



2020

ANNUAL REPORT



SHERWOOD, WEST VIRGINIA

FROM THE CHAIRMAN, PRESIDENT AND CEO

Fellow Unitholders,

More than any other year, 2020 highlighted the strength, stability and resiliency of our underlying businesses, with the company achieving several significant milestones despite the unprecedented challenges and disruptions created by the global COVID-19 pandemic. We generated positive excess cash flow for the full year after self-funding our total capital investments and our distributions to unitholders, and we achieved this sooner than our original target of 2021. This accomplishment provided us the financial flexibility to begin implementing a board-authorized repurchase program of up to \$1 billion in outstanding publicly traded common units, and we completed the repurchase of approximately \$33 million in units during the fourth quarter of 2020.

In addition, we were able to increase our adjusted EBITDA^(a) for the year by \$100 million to \$5.2 billion and grow total distributable cash flow compared to 2019, allowing us to return more than \$3 billion in capital to unitholders. We also took critical steps to strengthen our financial foundation, including:

- Reducing our forecasted operating expenses for 2020 by more than \$200 million;
- Reducing our 2020 capital spend by more than \$700 million from the target level; and
- Executing other steps to further enhance our long-term cost structure, drive efficiencies in our business, and optimize our portfolio to focus on assets with long-term strategic value as the U.S. energy landscape evolves.

Strategic Organic Growth

During 2020, we also made important progress on key growth projects in our Logistics and Storage (L&S) and Gathering and Processing (G&P) segments. Through pipeline projects expected to come online in 2021, we are continuing to advance our strategy of creating integrated crude oil and natural gas logistics systems from the Permian Basin of West Texas to the U.S. Gulf Coast.

Key projects in our L&S segment included the following:

- Segments of the Wink-to-Webster crude oil pipeline, in which MPLX has an equity interest, are expected to come online throughout 2021. The pipeline will have destination points in the Houston market, with connectivity to Marathon Petroleum Corporation's (MPC) Galveston Bay refinery.
- The Whistler pipeline, which will carry natural gas from the Permian Basin to the Agua Dulce market in South Texas with industry connectivity to reach MPC's Galveston Bay refinery, is expected to go into service in the second half of 2021. MPLX also has an equity interest in this pipeline.
- As part of a joint venture, MPLX is continuing to develop a solution primarily utilizing existing infrastructure to create natural gas liquids takeaway capacity from the Permian Basin to Sweeny, Texas, to support producer customers.

In our G&P segment, approximately 1.8 billion-cubic-feet-per-day of capacity was added to the Agua Blanca pipeline system,

an MPLX joint venture that is connected to nearly 20 gas processing plants in the Delaware Basin of far West Texas and southeastern New Mexico. The system entered commercial service earlier in 2021. Through another project, we increased fractionation capacity at our Hopedale facility in Ohio. The 80,000 barrel-per-day expansion has allowed the facility to reach record fractionation volumes of 320,000 barrels per day. We also continued to advance the Smithburg 1 Processing Plant project, which will add 200 million cubic feet per day of natural gas processing capacity for the Marcellus Basin when it comes online in 2021.

During 2021, we intend to continue exercising strict capital discipline with a growth capital outlook of \$800 million, focusing on projects expected to deliver the highest returns and support the generation of excess cash flow.

Focusing on a Sustainable Future

We also recognize the importance of setting objectives that drive continuous improvement in our Environmental, Social and Governance performance, and we believe we are positioning MPLX to be an industry leader in this space. From lowering the carbon intensity of our operations to improving energy efficiency and conserving natural resources, we are challenging ourselves to lead in sustainable energy and to embed sustainability throughout our decision-making processes.

Specifically in 2020, we voluntarily created a target for our G&P segment to reduce methane emissions intensity 50% below 2016 levels by 2025. MPLX also earned four EPA ENERGY STAR[®] Challenge for Industry Awards for energy efficiency and received the American Petroleum Institute's Distinguished Pipeline Safety Award. In addition, we engaged 1,450 landowners and more than 28,000 households through Marathon Pipe Line's Earning Your Trust program.

As we look forward in 2021, the availability of COVID-19 vaccines in the U.S. has provided hope for continued economic recovery and relief from the broad-ranging uncertainties of the last year. Our disciplined approach to managing our business in 2020 allowed us to not only navigate tremendous challenges, but also to accomplish significant short- and long-term objectives that delivered value to our unitholders and critical support to our sponsor, MPC. Continuing this approach in the year ahead, with an emphasis on strict capital discipline and EBITDA growth, supports our ongoing goal of generating excess cash flow for 2021, and ultimately, expanding our opportunities to return incremental capital to our unitholders.

Sincerely,



Michael J. Hennigan
Chairman, President and Chief Executive Officer



(a) Non-GAAP financial measure. See discussion on inside back cover of this wrap.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2020

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-35714

MPLX LP

(Exact name of registrant as specified in its charter)

Delaware

27-0005456

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

200 E. Hardin Street, Findlay, OH 45840-3229

(Address of principal executive offices) (Zip code)

(419) 421-2414

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Units Representing Limited Partnership Interests	MPLX	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large Accelerated Filer Accelerated filer Non-accelerated filer

Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of common units held by non-affiliates as of June 30, 2020 was approximately \$6.8 billion. This amount is based on the closing price of the registrant's common units on the New York Stock Exchange on June 30, 2020. Common units held by executive officers and directors of the registrant and its affiliates are not included in the computation. The registrant, solely for the purpose of this required presentation, has deemed its directors and executive officers and those of its affiliates to be affiliates.

MPLX LP had 1,037,169,607 common units outstanding at February 12, 2021.

DOCUMENTS INCORPORATED BY REFERENCE: None

Table of Contents

	<u>Page</u>
<u>PART I</u>	
Item 1. Business	3
Item 1A. Risk Factors	28
Item 1B. Unresolved Staff Comments	52
Item 2. Properties	53
Item 3. Legal Proceedings	58
Item 4. Mine Safety Disclosures	60
<u>PART II</u>	
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	60
Item 6. Selected Financial Data	62
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	63
Item 7A. Quantitative and Qualitative Disclosures about Market Risk	94
Item 8. Financial Statements and Supplementary Data	96
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	159
Item 9A. Controls and Procedures	159
Item 9B. Other Information	159
<u>PART III</u>	
Item 10. Directors, Executive Officers and Corporate Governance	159
Item 11. Executive Compensation	169
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	198
Item 13. Certain Relationships and Related Transactions, and Director Independence	200
Item 14. Principal Accountant Fees and Services	202
<u>PART IV</u>	
Item 15. Exhibits and Financial Statement Schedules	203
Item 16. Form 10-K Summary	221
Signatures	222

Unless the context otherwise requires, references in this report to “MPLX LP,” “MPLX,” “the Partnership,” “we,” “our,” “us,” or like terms refer to MPLX LP and its subsidiaries. Additionally, throughout this Annual Report on Form 10-K, we have used terms in our discussion of the business and operating results that have been defined in our Glossary of Terms.

