated from operations, borrowings under our revolving credit facility, and issuances of additional debt and equity securities. We believe that cash generated from these sources will be sufficient to meet our short-term working capital requirements and long-term capital expenditure requirements and to make quarterly cash distributions.

We intend to pay a minimum quarterly distribution of $ per unit per quarter, which equates to $ million per quarter, or $ million per year, based on the number of common, subordinated and general partner units to be outstanding immediately after completion of this offering. Although our partnership agreement requires that we distribute all of our available cash each quarter, we do not have a legal obligation to distribute any particular amount per common unit. Please read Cash Distribution Policy and Restrictions on Distributions.

Revolving Credit Facility

Upon the closing of this offering, we intend to enter into a $500.0 million revolving credit facility. The revolving credit facility will be available to fund working capital and to finance acquisitions and other capital expenditures. Borrowings under our revolving credit facility are expected to bear interest at LIBOR plus an applicable spread. LIBOR and the applicable spread will be defined in the credit agreement that evidences our new revolving credit facility. We expect the unused portion of the revolving credit facility will be subject to a commitment fee.

We expect our revolving credit facility to contain covenants and conditions that, among other things, limit our ability to make cash distributions, incur indebtedness, create liens, make investments and enter into a merger or sale of substantially all of our assets. We also expect to be subject to certain financial covenants and customary events of default under the revolving credit facility.

Table of Contents

Management s discussion and analysis of financial condition and results of operations

Cash Flows

Net cash provided by (used in) operating activities, investing activities and financing activities for the years ended December 31, 2011, 2010 and 2009, and the six months ended June 30, 2012 and 2011 were as follows:

	Year ended December 31,			Six months ended June 30,	
(In millions)	**2011**	**2010**	**2009**	**2012**	**2011**
Net cash provided by (used in):					
Operating activities	$ 181.9	$ 117.3	$ 145.1	$ 94.9	$ 87.7
Investing activities	(218.7)	(64.6)	(57.5)	(225.2)	(199.5)
Financing activities	36.7	(53.0)	(88.3)	130.8	112.0
Net increase (decrease) in cash	$ (0.1)	$ (0.3)	$ (0.7)	$ 0.5	$ 0.2

Cash Flows Provided by Operating Activities. Net cash provided by operating activities increased $7.2 million in the first six months of 2012 compared to the first six months of 2011, primarily due to a $16.8 million increase in cash provided by changes in working capital, partially offset by a $5.0 million decrease in net income and a $5.7 million increase in cash used in other operating activities. Cash provided by changes in working capital of $14.2 million in the first six months of 2012 was primarily due to a $21.8 million decrease in receivables from related parties, partially offset by a $6.9 million use in cash attributable to accounts payable and accrued liabilities. Cash used in changes in working capital of $2.6 million in the first six months of 2011 was primarily due to a $2.5 million decrease in accounts payable and accrued liabilities and a $2.4 million increase in inventories, partially offset by a $2.0 million decrease in receivables from third parties.

Net cash provided by operating activities increased $64.6 million in 2011 compared to 2010, primarily due to a $53.2 million increase in cash provided by changes in working capital and a $30.7 million increase in net income, partially offset by a $16.3 million decrease in depreciation. Net cash provided by operating activities decreased $27.8 million in 2010 compared to 2009, primarily due to a $34.5 million increase in cash used in changes in working capital and a $19.0 million decrease in net income, partially offset by a $19.8 million increase in depreciation.

The $12.6 million of cash provided by changes in working capital in 2011 was primarily due to an $11.2 million increase in accounts payable and accrued liabilities primarily related to the timing of project expenditures. The $40.6 million of cash used for changes in working capital in 2010 was primarily due to a $34.5 million increase in receivables from related parties due to the initiation of quarterly cash settlements for transactions previously included in net investment after we ceased participating in MPC s centralized cash management program as of October 1, 2010. The $6.1 million cash used for changes in working capital in 2009 was primarily due to a $6.9 million decrease in accounts payable and accrued liabilities.