Glossary of Terms

The abbreviations, acronyms and industry terminology used in this report are defined as follows:

ARO	Asset retirement obligation
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM Program	An at-the-market program for the issuance of common units
Barrel (Bbl)	One stock tank barrel, or 42 United States gallons of liquid volume, used in reference to crude oil or other liquid hydrocarbons.
Bcf/d	One billion cubic feet per day
Btu	One British thermal unit, an energy measurement
Condensate	A natural gas liquid with a low vapor pressure mainly composed of propane, butane, pentane and heavier hydrocarbon fractions
DCF (a non-GAAP financial measure)	Distributable Cash Flow
DOT	United States Department of Transportation
EBITDA (a non-GAAP financial measure)	Earnings Before Interest, Taxes, Depreciation and Amortization
EPA	United States Environmental Protection Agency
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
GAAP	Accounting principles generally accepted in the United States of America
IRS	Internal Revenue Service
LIBOR	London Interbank Offered Rate
MarkWest Merger	On December 4, 2015, a wholly-owned subsidiary of MPLX merged with MarkWest Energy Partners, L.P. (“MarkWest”)
mbbls	Thousands of barrels
mbpd	Thousand barrels per day
mcf	One thousand cubic feet
Merger	MPLX acquisition by merger of Andeavor Logistics LP (“ANDX”) on July 30, 2019
MMBtu	One million British thermal units, an energy measurement
MMcf/d	One million cubic feet per day
NGL	Natural gas liquids, such as ethane, propane, butanes and natural gasoline
NYSE	New York Stock Exchange
OTC	Over-the-Counter
Partnership Agreement	Sixth Amended and Restated Agreement of Limited Partnership of MPLX LP, dated as of February 1, 2021
PHMSA	Pipeline and Hazardous Materials Safety Administration
PPI	Producer Price Index
Predecessor	Collectively: <ul style="list-style-type: none"> - The related assets, liabilities and results of operations of Hardin Street Transportation LLC (“HST”), Woodhaven Cavern LLC (“WHC”) and MPLX Terminals LLC (“MPLXT”) prior to the date of the acquisition, March 1, 2017, effective January 1, 2015 for HST and WHC and April 1, 2016 for MPLXT - The related assets, liabilities and results of operations of ANDX prior to the date of the merger, July 30, 2019, effective October 1, 2018.
Realized derivative gains/losses	The gain or loss recognized when a derivative matures or is settled
SEC	United States Securities and Exchange Commission
Unrealized derivative gains/losses	The gain or loss recognized on a derivative due to changes in fair value prior to the instrument maturing or settling
USCG	United States Coast Guard
VIE	Variable interest entity
Wholesale Exchange	The transfer to MPC of the Western wholesale distribution business, which MPLX acquired as a result of its acquisition of ANDX, on July 31, 2020.

Disclosures Regarding Forward-Looking Statements

This Annual Report on Form 10-K, particularly Item 1. Business, Item 1A. Risk Factors, Item 3. Legal Proceedings, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 7A. Quantitative and Qualitative Disclosures about Market Risk, includes forward-looking statements that are subject to risks, contingencies or uncertainties. You can identify forward-looking statements by words such as "anticipate," "believe," "commitment," "could," "design," "estimate," "expect," "forecast," "goal," "guidance," "imply," "intend," "may," "objective," "opportunity," "outlook," "plan," "policy," "position," "potential," "predict," "priority," "project," "proposition," "prospective," "pursue," "seek," "should," "strategy," "target," "will," "would" or other similar expressions that convey the uncertainty of future events or outcomes.

Forward-looking statements include, among other things, statements regarding:

- future financial and operating results;
- the success or timing of completion of ongoing or anticipated capital or maintenance projects;
- the amount and timing of future distributions or unit repurchases; and
- the anticipated effects of actions of third parties such as competitors, activist investors or federal, foreign, state or local regulatory authorities or plaintiffs in litigation.

Our forward-looking statements are not guarantees of future performance and you should not rely unduly on them, as they involve risks, uncertainties and assumptions that we cannot predict. Material differences between actual results and any future performance suggested in our forward-looking statements could result from a variety of factors, including the following:

- general economic, political or regulatory developments, including changes in governmental policies relating to refined petroleum products, crude oil, natural gas or NGLs, regulation or taxation and other economic and political developments;
- the magnitude and duration of the COVID-19 pandemic and its restrictions, including travel restrictions, business and school closures, increased remote work, stay-at-home orders and other actions taken by individuals, governments and the private sector to stem the spread of the virus;
- the ability of Marathon Petroleum Corporation ("MPC") to achieve its strategic objectives and the effects of those strategic decisions on us;
- further impairments;
- negative capital market conditions, including an increase of the current yield on common units;
- the ability to achieve strategic and financial objectives, including with respect to distribution coverage, future distribution levels, proposed projects and completed transactions;
- the success of MPC's portfolio optimization, including the ability to complete any divestitures on commercially reasonable terms and/or within the expected timeframe, and the effects of any such divestitures on the business, financial condition, results of operations and cash flows;
- adverse changes in laws including with respect to tax and regulatory matters;
- the adequacy of capital resources and liquidity, including the availability of sufficient cash flow to pay distributions and access to debt on commercially reasonable terms, and the ability to successfully execute business plans, growth strategies and self-funding models;
- the timing and extent of changes in commodity prices and demand for crude oil, refined products, feedstocks or other hydrocarbon-based products;
- volatility in or degradation of market and industry conditions;
- changes to the expected construction costs and timing of projects and planned investments, and the ability to obtain regulatory and other approvals with respect thereto;
- completion of midstream infrastructure by competitors;
- disruptions due to equipment interruption or failure, including electrical shortages and power grid failures;
- the suspension, reduction or termination of MPC's obligations under MPLX's commercial agreements;
- modifications to financial policies, capital budgets, and earnings and distributions;

- the ability to manage disruptions in credit markets or changes to credit ratings;
- compliance with federal and state environmental, economic, health and safety, energy and other policies and regulations or enforcement actions initiated thereunder;
- adverse results in litigation;
- the reliability of processing units and other equipment;
- the effect of restructuring or reorganization of business components;
- the potential effects of changes in tariff rates on our business, financial condition, results of operations and cash flows;
- foreign imports and exports of crude oil, refined products, natural gas and NGLs;
- changes in producer customers' drilling plans or in volumes of throughput of crude oil, natural gas, NGLs, refined products or other hydrocarbon-based products;
- changes in the cost or availability of third-party vessels, pipelines, railcars and other means of transportation for crude oil, natural gas, NGLs, feedstocks and refined products;
- the price, availability and acceptance of alternative fuels and alternative-fuel vehicles and laws mandating such fuels or vehicles;
- actions taken by our competitors, including pricing adjustments and the expansion and retirement of pipeline capacity, processing, fractionation and treating facilities in response to market conditions;
- expectations regarding joint venture arrangements and other acquisitions or divestitures of assets;
- midstream and refining industry overcapacity or under capacity;
- accidents or other unscheduled shutdowns affecting our machinery, pipelines, processing, fractionation and treating facilities or equipment, or those of our suppliers or customers;
- acts of war, terrorism or civil unrest that could impair our ability to gather, process, fractionate or transport crude oil, natural gas, NGLs or refined products;
- political pressure and influence of environmental groups upon policies and decisions related to the production, gathering, refining, processing, fractionation, transportation and marketing of crude oil or other feedstocks, refined products, natural gas, NGLs or other hydrocarbon-based products; and
- the other factors described in Item 1A. Risk Factors.

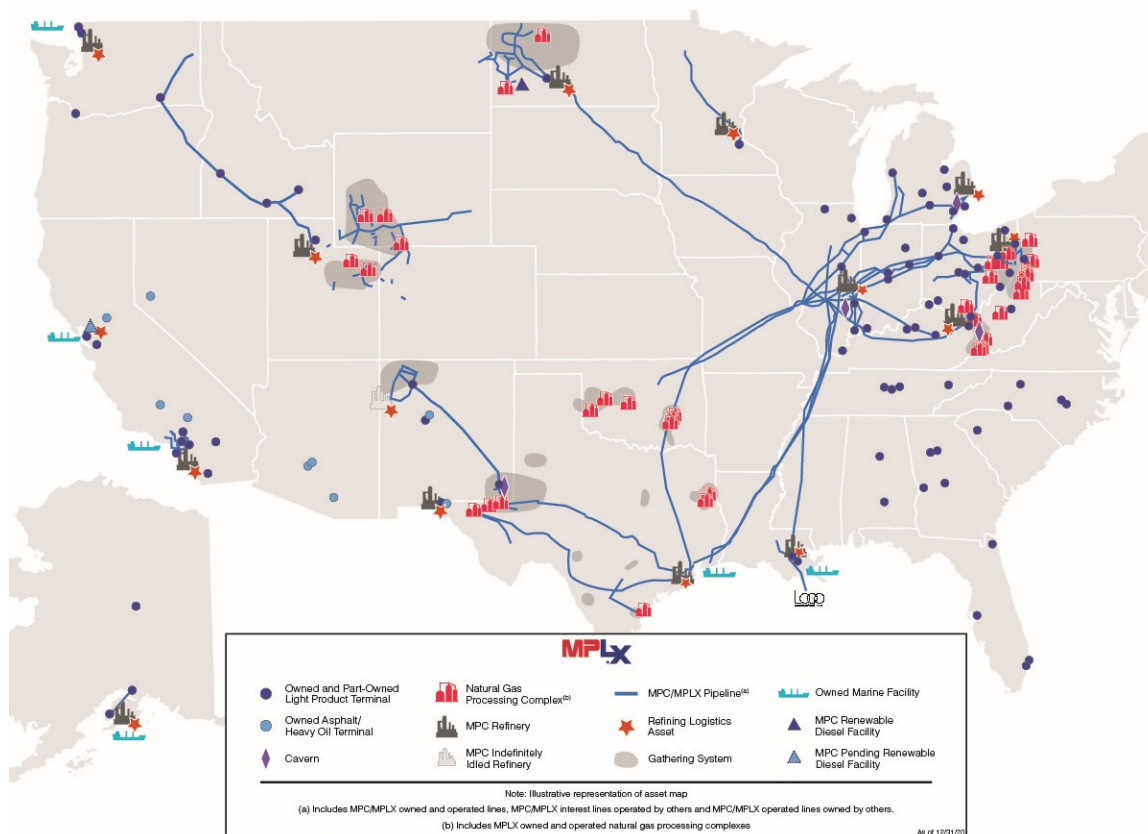
We undertake no obligation to update any forward-looking statements except to the extent required by applicable law.