The $52.6 million of depreciation in 2010 includes a $16.7 million charge for the cancellation of a crude oil pipeline project associated with the heavy oil upgrading and expansion project at MPC s Detroit refinery.

Cash Flows Used in Investing Activities. Net cash used in investing activities increased $25.7 million in the first six months of 2012 compared to the first six months of 2011, primarily due to a $51.1 million decrease in cash provided by investments in related party debt securities and a $43.5 million increase in additions to property, plant and equipment, partially offset by a $68.9 million decrease in cash used for

loans to related parties. Investments in related party debt securities consisted of net redemptions of PFD preferred stock of $51.1 million in the first six months of 2011 compared to no activity in the first six months of 2012 because the agreement with PFD was terminated in June 2011. Additions to property, plant and equipment of $54.8 million in the first six months of 2012 were primarily due to expansion capital expenditures, including the major upgrade project on our Patoka to Catlettsburg crude oil pipeline. Additions to property, plant and equipment of $11.3 million in the first six months of 2011 were primarily expansion capital expenditures. Loans to related parties consisted of loans to MPCIF of $170.4 million in the first six months of 2012 compared to $239.3 million in the first six months of 2011.

Net cash used in investing activities increased $154.1 million in 2011 compared to 2010, primarily due to a $220.0 million increase in loans to related parties and a $36.1 million increase in additions to property, plant and equipment, partially offset by a $102.2 million decrease in investments in related party debt securities. Net cash used in investing activities increased $7.1 million in 2010 compared to 2009, primarily due to $51.1 million in investments in related party debt securities in 2010, partially offset by a $44.0 million decrease in additions to property, plant and equipment in 2010 compared to 2009.

Loans to related parties of $220.0 million in 2011 consisted of loans to MPCIF. There was no activity with MPCIF in 2010 or 2009 since the agreement with MPCIF was executed in June 2011. The agreement with MPCIF will be terminated in connection with the closing of this offering.

Investments in related party debt securities consisted of net redemptions of PFD preferred stock of $51.1 million in 2011, net purchases of PFD preferred stock of $51.1 million in 2010 and no activity in 2009. These changes correspond with the execution and termination of our agreements with PFD.

Additions to property, plant and equipment was $49.8 million in 2011, primarily due to expansion capital expenditures, including projects that increase our capacity to transport West Texas Intermediate crude oil. Additions to property, plant and equipment was $13.7 million in 2010, primarily due to maintenance capital expenditures. Additions to property, plant and equipment of $57.7 million in 2009 were primarily due to new pipeline assets associated with the expansion of MPC s Garyville refinery.

Cash Flows from Financing Activities. Net cash provided by financing activities increased $18.8 million in the first six months of 2012 compared to the first six months of 2011 due to higher contributions from MPC. Financing activities were a net $36.7 million source of cash in 2011 compared to a net $53.0 million use of cash in 2010. The change in cash flows was primarily due to $37.3 million in contributions from MPC in 2011 compared to $52.5 million in distributions to MPC in 2010. Net cash used by financing activities decreased $35.3 million in 2010 compared to 2009 due to lower distributions to MPC.

Capital Expenditures

Our operations are capital intensive, requiring investments to expand, upgrade or enhance existing operations and to meet environmental and operational regulations. Our capital requirements will consist of maintenance capital expenditures and expansion capital expenditures. While historically we have not made a distinction between maintenance capital expenditures and expansion capital expenditures, we will be required to do so under our partnership agreement. Examples of maintenance capital expenditures are those made to replace partially or fully depreciated assets, to maintain the existing operating capacity of our assets and to extend their useful lives, or other capital expenditures that are incurred in maintaining existing system volumes and related cash flows. In contrast, expansion capital expenditures are those made to acquire additional assets to grow our business, to expand and upgrade our systems and facilities and to construct or acquire new systems or facilities.

Management s discussion and analysis of financial condition and results of operations

Our capital expenditures for the years ended December 31, 2011, 2010 and 2009 and the six months ended June 30, 2012 and 2011, are shown in the table below:

(In millions)	Year ended December 31, 2011	2010	2009	Six months ended June 30, 2012	2011
Maintenance	$ 12.8	$ 8.2	$ 6.2	$ 7.2	$ 3.4
Expansion(1)	41.1	3.9	43.8	58.0	7.8
Total capital expenditures	53.9	12.1	50.0	65.2	11.2
Less increase (decrease) in capital accruals	4.1	(1.6)	(7.7)	10.4	(0.1)
Additions to property, plant and equipment	$ 49.8	$ 13.7	$ 57.7	$ 54.8	$ 11.3

(1) Includes our portion of the capital expenditures related to the joint interest assets that will not be contributed to us at the closing of this offering.

Our capital budget for 2012 is $157.5 million, relating primarily to upgrades to replace or enhance our existing facilities and projects for new infrastructure. The budget includes $23.0 million for maintenance capital expenditures, primarily related to valve replacement, safety and security expenditures and electrical system maintenance. Also included in the budget is $134.5 million for expansion capital expenditures, including $89.0 million related to a major upgrade project on our Patoka to Catlettsburg crude oil pipeline, $20.6 million for the expansion of our Detroit crude oil pipeline system associated with the heavy oil upgrading and expansion project at MPC s Detroit refinery, $8.6 million for the installation of crude oil blending equipment at our Patoka tank farm, and $5.9 million for a SCADA system upgrade.

Contractual Cash Obligations

A summary of our contractual cash obligations as of June 30, 2012, is shown in the table below:

(In millions)	Total	2012	2013-2014	2015-2016	Later Years
Capital lease obligations	$ 15.5	$ 0.7	$ 2.7	$ 2.7	$ 9.4
Operating lease obligations	52.1	3.9	16.6	14.3	17.3
Purchase obligations:					
Service contracts	1.3	0.6	0.7		
Contracts to acquire property, plant & equipment	49.2	49.0	0.2		
Total contractual cash obligations(1)	$ 118.1	$ 54.2	$ 20.2	$ 17.0	$ 26.7

(1) Excludes our revolving credit facility and agreements with MPC that will be executed in connection with this offering.

Transactions with Related Parties

Excluding revenues attributable to volumes shipped by MPC under joint tariffs with third parties that are treated as third party revenues for accounting purposes, MPC accounted for 87%, 86%, 83% and 82% of our total revenues and other income for the years ended December 31, 2009, 2010 and 2011 and for the six months ended June 30, 2012, respectively. We provide crude oil and refined products pipeline transportation services based on regulated tariff rates and storage services based on contracted rates. MPC accounted for approximately 17%, 17%, 22% and 27% of our total costs and expenses and for the years ended December 31, 2009, 2010 and 2011 and for the six months ended June 30, 2012,

Management s discussion and analysis of financial condition and results of operations

respectively. MPC and, with respect to periods prior to June 30, 2011, Marathon Oil performed certain services for us related to information technology, engineering, legal, human resources and other financial and administrative services. We believe that transactions with related parties, other than certain transactions with MPC related to the provision of administrative services, have been conducted under terms comparable to those with unrelated parties. Please read note 3 to the interim combined financial statements and notes 4 and 5 to the audited combined financial statements included elsewhere in this prospectus for further discussion of activity with related parties and MPC.

OFF BALANCE SHEET ARRANGEMENTS

We have not entered into any transactions, agreements or other arrangements that would result in off-balance sheet liabilities.

REGULATORY MATTERS

Our pipeline systems are interstate common carriers primarily subject to rate regulation by the FERC under the Interstate Commerce Act (ICA) and the Energy Policy Act of 1992 (EPAct 1992). Our pipeline operations are also subject to safety regulations adopted by the U.S. Department of Transportation. For more information on federal and state regulations affecting our business, please read Business Rate and Other Regulation.