Part I

Item 1. Business

OVERVIEW

We are a diversified, large-cap master limited partnership (“MLP”) formed in 2012 by MPC (as our sponsor) that owns and operates midstream energy infrastructure and logistics assets, and provides fuels distribution services. Our assets include a network of crude oil and refined product pipelines; an inland marine business; light-product, asphalt, heavy oil and marine terminals; storage caverns; refinery tanks, docks, loading racks, and associated piping; crude oil and natural gas gathering systems and pipelines; as well as natural gas and NGL processing and fractionation facilities. The operation of these assets are conducted in our Logistics and Storage (“L&S”) and Gathering and Processing (“G&P”) operating segments. Our assets are positioned throughout the United States as depicted in the map below. Our L&S segment primarily engages in the transportation, storage, distribution and marketing of crude oil, asphalt and refined petroleum products. The L&S segment also includes the operation of our inland marine business, terminals, rail facilities, storage caverns and refining logistics. Our G&P segment primarily engages in the gathering, processing and transportation of natural gas as well as the gathering, transportation, fractionation, storage and marketing of NGLs. For more information on these segments, see Our Operating Segments discussion below. The map below and Item 2. Properties provide information about our assets as of December 31, 2020:



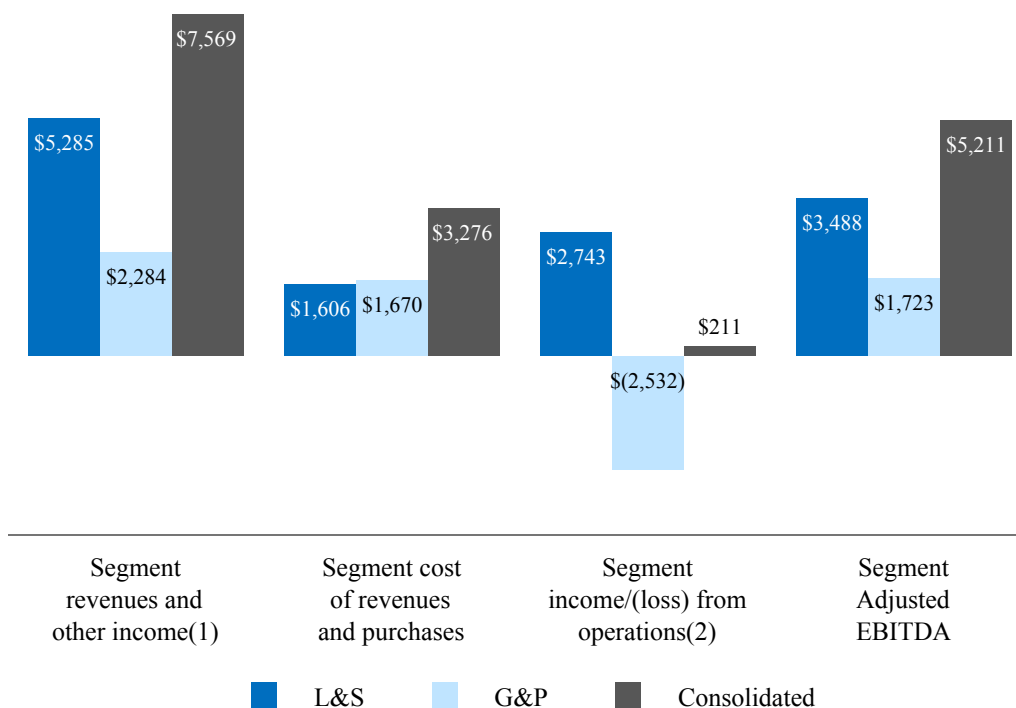
We continue to have a strategic relationship with MPC, which is a large source of our revenues. We have executed numerous long-term, fee-based agreements with minimum volume commitments with MPC which provide us with a stable and predictable revenue stream and source of cash flows. As of December 31, 2020, MPC owned our general partner and approximately 62 percent of our outstanding common units. MPC will continue to be an important source of our revenues and cash flows for the foreseeable future. We also have long-term relationships with a diverse set of producer customers in many crude oil and natural gas resource plays, including the Permian Basin, Marcellus Shale, Utica Shale, STACK Shale and Bakken Shale, among others.

The growth of our business has provided us with the financial flexibility to maintain an investment grade credit profile, fund our organic growth capital plan with operating cash or debt, create the opportunity to execute a unit repurchase program, and achieve excess cash flow after capital investments and distributions. We continue to evaluate opportunities to develop, expand and participate in projects which complement our existing assets in addition to evaluating non-organic growth opportunities through third-party midstream acquisitions to enhance our existing geographic footprint or expand our activities into new areas. We also assess opportunities to optimize our portfolio of assets through strategic dispositions.

2020 RESULTS

The following table summarizes the operating performance for each segment for the year ended December 31, 2020. For further discussion of our segments and a reconciliation to our Consolidated Statements of Income, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations as well as Item 8. Financial Statements and Supplementary Data – Note 10.

2020 Segment Results (in millions)



(1) Includes impairment expense of \$1.3 billion related to three equity method investments within our G&P segment.

(2) Includes impairment expense for goodwill, equity method investments, intangible assets and property, plant and equipment of \$1.8 billion, \$1.3 billion, \$177 million and \$174 million, respectively.

2020 ACQUISITIONS, INVESTMENTS AND OTHER HIGHLIGHTS

- On November 2, 2020, MPLX announced the board authorization of a unit repurchase program for the repurchase of up to \$1 billion of MPLX's outstanding common units held by the public. MPLX may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, tender offers, accelerated unit repurchases or open market solicitations for units, some of which may be effected through Rule 10b5-1 plans. The timing and amount of repurchases will depend upon several factors, including market and business conditions, and repurchases may be initiated, suspended or discontinued at any time. The repurchase authorization has no expiration date. As of December 31, 2020, 1,473,843 common units held by the public have been repurchased and \$967 million remained outstanding under the program for future repurchases.