Environmental Matters and Compliance Costs

We are subject to extensive federal, state and local environmental laws and regulations. These laws, which change frequently, regulate the discharge of materials into the environment or otherwise relate to protection of the environment. Compliance with these laws and regulations may require us to remediate environmental damage from any discharge of petroleum or chemical substances from our facilities or require us to install additional pollution control equipment on our equipment and facilities. Our failure to comply with these or any other environmental or safety-related regulations could result in the assessment of administrative, civil, or criminal penalties, the imposition of investigatory and remedial liabilities, and the issuance of injunctions that may subject us to additional operational constraints.

Future expenditures may be required to comply with the Clean Air Act and other federal, state and local requirements for our various sites, including our pipelines and storage assets. The impact of these legislative and regulatory developments, if enacted or adopted, could result in increased compliance costs and additional operating restrictions on our business, each of which could have an adverse impact on our financial position, results of operations and liquidity. MPC will indemnify us for certain of these costs under the omnibus agreement. For a further description of this indemnification, please read Certain Relationships and Related Party Transactions Agreements Governing the Transactions Omnibus Agreement.

If these expenditures, as with all costs, are not ultimately reflected in the tariffs and other fees we receive for our services, our operating results will be adversely affected. We believe that substantially all of our competitors must comply with similar environmental laws and regulations. However, the specific impact on each competitor may vary depending on a number of factors, including, but not limited to, the age and location of its operating facilities.

Table of Contents

Management s discussion and analysis of financial condition and results of operations

Our environmental expenditures for each of the years ended December 31, 2011, 2010 and 2009 and the six months ended June 30, 2012 and 2011 were:

	Year ended December 31,			Six months ended June 30,	
(In millions)	**2011**	**2010**	**2009**	**2012**	**2011**
Capital	$ 19.8	$ 2.3	$ 5.8	$ 23.7	$ 3.8
Percent of total capital	37%	19%	12%	36%	34%
Compliance:					
Operating and maintenance	$ 23.2	$ 35.7	$ 27.7	$ 9.3	$ 8.9
Remediation(1)	0.6	2.3	5.4	(0.2)	0.4
Total	$ 23.8	$ 38.0	$ 33.1	$ 9.1	$ 9.3

(1) These amounts include spending charged against remediation reserves, where permissible, but exclude non-cash accruals for environmental remediation.

We accrue for environmental remediation activities when the responsibility to remediate is probable and the amount of associated costs can be reasonably estimated. As environmental remediation matters proceed toward ultimate resolution or as additional remediation obligations arise, charges in excess of those previously accrued may be required.

New or expanded environmental requirements, which could increase our environmental costs, may arise in the future. We believe we comply with all legal requirements regarding the environment, but since not all of them are fixed or presently determinable (even under existing legislation) and may be affected by future legislation or regulations, it is not possible to predict all of the ultimate costs of compliance, including remediation costs that may be incurred and penalties that may be imposed.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the combined financial statements and the reported amounts of revenues and expenses during the respective reporting periods. Accounting estimates are considered to be critical if (1) the nature of the estimates and assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change; and (2) the impact of the estimates and assumptions on financial condition or operating performance is material. Actual results could differ from the estimates and assumptions used.

Fair Value Estimates

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three approaches for measuring the fair value of assets and liabilities: the market approach, the income approach and the cost approach, each of which includes multiple valuation techniques. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to measure fair value by converting future amounts, such as cash flows or earnings, into a single present value amount using current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace the service capacity of an asset. This is often referred to as current

111

Table of Contents

Management s discussion and analysis of financial condition and results of operations

replacement cost. The cost approach assumes that the fair value would not exceed what it would cost a market participant to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence.

Our significant uses of fair value measurements include:

- assessment of impairment of long-lived assets; and
- assessment of impairment of goodwill.

Please read note 12 to the audited combined financial statements and note 8 to the unaudited combined financial statements included elsewhere in this prospectus for disclosures regarding our fair value measurements.