- On August 18, 2020, MPLX issued \$3 billion aggregate principal amount of new senior notes consisting of \$1.5 billion aggregate principal amount of 1.750 percent senior notes due March 2026 and \$1.5 billion aggregate principal amount of 2.650 percent senior notes due August 2030. The net proceeds were used to repay the \$1.0 billion of outstanding borrowings under the MPLX Term Loan Agreement, to repay the \$1.0 billion aggregate principal amount of floating rate notes due September 2021, to redeem all of the \$450 million aggregate principal amount of 6.375 percent senior notes due May 2024, to reduce amounts outstanding under the MPLX Credit Agreement at the time, and to redeem the \$300 million aggregate principal amount of 6.250 percent senior notes due October 15, 2022.
- On July 31, 2020, MPLX completed the transfer of Western Refining Wholesale, LLC (“WRW”) to Western Refining Southwest, Inc. (now known as Western Refining Southwest LLC) (“WRSW”), a wholly owned subsidiary of MPC, in exchange for the redemption of 18,582,088 MPLX common units held by WRSW (the “Wholesale Exchange”), valued at \$340 million. The transaction effects the transfer to MPC of the Western wholesale distribution business that MPLX acquired as a result of its acquisition of ANDX.
- During the year, our sponsor progressed certain strategic priorities to lay a foundation for long-term success, including plans to optimize its assets and structurally lower costs in 2021 and beyond, which included an involuntary workforce reduction plan. The workforce reduction plan, together with employee reductions resulting from MPC’s indefinite idling of its Martinez, California and Gallup, New Mexico refineries, affected approximately 2,050 employees. All of the employees that conduct MPLX’s business are directly employed by affiliates of MPC, and certain of those employees were affected by MPC’s workforce reductions. During 2020, MPLX reimbursed MPC \$37 million related to severance and employee benefits related expenses that MPC recorded in connection with its workforce reductions.
- We previously announced a goal to reduce planned capital spending for 2020 by approximately \$700 million from our initial plan, which we were able to achieve.
- The outbreak of COVID-19 and its development into a pandemic in March 2020 resulted in significant economic disruption globally. Actions taken by various governmental authorities, individuals and companies around the world to prevent the spread of COVID-19 through social distancing have restricted travel, many business operations, public gatherings and the overall level of individual movement and in-person interaction across the globe. Although there have been some signs of economic improvement since that time, these events significantly reduced global economic activity and resulted in a decline in the demand for the midstream services we provide beginning with the first quarter of 2020. Macroeconomic conditions and global geopolitical events have also resulted in significant price volatility related to those aforementioned products. We responded to the impacts that these matters had on our business by:
 - Taking actions to reduce operating expenses across the business, including the deferral of certain expense projects
 - Continuing to evaluate and high-grade our capital portfolio

During the first quarter of 2020, the overall deterioration in the economy and the environment in which MPLX and its customers operate, as well as a sustained decrease in unit price, were considered triggering events resulting in impairments of the carrying value of certain assets. We recognized impairments related to goodwill, certain equity method investments and certain long-lived assets (including intangibles), within our G&P segment. Many of our producer customers refined and updated production forecasts in response to the current environment, which impacted their current and expected future demand for our services, including the future utilization of our assets. Additionally, certain of our contracts have commodity price exposure, including NGL prices, which have experienced increased volatility as noted above.

- On March 18, 2020, MPC announced the unanimous decision of its board of directors to maintain MPC’s current midstream structure, with MPC remaining the general partner of MPLX. This was a result of a comprehensive evaluation by a special committee formed by MPC’s board of directors, which included extensive input from multiple external advisors and significant feedback from investors.

RECENT DEVELOPMENTS

- In line with previously announced efforts around portfolio optimization, the company closed on the sale of its Javelina plant in Corpus Christi, Texas, on February 12, 2021.
- On January 28, 2021, we announced the board of directors of our general partner had declared a distribution of \$0.6875 per common unit that was paid on February 12, 2021 to common unitholders of record on February 8, 2021.
- On December 29, 2020, MPLX announced the redemption of all the \$750 million outstanding aggregate principal amount of 5.250 percent senior notes due January 15, 2025, including approximately \$42 million aggregate principal amount of senior notes issued by Andeavor Logistics LP and Tesoro Logistics Finance Corp. The notes were redeemed on January 15, 2021 at a price equal to 102.625 percent of the principal amount.

BUSINESS STRATEGIES

Enhance Cash Flow Stability: We are focused on growing our fee-based services through long-term contracts which provide through-cycle cash flow stability. Planned investments in long-haul pipelines are expected to connect supply to demand markets while adding a source of stable cash flow to the company and expanding our export capabilities to enhance our ability to meet significant growing market needs both domestically and globally.

Continued Capital Discipline and Focus on Lowering Cost Structure: We are focused on lowering our overall cost structure and being disciplined in capital allocation. This means lowering our costs in all aspects of our business and challenging ourselves to be disciplined in every expense dollar we spend across our organization. We look to high-grade our portfolio of investment opportunities to ensure efficient deployment of capital focusing on projects with the highest returns.

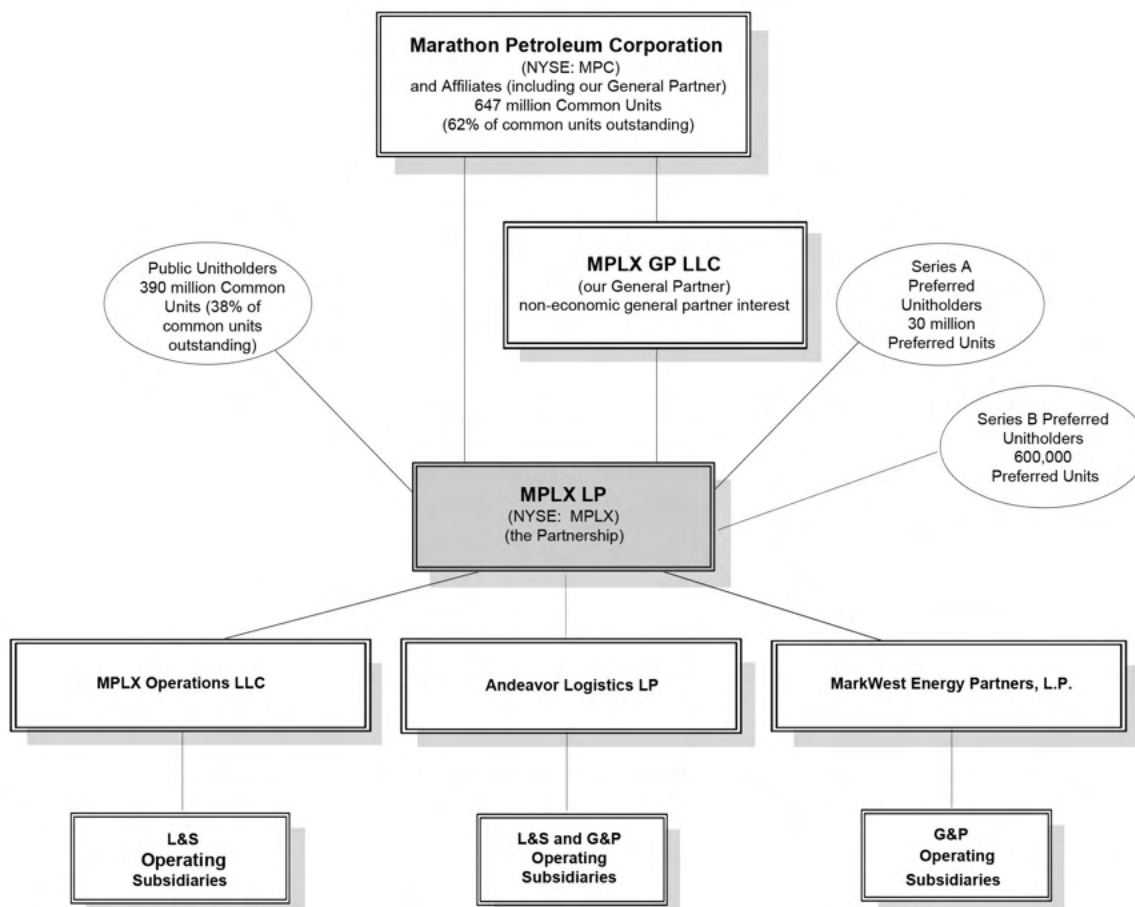
Generate Excess Cash: We maintain our goal to achieve excess free cash flow, net of both capital investments and distributions, for 2021. We expect to achieve this through a combination of continued earnings growth and capital discipline. We believe generating excess cash flow will broaden our value-creation options for our unit holders and enhance our long-term financial flexibility.

Maintain Safe and Reliable Operations: We believe that providing safe, reliable and efficient services is a key component in generating stable cash flows. We are committed to maintaining and improving the safety, reliability and efficiency of our operations. Our intent is to continue promoting high standards for safety and environmental stewardship.

Commitment to Corporate Social Responsibility: We look forward to continuing our ESG journey and our commitment to stakeholder engagement with our people, business partners, customers, and communities.

ORGANIZATIONAL STRUCTURE

The following diagram depicts our organizational structure and MPC's ownership interest in us as of February 12, 2021.