Impairment Assessments of Long-Lived Assets and Goodwill

Fair value calculated for the purpose of testing our long-lived assets and goodwill for impairment is estimated using the expected present value of future cash flows method and comparative market prices when appropriate. Significant judgment is involved in performing these fair value estimates since the results are based on forecasted assumptions. Significant assumptions include:

- *Future revenues on services provided*. Our estimates of future revenues are based on our analysis of various supply and demand factors, which include, among other things, industry-wide capacity, our estimated utilization rate, end-user demand, capital expenditures and economic conditions. Such estimates are consistent with those used in our planning and capital investment reviews.
- *Future volumes*. Our estimates of future pipeline throughput volumes are based on internal forecasts prepared by our operations personnel.
- *Discount rate commensurate with the risks involved*. We apply a discount rate to our cash flows based on a variety of factors, including market and economic conditions, operational risk, regulatory risk and political risk. This discount rate is also compared to recent observable market transactions, if possible. A higher discount rate decreases the net present value of cash flows.
- *Future capital requirements*. These are based on authorized spending and internal forecasts.

We base our fair value estimates on projected financial information which we believe to be reasonable. However, actual results may differ from these projections.

The need to test for impairment can be based on several indicators, including a significant reduction in demand for products transported, a poor outlook for profitability, a significant reduction in pipeline throughput volumes, a significant reduction in refining margins, other changes to contracts or changes in the regulatory environment in which the asset is located.

Long-lived assets used in operations are assessed for impairment whenever changes in facts and circumstances indicate that the carrying value of the assets may not be recoverable. For purposes of impairment evaluation, long-lived assets must be grouped at the lowest level for which independent cash flows can be identified, which generally is the pipeline system level. If the sum of the undiscounted estimated pretax cash flows is less than the carrying value of an asset group, fair value is calculated, and the carrying value is written down if greater than the calculated fair value.

Unlike long-lived assets, goodwill must be tested for impairment at least annually, or between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of

112

Table of Contents

Management s discussion and analysis of financial condition and results of operations

a reporting unit below its carrying amount. Goodwill is tested for impairment at the reporting unit level. The fair value of the reporting unit is determined and compared to the book value of the reporting unit. If the fair value of the reporting unit is less than the book value, including goodwill, the implied fair value of goodwill is calculated. The excess, if any, of the book value over the implied fair value of goodwill is charged to net income. At December 31, 2011 we had a total of $134.2 million of goodwill recorded on our combined balance sheet. The fair value of our reporting unit exceeded book value appreciably in 2011.

An estimate of the sensitivity to net income resulting from impairment calculations is not practicable, given the numerous assumptions (e.g., tariffs, volumes and discount rates) that can materially affect our estimates. That is, unfavorable adjustments to some of the above listed assumptions may be offset by favorable adjustments in other assumptions.

Contingent Liabilities

We accrue contingent liabilities for legal actions, claims, litigation, environmental remediation and tax deficiencies related to operating taxes. We regularly assess these estimates in consultation with legal counsel to consider resolved and new matters, material developments in court proceedings or settlement discussions, new information obtained as a result of ongoing discovery and past experience in defending and settling similar matters. Actual costs can differ from estimates for many reasons. For instance, settlement costs for claims and litigation can vary from estimates based on differing interpretations of laws, opinions on degree of responsibility and assessments of the amount of damages. Similarly, liabilities for environmental remediation may vary from estimates because of changes in laws, regulations and their interpretation; additional information on the extent and nature of site contamination; and improvements in technology.

We generally record losses related to these types of contingencies as cost of revenues or general and administrative expenses in the combined statements of income, except for tax deficiencies unrelated to income taxes, which are recorded as other taxes.

An estimate of the sensitivity to net income if other assumptions had been used in recording these liabilities is not practical because of the number of contingencies that must be assessed, the number of underlying assumptions and the wide range of reasonably possible outcomes, in terms of both the probability of loss and the estimates of such loss.

ACCOUNTING STANDARDS NOT YET ADOPTED

In December 2011, the Financial Accounting Standards Board (FASB) issued an accounting standards update that requires disclosure of additional information related to recognized financial and derivative instruments that are offset or are not offset but are subject to an enforceable netting agreement. The purpose of the requirement is to help users evaluate the effect or potential effect of offsetting and related netting arrangements on an entity s financial position. The update is to be applied retrospectively and is effective for annual periods that begin on or after January 1, 2013 and interim periods within those annual periods. Adoption of this update will not have an impact on our combined results of operations, financial position, or cash flows.

QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices. As we do not take ownership of the crude oil or products that we transport and store for our customers, and we do not engage in the trading of any commodities, we have minimal direct exposure to risks associated with fluctuating commodity prices. In addition, our transportation and storage agreements with MPC are indexed to inflation to mitigate our exposure to increases in the cost of supplies used in our business.

Debt that we incur under our revolving credit facility will bear interest at a variable rate and will expose us to interest rate risk. Unless interest rates increase significantly in the future, our exposure to interest rate risk should be minimal.

Imbalances

We target zero volume gains and losses, which we sometimes refer to as imbalances, within our pipelines and storage assets due to pressure and temperature changes, evaporation and variances in meter readings and in other measurement methods. Historically, we used quoted market prices of the applicable commodity as of the relevant reporting date to value amounts related to imbalances. For the three-year period ended December 31, 2011, our imbalances resulted in an average gain of $3.4 million per year. For the six months ended June 30, 2012, we recorded a loss of $1.2 million related to imbalances. In practice, we settle positive crude oil imbalances each quarter by selling excess volumes at current market prices. While we historically have not had to do so, we could be required to purchase crude oil volumes in the open market to make up negative imbalances. Positive and negative product imbalances are settled monthly by cash payments.

SEASONALITY

The crude oil and products transported on our pipeline systems and at our barge dock and stored at our storage assets is directly affected by the level of supply and demand for crude oil and products in the markets served directly or indirectly by our assets. However, many effects of seasonality on our revenues will be substantially mitigated through the use of our fee-based transportation and storage services agreements with MPC that include minimum volume commitments. We historically have spent approximately two-thirds of both our budgeted maintenance capital expenditures and budgeted pipeline integrity and repair and maintenance expenses during the third and fourth quarter of each calendar year due to our budgeting cycle, weather and safety concerns. In the future, we will seek to manage our maintenance capital expenditures on our pipeline systems and storage assets by scheduling maintenance over time to avoid significant variability in our maintenance expenditures and minimize their impact on our cash flow.

Table of Contents

Business

OVERVIEW

We are a fee-based, growth-oriented limited partnership recently formed by MPC to own, operate, develop and acquire crude oil, refined product and other hydrocarbon-based product pipelines and other midstream assets. Our assets primarily consist of a 51.0% indirect interest in a network of common carrier crude oil and product pipeline systems and associated storage assets in the Midwest and Gulf Coast regions of the United States. We believe our network of petroleum pipelines is one of the largest in the United States, based on total annual volumes delivered. MPC has retained a 49.0% interest in our network of pipeline systems, barge dock and tank farms. We also own a 100.0% interest in a butane cavern in Neal, West Virginia with approximately 1.0 million barrels of storage capacity. Our assets are integral to the success of MPC s operations.

We generate revenue primarily by charging tariffs for transporting crude oil, refined products and other hydrocarbon-based products through our pipelines and at our barge dock and fees for storing crude oil and products at our storage facilities. We are also the operator of additional crude oil and product pipelines owned by MPC and third parties for which we are paid operating fees. We do not take ownership of the crude oil or products that we transport and store for our customers, and we do not engage in the trading of any commodities.

MPC historically has been the source of the substantial majority of our revenues. At the closing of this offering, we will enter into long-term, fee-based transportation and storage services agreements with MPC with minimum volume commitments, and MPC will continue to be the source of the substantial majority of our revenues for the foreseeable future. We believe these transportation and storage services agreements will promote stable and predictable cash flows.