We are an MLP with outstanding common units held by MPC and public unitholders as well as two series of preferred units. Our common units are publicly traded on the NYSE under the symbol “MPLX.” Our Series A preferred units rank senior to all common units and pari passu with our Series B preferred units with respect to distributions and rights upon liquidation. The holders of the Series A preferred units are entitled to receive a quarterly distribution equal to the greater of \$0.528125 per unit or the amount of distributions they would have received on an as converted basis. The holders of the Series B preferred units are entitled to receive a fixed annual distribution equal to \$68.75 per unit, per annum, payable semi-annually in arrears on February 15 and August 15, or the first business day thereafter, up to and including February 15, 2023. After February 15, 2023, the holders of Series B preferred units are entitled to receive cumulative, quarterly distributions payable in arrears on the 15th day of February, May, August and November of each year, or the first business day thereafter, based on a floating annual rate equal to the three-month LIBOR plus 4.652 percent.

INDUSTRY OVERVIEW

As of December 31, 2020, our diversified services in the midstream sector are across the hydrocarbon value chain. The types of services provided by the midstream sector, broken down by our segments, are as follows:

L&S:

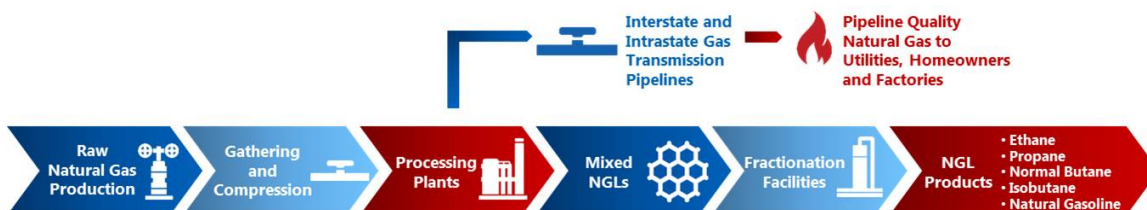
The midstream sector plays a crucial role in the oil and gas industry by providing transportation, storage and marketing services across the hydrocarbon value chain as depicted below.



Crude oil is the primary raw material for transportation fuels and the basis for many products, including plastics, petrochemicals and heating oil for homes. Pipelines bring advantaged North American crude oil from the upper Great Plains, Louisiana, Texas, Canada and West Coast to numerous refineries throughout the United States. Terminals provide for the receipt, storage, blending, additization, handling and redelivery of refined petroleum products via pipeline, rail, marine and over-the-road modes of transportation. This network of logistics infrastructure also allows for export opportunities by connecting supply to global demand markets. The hydrocarbon market is often volatile and the ability to take advantage of fast-moving market conditions is enhanced by the ability to store crude oil and other hydrocarbon-based products at tank farms, caverns, and tanks at refineries and terminals. The ability to store both crude and refined petroleum products provides flexibility and logistics optionality which allows participants within the industry to take advantage of changing market conditions.

G&P:

The midstream natural gas industry is the link between the exploration for, and production of, natural gas and the delivery of its hydrocarbon components to end-use markets. The components of this value chain are graphically depicted and further described below:



- *Gathering.* The natural gas production process begins with the drilling of wells into gas-bearing rock formations. At the initial stages of the midstream value chain, a network of pipelines known as gathering systems directly connect to wellheads in the production area. These gathering systems then transport raw, or untreated, natural gas to a central location for treating and processing.
- *Processing.* Natural gas has a widely varying composition depending on the field, formation reservoir or facility from which it is produced. Processing removes the heavier and more valuable hydrocarbon components, which are extracted as a mixed NGL stream that includes ethane, propane, butanes and natural gasoline (also referred to as “y-grade”). Processing aids in allowing the residue gas remaining after extraction of NGLs to meet the quality specifications for long-haul pipeline transportation and commercial use.
- *Fractionation.* Fractionation is the separation of the mixture of extracted NGLs into individual components for end-use sale. Fractionation systems typically exist either as an integral part of a gas processing plant or as a central fractionator.
- *Storage, transportation and marketing.* Once the raw natural gas has been treated or processed and the raw NGL mix has been fractionated into individual NGL components, the natural gas is delivered to downstream transmission pipelines and NGL components are stored, transported and marketed to end-use markets.

Due to advances in well completion technology and horizontal drilling techniques, unconventional sources, such as shale and tight sand formations, have become a source of current and expected future natural gas production. The industry as a whole is characterized by regional competition, based on the proximity of gathering systems and processing/fractionating plants to producing natural gas wells, or to facilities that produce natural gas as a byproduct of refining crude oil. Due to the shift in the source of natural gas production, midstream providers with a significant presence in the shale plays will likely have a competitive advantage. Well-positioned operations allow access to all major NGL markets and provide for

the development of export solutions for producers. This proximity is enhanced by infrastructure build-out and pipeline projects.

OUR RELATIONSHIP WITH MPC

One of our competitive strengths is our strategic relationship with MPC, which is the largest crude oil refiner in the United States in terms of refining capacity. MPC owns and operates 13 refineries in the West Coast, Gulf Coast and Mid-Continent regions of the United States and distributes refined products through transportation, storage, distribution and marketing services provided by its midstream segment, which primarily consists of MPLX. MPLX, through its fuels distribution services, distributes refined products under the Marathon brand through an extensive network of retail locations owned or operated by independent entrepreneurs across the United States.

MPC retains a significant interest in us through its non-economic ownership of our general partner and holding approximately 62 percent of the outstanding common units of MPLX as of December 31, 2020. Given MPC's significant interest in us, we believe MPC will promote and support the successful execution of our business strategies.

OUR OPERATING SEGMENTS

We conduct our operations in two segments, which include L&S and G&P. As of December 31, 2020, our assets and operations in each of these segments are described below.

L&S:

The L&S segment includes transportation, storage and marketing of crude oil, refined products and other hydrocarbon-based products. These assets consist of a network of wholly and jointly-owned common carrier crude oil and refined product pipelines and associated storage assets, terminals, storage caverns, tank farm assets including rail and truck racks, an inland marine business, an export terminal and a fuels distribution business. Our pipeline network includes pipelines throughout the continental United States and Alaska. Our storage caverns consist of butane, propane, and liquefied petroleum gas storage with locations in Neal, West Virginia; Woodhaven, Michigan; Robinson, Illinois; and Jal, New Mexico. Our terminal facilities for the receipt, storage, blending, additization, handling and redelivery of refined petroleum products are also located throughout the continental United States and Alaska. We also own tank farm assets at certain MPC refineries in addition to stand-alone tank farms. Our network of terminals and refinery assets also includes rail and truck loading lanes/racks in addition to barge docks which support the transportation of hydrocarbon products via rail, over the road or marine. Our marine business owns and operates boats and barges, including third-party chartered equipment, and includes a Marine Repair Facility ("MRF"), which is a full-service marine shipyard located on the Ohio River adjacent to MPC's Catlettsburg, Kentucky refinery. We also have ownership in various joint-interests, including LOOP LLC, the only U.S. deep-water oil port, located offshore of Louisiana, which is used to import and export crude oil. Our fuels distribution business provides MPC with a broad range of scheduling and marketing services. For additional information related to our L&S assets, please see Item 2. Properties - Logistics and Storage. Our L&S assets are integral to the success of MPC's operations. We continue to evaluate projects and opportunities that will further enhance our existing operations and provide valuable services to MPC and third parties. The following table summarizes projects and expansions that are expected to be completed in upcoming years.

Projects	New or expanded capacity	Expected in-service of expansion capacity
Wink to Webster Pipeline-crude oil pipeline	1,500 mbpd	2021
Whistler Pipeline-natural gas pipeline	2,000 MMcf/d	2021
NGL Takeaway System-NGL pipeline	150 mbpd	2021

We generate revenue in the L&S segment primarily by charging tariffs for crude gathering, transporting crude oil, refined products and other hydrocarbon-based products through our pipelines and at our barge docks delivering to domestic and international destinations, and fees for storing crude oil and refined products at our storage facilities. Our marine business generates revenue under a fee-for-capacity contract

with MPC. Our fuels distribution business provides services related to the scheduling and marketing of products on behalf of MPC, for which it generates revenue based on the volume of MPC's products sold each month. Up to July 31, 2020, our wholesale business included the operations of several bulk petroleum distribution plants and a fleet of refined product delivery trucks that distribute commercial wholesale petroleum products. On July 31, 2020, this business was transferred to MPC through the Wholesale Exchange. We are also the operator of additional crude oil and refined product pipelines owned by MPC and third parties for which we are paid operating fees. For the year ended December 31, 2020, approximately 92 percent of L&S segment revenues was generated from MPC.