MPC has stated that it intends for us to be the primary growth vehicle for its midstream business. Following the completion of this offering, MPC will continue to own a substantial portfolio of other midstream assets including a 49.0% interest in Pipe Line Holdings, which owns our network of pipeline systems, our barge dock and our tank farms. MPC will also retain a significant interest in us through its ownership of our general partner, a % limited partner interest in us and all of our incentive distribution rights. Given MPC s significant ownership interest in us following this offering and its stated intent to use us to grow its midstream business, we believe MPC will offer us the opportunity to purchase additional midstream assets that it owns, including additional interests in Pipe Line Holdings. We also may pursue acquisitions jointly with MPC. MPC is under no obligation, however, to offer to sell us additional assets or to pursue acquisitions jointly with us, and we are under no obligation to buy any such additional assets or pursue any such joint acquisitions. We also intend to grow our business by constructing new assets, increasing the utilization of, and revenue generated by, our existing assets and acquiring assets from third parties.

BUSINESS STRATEGIES

Our primary business objectives are to generate stable cash flows and increase our quarterly cash distribution per unit over time. We intend to accomplish these objectives by executing the following strategies:

- *Focus on Fee-Based Businesses.* We are focused on generating stable cash flows by providing fee-based midstream services to MPC and third parties. We also intend to mitigate volatility in cash flows by continuing to minimize our direct exposure to commodity price fluctuations.

Business

- *Increase Revenue and Pursue Organic Growth Opportunities.* We intend to increase revenue on our network of pipeline systems by evaluating and capitalizing on organic investment opportunities that may arise from the growth of MPC s operations and from increased third-party activity in our areas of operations. We will evaluate organic growth projects within our geographic footprint, as well as in new areas, that provide attractive returns.

- *Grow Through Acquisitions.* We plan to pursue acquisitions of complementary assets from MPC as well as third parties. We believe MPC will offer us the opportunity to purchase additional midstream assets that it owns, including its additional interest in Pipe Line Holdings. We also may pursue acquisitions jointly with MPC. Our third-party acquisition strategy will include midstream assets both within our existing geographic footprint and in new areas.

- *Maintain Safe and Reliable Operations.* We believe that providing safe, reliable and efficient services is a key component in generating stable cash flows, and we are committed to maintaining and improving the safety, reliability and efficiency of our operations. As part of MPC s broader corporate programs, we have adopted, and intend to continue to participate in, the Responsible Care® initiative, which promotes a higher standard for safety and environmental stewardship. In December 2009, we received third-party certification from Det Norske Veritas (DNV) of our Responsible Care Management System®. We intend to seek recertification of our Responsible Care Management System® from DNV in December 2012.

COMPETITIVE STRENGTHS

We believe we are well positioned to execute our business strategies based on the following competitive strengths:

- *Strategic Relationship with MPC.* We have a strategic relationship with MPC, which we believe to be the fifth-largest petroleum products refiner in the United States and the largest petroleum products refiner in the Midwest region of the United States based on crude oil refining capacity. MPC is well-capitalized, with an investment grade credit rating, and will own our general partner, % of our limited partner interests and all of our incentive distribution rights. MPC will also continue to own other substantial midstream assets, including a 49.0% interest in Pipe Line Holdings. We believe that our relationship with MPC will provide us with significant growth opportunities, as well as a stable base of cash flows.

- *Stable and Predictable Cash Flows.* Our assets primarily consist of common carrier pipeline systems that generate stable revenue from FERC-based tariffs. We will generate the substantial majority of our revenue under long-term, fee-based transportation and storage services agreements with MPC that include minimum volume commitments. We believe these agreements will enhance cash flow stability and predictability. On a pro forma basis, MPC s minimum volume commitment would have represented approximately 72% and 75% of our total revenues and other income for each of the year ended December 31, 2011 and the six months ended June 30, 2012, respectively, had those agreements been in effect during those periods. We also expect that, based on MPC s historical shipping patterns, MPC will ship volumes on our pipelines in excess of its minimum volume commitments.