G&P:

We operate several natural gas gathering systems with the scope of gathering services that we provide dependent upon the producers' need and the composition of the raw or untreated gas at our producer customers' wellheads. For dry gas, we gather and, if necessary, treat the gas and deliver it to downstream transmission systems. For wet gas that contains heavier and more valuable hydrocarbons, we gather the gas for processing at a processing complex. Our natural gas processing complexes remove the heavier and more valuable hydrocarbon components from natural gas. This allows the residue gas remaining after extraction of the NGLs to meet the quality specifications for long-haul pipeline transportation or commercial use. The capacities of our gathering systems and processing complexes are supported by long-term, fee-based agreements with certain major producers and a number of these agreements include acreage dedications. Once natural gas has been processed at a natural gas processing complex, the heavier and more valuable hydrocarbon components, which have been extracted as a mixed NGL stream, can be further separated into their component parts through the process of fractionation. Our NGL fractionation facilities separate the mixture of extracted NGLs into individual purity product components for end-use sale. Our fractionation facilities for propane and heavier NGLs are also supported by long-term, fee-based agreements with certain major producers.

As a result of natural gas production, we recover ethane from the natural gas stream for certain producer customers, which allows them to meet residue gas pipeline quality specifications and downstream pipeline commitments. Depending on market conditions, producer customers may also benefit from the potential price uplift received from the sale of their ethane. We have connections to several downstream ethane pipelines from many of our systems that benefit our customers.

As production in geographic regions and market demand continues to evolve, so do our planned capital expenditures. The following table summarizes our properties that are expected to be constructed or have planned expansions in upcoming years. As of December 31, 2020, our gathering and processing assets include approximately 9.2 Bcf/d of gathering capacity, 11.8 Bcf/d of natural gas processing capacity and 911 mbpd of fractionation and stabilization capacity. For a summary of our gas processing facilities, fractionation facilities, natural gas gathering systems, NGL pipelines and natural gas pipelines see Item 2. Properties - Gathering and Processing. The following table summarizes projects and expansions that are expected to be completed in upcoming years.

Plant	Existing capacity	New or expanded capacity	Expected in-service of expansion capacity	Geographic Region
Processing (MMcf/d):				
Smithburg 1 Processing Plant ⁽¹⁾	—	200	2021	Marcellus Operations
Preakness Processing Plant	—	200	2022	Southwest Operations

(1) This is a Sherwood Midstream LLC ("Sherwood Midstream") investment.

A significant portion of our business comes from a limited number of key customers. For the year ended December 31, 2020, revenues earned from two customers are significant to the segment, each accounting for approximately 17 percent of G&P operating revenues and seven percent of consolidated operating revenues, respectively.

The following table summarizes our key producer customers and attributes for each geographic region:

Region	Key Producer Customers	Volume Protection
Marcellus Operations ⁽²⁾	Antero Resources, ⁽¹⁾ Range Resources, Penn Energy, Southwestern, ⁽¹⁾ EQT, ⁽¹⁾ CNX, Equinor, HG Energy and others	74% of 2020 capacity contains minimum volume commitments
Utica Operations ⁽²⁾	Ascent, Gulfport, Antero Resources ⁽¹⁾ and others	27% of 2020 capacity contains minimum volume commitments
Southern Appalachia Operations	Diversified Gas & Oil ⁽¹⁾ and others	24% of 2020 capacity contains minimum volume commitments
Southwest Operations ⁽²⁾	Ovintiv Mid-Continent Inc, WSGP Gas Producing LLC, Chevron USA, Cimarex Energy Co. and others	4% of 2020 capacity contains minimum volume commitments
Bakken Operations ⁽²⁾	Whiting Oil and Gas Corporation ⁽¹⁾ and others	N/A
Rockies Operations ⁽²⁾	Pinedale Energy Partners, ⁽¹⁾ EOG Resources Inc, ⁽¹⁾ XTO Energy Inc, ⁽¹⁾ and others	33% of 2020 capacity contains minimum volume commitments

(1) We do not provide gathering services for these producer customers.

(2) Region includes some contracts which contain acreage dedications.

For further financial information regarding our segments, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8. Financial Statements and Supplementary Data included in this Annual Report on Form 10-K.

OUR L&S CONTRACTS WITH MPC AND THIRD PARTIES

Transportation Services Agreements, Storage Services Agreements, Terminal Services Agreements and Fuels Distribution Services Agreement with MPC

Our L&S assets are strategically located within, and integral to, MPC's operations. We have entered into multiple transportation, terminal and storage services agreements with MPC. Under these long-term, fee-based agreements, we provide transportation, terminal and storage services to MPC and, other than under our marine transportation services agreement, most of these agreements include minimum committed volumes from MPC. MPC has also committed to pay a fixed fee for 100 percent of available capacity for boats, barges and third-party chartered equipment under the marine transportation services agreement. We also have a fuels distribution agreement with MPC under which we provide scheduling and other services of MPC's products.

The following table sets forth additional information regarding our transportation, terminal, fuels distribution, and storage services agreements with MPC:

Agreement	Initiation Date	Term (years) ⁽¹⁾	MPC minimum commitment ⁽²⁾
Transportation Services (mbpd):			
Crude pipelines	Various	0-12	2,118
Refined product pipelines	Various	1-15	1,799
Marine	January 2015	6	N/A ⁽³⁾
Storage Services (mbbls):			
Caverns	Various	10-17	4,375
Tank Farms ⁽⁴⁾	Various	3-10	129,268
Terminal Services⁽⁵⁾	Various	Various	205,759
Fuels Distribution Services (million gallons)	February 2018	10	23,449

(1) Renewal terms on our agreements include multiple two to five-year terms for transportation services agreements, year-to-year or one to two additional five-year terms for our terminal services agreements, various renewal terms ranging from zero to 10 years for our cavern storage services agreements, various renewal terms ranging from year-to-year to multiple additional five-year terms for our tank farm storage services agreements, two additional five-year terms for our marine transportation services agreement and one additional five-year term for our Fuels Distribution Services Agreement. These renewals are automatic, unless terminated by either party.

- (2) Commitments for our transportation services agreements refer to throughput in thousands of barrels per day and, for crude oil transportation services agreements, are adjusted for crude viscosities. Commitments for our cavern storage services agreements refer to thousands of barrels. Commitments for our terminal services agreements refer to quarterly terminal throughput or stipulated volumes in thousands of barrels. Commitments for the fuels distribution services agreements refers to millions of gallons per year. Minimum commitments on some agreements are reduced by any third-party throughput volumes.
- (3) MPC has committed to utilize 100 percent of our available capacity of boats and barges.
- (4) Volume shown represents total shell capacity in thousands of barrels (includes refining logistics tanks).
- (5) Some terminal services agreements also contain minimum commitments for activities such as blending, additives, on-loading and off-loading, and storage.

Under transportation services agreements containing minimum volume commitments, if MPC fails to transport its minimum throughput volumes during any period, then MPC will pay us a deficiency payment equal to the volume of the deficiency multiplied by the tariff rate then in effect. Under these transportation services agreements, the amount of any deficiency payment paid by MPC may be applied as a credit for any volumes transported on the applicable pipeline in excess of MPC's minimum volume commitment during a limited number of succeeding periods, after which time any unused credits will expire.

We have crude oil and asphalt trucking transportation services agreements with MPC. Under these trucking transportation services agreements, we receive a service fee per barrel for gathering barrels and providing trucking, dispatch, delivery and data services.

Under most of our terminal services agreements, if MPC fails to meet its minimum volume commitment during any period, then MPC will pay us a deficiency payment equal to the volume of the deficiency multiplied by the contractual fee then in effect. Some of our terminal services agreements contain minimum commitments for various additional services such as storage and blending.