- *Strategically Located Assets.* Our assets are primarily located in the Midwest and Gulf Coast regions of the United States, which collectively comprised approximately 72% of total U.S. crude distillation capacity and approximately 48% of total U.S. finished products demand for the year ended December 31, 2011, according to the EIA. MPC owns and operates six refineries in the Midwest and Gulf Coast regions that have an aggregate crude oil capacity of 1,193 mbpcd. Our assets are integral to the success of MPC s operations. Our assets are located near several emerging shale plays including the Marcellus, Utica, New Albany, Antrim and Illinois Basin in Pennsylvania, Ohio, Indiana, Michigan

116

Business

and Illinois. MPC is currently transporting crude oil and feedstocks from the Utica shale play and is actively evaluating similar growth opportunities in other emerging shale plays.

- *High-Quality, Well-Maintained Asset Base.* We continually invest in the maintenance and integrity of our assets and have developed various programs to help us efficiently monitor and maintain them. For example, we utilize MPC s patented integrity management program that employs state-of-the-art mechanical integrity inspection and repair programs to enhance the safety of our pipelines.

- *Financial Flexibility.* Upon completion of this offering, we expect to have in place a revolving credit facility with $500.0 million in available capacity. We also expect to retain a significant portion of the net proceeds from this offering to fund certain future capital expenditures related to our assets. We believe that we will have the financial flexibility to execute our growth strategy through our cash reserves, borrowing capacity under our revolving credit facility and access to the debt and equity capital markets.

- *Experienced Management Team.* Our management team has substantial experience in the management and operation of pipelines, barge docks, storage facilities and other midstream assets. Our management team also has expertise in acquiring and integrating assets as well as executing growth strategies in the midstream sector. Our management team includes many of MPC s most senior officers, who average over 26 years of experience in the energy industry and over 25 years of operational experience with our assets.

OUR ASSETS AND OPERATIONS

Our primary assets consist of:

- a 51.0% general partner interest in Pipe Line Holdings, a newly-formed entity that owns a 100.0% interest in MPL and ORPL, which in turn collectively own:

  - a network of pipeline systems that includes approximately 962 miles of common carrier crude oil pipelines and approximately 1,819 miles of common carrier product pipelines extending across nine states. This network includes approximately 153 miles of common carrier crude oil and product pipelines that we operate under long-term leases with third parties;

  - a barge dock located on the Mississippi River near Wood River, Illinois with approximately 80 mbpd of crude oil and product throughput capacity; and

  - crude oil and product tank farms located in Patoka, Wood River and Martinsville, Illinois and Lebanon, Indiana.

- a 100.0% interest in a butane cavern located in Neal, West Virginia with approximately 1.0 million barrels of storage capacity that serves MPC s Catlettsburg, Kentucky refinery.

As the sole general partner of Pipe Line Holdings, we will control all aspects of the management of Pipe Line Holdings, including its cash distribution policy. The only outstanding partnership interests in Pipe Line Holdings will be our 51.0% general partner interest and the 49.0% limited partner interest retained by MPC.

117

Business

The following table sets forth certain information regarding our crude oil pipeline systems, each of which will have an associated transportation services agreement with MPC:

Crude Oil Pipeline Systems

System name	Diameter (inches)	Length (miles)	Capacity (mbpd)(1)	Associated MPC refinery
Patoka to Lima crude system				
Patoka, IL to Lima, OH	20 /22	302	290	Detroit, MI; Canton, OH
Catlettsburg and Robinson crude system				
Patoka, IL to Robinson, IL	20	78	225	Robinson, IL
Patoka, IL to Catlettsburg, KY	24 /20	406	256	Catlettsburg, KY
Total		484	481	
Detroit crude system				
Samaria, MI to Detroit, MI	16	44	140	Detroit, MI
Romulus, MI to Detroit, MI(2)	16	17	180	Detroit, MI
Total		61	320	
Wood River to Patoka crude system				
Wood River, IL to Patoka, IL	22	57	223	All Midwest refineries
Roxanna, IL to Patoka, IL(3)	12	58	84	All Midwest refineries