We have a fuels distribution service agreement with MPC in which MPC pays MPLX a tiered monthly fee based on the volume of MPC's products sold by MPLX each month, subject to a maximum annual volume. MPLX has agreed to use commercially reasonable efforts to sell not less than a minimum quarterly volume of MPC's products during each calendar quarter. If MPLX sells less than the minimum quarterly volume of MPC's products during any calendar quarter despite its commercially reasonable efforts, MPC will pay MPLX a deficiency payment equal to the volume deficiency multiplied by the applicable tiered fee. The dollar amount of actual sales volume of MPC's products that exceeds the minimum quarterly volume (an "Excess Sale") for a particular quarter will be applied as a credit, on a first-in-first-out basis, against any future deficiency payment owed by MPC to MPLX during the four calendar quarters immediately following the calendar quarter in which the Excess Sale occurs.

Pipeline Operating Agreements with MPC

We operate various pipelines owned by MPC under operating services agreements. Under these operating services agreements, we receive an operating fee for operating the assets, which include certain MPC wholly owned or partially owned crude oil, natural gas, and refined product pipelines, and for providing various operational services with respect to those assets. We are generally reimbursed for all direct and indirect costs associated with operating the assets and providing such operational services. These agreements vary in length and automatically renew with most agreements being indexed for inflation.

Pipeline Operating Agreements with Third Parties

We maintain and operate six pipelines through our joint interests in Andeavor Logistics Rio Pipeline LLC, BANGL LLC, Capline Pipeline Company LLC, Centennial Pipeline LLC, Louisville-Lexington Operation and Muskegon Pipeline LLC. We receive an operating fee for each of these pipelines, which is subject to adjustment for inflation. In addition, we are reimbursed for specific costs associated with operating each pipeline. The length and renewal terms for each agreement vary.

Transportation and Terminal Services Agreements with Third Parties

We have multiple transportation and terminal services agreements with third parties under which we provide use of pipelines and tank storage, and provide services, facilities and other infrastructure related to the receipt, storage, throughput, blending and delivery of commodities. Some of these agreements are subject to prepaid throughput volumes under which we agree to handle a certain amount of product throughput each month in exchange for a predetermined fixed fee, with any excess throughput or ancillary

services subject to additional charges. Under the remaining agreements we receive an agreed upon fee based on actual product throughput following the completion of services.

Marine Services Agreements with MPC

MPLX has a management services agreement and a loss control agreement with MPC under which it provides management and loss control services to assist MPC in the oversight and management of the marine business. MPLX receives fixed annual fees for providing the required services, which are subject to predetermined annual escalation rates. These agreements are subject to an initial terms of five years and automatically renew for one additional five-year renewal period unless terminated by either party.

Other Agreements with MPC

We have omnibus agreements with MPC that address our payment of a fixed annual fee to MPC for the provision of executive management services by certain executive officers of our general partner and our reimbursement to MPC for the provision of certain services to us, as well as MPC's indemnification of us for certain matters, including certain environmental, title and tax matters. In addition, we indemnify MPC for certain matters under these agreements.

We also have various employee services agreements and a secondment agreement under which we reimburse MPC for the provision of certain operational and management services to us. All of the employees that conduct our business are directly employed by affiliates of our general partner.

Additionally, we have certain indemnification agreements with MPC under which MPC retains responsibility for remediation of known environmental liabilities due to the use or operation of the assets prior to our ownership, and indemnifies us for any losses we incurred arising out of those remediation obligations. The indemnification for unknown pre-closing remediation liabilities is generally limited to five years.

OUR G&P CONTRACTS WITH MPC AND THIRD PARTIES

The majority of our revenues in the G&P segment are generated from natural gas gathering, transportation and processing; NGL gathering, transportation, fractionation, exchange, marketing and storage; and crude oil gathering and transportation. MPLX enters into a variety of contract types including fee-based, percent-of-proceeds, keep-whole and purchase arrangements in order to generate service revenue and product sales. See Item 8. Financial Statements and Supplementary Data - Note 2 for a further description of these different types of arrangements.

In many cases, MPLX provides services under contracts that contain a combination of more than one of the arrangements described above. The terms of MPLX's contracts vary based on gas quality conditions, the competitive environment when the contracts are signed and customer requirements. In addition, minimum volume commitments may create contract liabilities or deferred credits if current period payments can be used for future services. These are recognized into service revenue in instances where it is probable the customer will not use the credit in future periods.

MPLX's contract mix and exposure to natural gas and NGL prices may change as a result of changes in producer preferences, MPLX expansion in regions where some types of contracts are more common and other market factors, including current market and financial conditions which have increased the risk of volatility in oil, natural gas and NGL prices. Any change in mix may influence our long-term financial results.

Keep-whole agreement with MPC

MPLX has a keep-whole commodity agreement with MPC under which MPC pays us a processing fee for NGLs related to keep-whole agreements and delivers shrink gas to the producers on our behalf. We pay MPC a marketing fee in exchange for assuming the commodity risk. The pricing structure under this agreement provides for a base volume subject to a base rate and incremental volumes subject to variable rates, which are calculated with reference to certain of our costs incurred as processor of the volumes. The pricing for both the base and incremental volumes are subject to revision each year.

COMPETITION

Within our L&S segment, our competition primarily comes from independent terminal and pipeline companies, integrated petroleum companies, refining and marketing companies, distribution companies with marketing and trading arms and from other wholesale petroleum products distributors. Competition in any particular geographic area is affected significantly by the volume of products produced by refineries in the area, and in areas where no refinery is present, by the availability of products and the cost of transportation to the area from other locations.

As a result of our contractual relationship with MPC under our transportation and storage services agreements, our terminal services agreement, and our physical asset connections to MPC's refineries and terminals, we believe that MPC will continue to utilize our assets for transportation, storage, distribution and marketing services. If MPC's customers reduced their purchases of refined products from MPC due to increased availability of less expensive refined product from other suppliers or for other reasons, MPC may only receive or deliver the minimum volumes through our terminals (or pay the shortfall payment if it does not deliver the minimum volumes), which could decrease our revenues.

In our G&P segment, we face competition for natural gas gathering and in obtaining natural gas supplies for our processing and related services; in obtaining unprocessed NGLs for gathering, transportation and fractionation; and in marketing our products and services. Competition for natural gas supplies is based primarily on the location of gas gathering systems and gas processing plants, operating efficiency and reliability, residue gas and NGL market connectivity, the ability to obtain a satisfactory price for products recovered and the fees charged for services supplied to the customer. Competition for oil supplies is based primarily on the price and scope of services, location of gathering/transportation and storage facilities and connectivity to the best priced markets. Competitive factors affecting our fractionation services include availability of fractionation capacity, proximity to supply and industry marketing centers, the fees charged for fractionation services and operating efficiency and reliability of service. Competition for customers to purchase our natural gas and NGLs is based primarily on price, credit and market connectivity.

Our competitors include:

- natural gas midstream providers, of varying financial resources and experience, that gather, transport, process, fractionate, store and market natural gas and NGLs;
- major integrated oil companies and refineries;
- independent exploration and production companies;
- interstate and intrastate pipelines; and
- other marine and land-based transporters of natural gas and NGLs.

Some of our competitors operate as MLPs or are owned by infrastructure funds and may enjoy a cost of capital comparable to and, in some cases, lower than ours. Other competitors, such as major oil and gas and pipeline companies, have capital resources and contracted supplies of natural gas substantially greater than ours. Smaller local distributors may enjoy a marketing advantage in their immediate service areas.

We believe that our customer focus, demonstrated by our ability to offer an integrated package of services and our flexibility in considering various types of contractual arrangements, allows us to compete more effectively. This includes having access to both NGL and natural gas markets to allow for flexibility in our gathering and processing in addition to having critical connections to a strong sponsor and key market outlets for NGLs and natural gas. Our strategic gathering and processing agreements with key producers enhances our competitive position to participate in the further development of our resource plays. The strategic location of our assets, including those connected to MPC, and the long-term nature of many of our contracts also provide a significant competitive advantage.

INSURANCE

Our assets may experience physical damage as a result of an accident or natural disaster. These hazards can also cause personal injury and loss of life, severe damage to and destruction of property and equipment, pollution or environmental damage and business interruption. We are insured under MPC and other third-party insurance policies. The MPC policies are subject to shared deductibles.

SEASONALITY

The volume of crude oil and refined products transported and stored utilizing our assets is directly affected by the level of supply and demand for crude oil and refined products in the markets served directly or indirectly by our assets. Any effects of seasonality on the L&S segment's revenues will be mitigated through the use of our fee-based transportation and storage services agreements with MPC that include minimum volume commitments.

In our G&P segment we experience minimal impacts from seasonal fluctuations which impact the demand for natural gas and NGLs and the related commodity prices caused by various factors including variations in weather patterns from year to year. We are able to manage the seasonality impacts through the execution of our marketing strategy and via our storage capabilities. Overall, our exposure to the seasonality fluctuations is declining due to our growth in fee-based business.

REGULATORY MATTERS

Our operations are subject to numerous laws and regulations, including those relating to the protection of the environment. Such laws and regulations include, among others, the Interstate Commerce Act ("ICA"), the Natural Gas Act ("NGA"), the Clean Water Act ("CWA") with respect to water discharges, the Resource Conservation and Recovery Act ("RCRA") with respect to solid and hazardous waste treatment, storage and disposal, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") with respect to releases and remediation of hazardous substances and the Oil Pollution Act of 1990 ("OPA-90") with respect to oil pollution and response. New laws are being enacted and regulations are being adopted on a continuing basis, and the costs of compliance with such new laws and regulations are very difficult to estimate until finalized.

For a discussion of environmental capital expenditures and costs of compliance, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations-Environmental Matters and Compliance Costs. For additional information regarding regulatory risks, see Item 1A. Risk Factors.

Pipeline Regulations

Common Carrier Liquids Pipeline Operations

We have liquids pipelines that are common carriers subject to regulation by various federal, state and local agencies. FERC regulates interstate transportation on liquids pipelines under the ICA, Energy Policy Act of 1992 ("EPA 1992") and the rules and regulations promulgated under those laws. The ICA and FERC regulations require that tariff rates for interstate pipelines that transport crude oil, NGLs (including purity ethane) and refined petroleum products (collectively referred to as "petroleum pipelines"), be just and reasonable and the terms and conditions of service must not be unduly discriminatory or confer any undue preference upon any shipper.

The ICA requires that interstate petroleum pipeline transportation rates and terms and conditions of service be filed with the governing agency, which is FERC, and posted publicly. Under the ICA, persons with a substantial economic interest in a petroleum pipeline's rate or service may challenge that rate or service before FERC. FERC is authorized to investigate such challenges and may suspend the effectiveness of a newly filed rate or term or condition of service for up to seven months. A successful protest to a new rate or term or condition of service could result in a petroleum pipeline paying refunds, together with interest, for the period that the rate or term or condition of service was in effect. A successful protest could also result in FERC disallowing the rate or service. A successful complaint to an existing rate or service could result in a petroleum pipeline paying refunds, together with interest, for the period beginning two years prior to the date of the filing of the complaint until the just and reasonable rate or service was established. FERC may also investigate, upon complaint, protest, or on its own motion, newly proposed rates and terms of service, existing rates and related rules, and may order a pipeline to change them prospectively or may bar a pipeline from implementing the proposed new or changed rates or terms of service.

EPA 1992 deemed certain interstate petroleum pipeline rates then in effect to be just and reasonable under the ICA. These rates are commonly referred to as "grandfathered rates." Our rates for interstate transportation service in effect for the 365-day period ending on the date of the passage of EPA 1992

were deemed just and reasonable and therefore are grandfathered. Subsequent changes to those rates are not grandfathered. New rates have since been established after EPCRA 1992 for certain pipelines, and the rates for certain of our refined products pipelines have subsequently been approved as market-based rates.

EPCRA 1992 required FERC to establish a simplified and generally applicable ratemaking methodology for interstate petroleum pipelines. As a result, FERC adopted an indexed rate methodology which, as currently in effect, allows petroleum pipelines to change their rates within prescribed ceiling levels that are tied to annual changes in the producer price index-finished goods (“PPI-FG”). FERC’s indexing methodology is subject to review every five years. During the five-year period commencing July 1, 2016 and ending June 30, 2021, petroleum pipelines charging indexed rates are permitted to adjust their indexed ceilings annually by the change in the PPI-FG plus an adder that is currently set at 1.23 percent. The current adder will be in effect until June 30, 2021 or until revised by a formal rulemaking by FERC. The indexing methodology is applicable to existing rates, including grandfathered rates, with the exclusion of market-based rates and settlement rates (unless permitted under the settlement). A pipeline is not required to raise its rates up to the index ceiling, but it is permitted to do so, and rate increases made under the index are presumed to be just and reasonable unless a protesting party can demonstrate that the portion of the rate increase resulting from application of the index is substantially in excess of the pipeline’s costs. However, FERC is currently evaluating how indexed adjustments to rates can be challenged as well as how pipelines must demonstrate their annual costs and incomes. Therefore, we cannot guarantee FERC will not make changes to its current policy regarding challenges in the future. Under the indexing rate methodology, in any year in which the index is negative, a pipeline must lower the rate ceiling and file to lower rates if any of the pipelines’ rates would otherwise be above the new rate ceiling, unless the pipeline makes a filing attesting that all shippers that pay the rate have approved the pipeline not lowering the rate or the pipeline can demonstrate substantial divergence between the actual costs experienced by the pipeline and the rate resulting from application of the index.

While petroleum pipelines often use the indexing methodology to change their rates, petroleum pipelines may elect to support proposed rates by using other methodologies such as cost-of-service ratemaking, market-based rates and settlement rates. A pipeline can follow a cost-of-service approach when seeking to increase its rates above the rate ceiling provided that the pipeline can establish that there is a substantial divergence between the actual costs experienced by the pipeline and the rate resulting from application of the index. A pipeline can charge market-based rates if it establishes that it lacks significant market power in the affected markets. In addition, a pipeline can establish rates under settlement if agreed upon by all current shippers. At various times, we have used index rates, settlement rates and market-based rates to change the rates for our different FERC-regulated petroleum pipelines.

Intrastate services provided by certain of our liquids pipelines are subject to regulation by state regulatory authorities. Much of the state regulation is complaint-based, both as to rates and priority of access. Not all state regulatory bodies allow for changes based on an index method similar to that used by FERC. In those instances, rates are generally changed only through a rate case process. The state regulators 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, if permitted under state law, require the payment of refunds to shippers.

FERC and state regulatory agencies generally have not investigated rates on their own initiative when those rates are not the subject of a protest or a complaint by a shipper. FERC or a state commission could investigate our rates on its own initiative or at the urging of a third party if the third party is either a current shipper or is able to show that it has a substantial economic interest in our tariff rate level.

Our liquids pipelines are also subject to safety regulation by the DOT under 49 C.F.R. Part 195 for operators of hazardous liquid pipelines. In October 2019, PHMSA finalized rulemaking reviewing the scope and applicability of 49 C.F.R. Part 195, including, among other things, expansion of reporting obligations, additional inspection requirements, emergency order authority, expansion of integrity management principles and expansion of the use of leak detection systems. These changes became effective in 2020 and could have an impact upon MPLX LP and other pipeline operators. Our liquids pipelines and operations may also be or become subject to state public utility or related jurisdiction, which could impose additional safety and operational regulations relating to the design, siting, installation, testing, construction, operation, replacement and management of liquids gathering facilities.

FERC-Regulated Natural Gas Pipelines

Our natural gas pipeline operations are subject to federal, state and local regulatory authorities. Under the NGA, FERC has authority to regulate natural gas companies that provide natural gas pipeline transportation services in interstate commerce. FERC's authority to regulate those services includes the rates charged for the services, terms and conditions of service, certification and construction of new facilities, the extension or abandonment of services and facilities, the maintenance of accounts and records, the acquisition and disposition of facilities, the initiation and discontinuation of services and various other matters. Natural gas companies may not charge rates that have been determined to be unjust and unreasonable, or unduly discriminatory by FERC. In addition, FERC prohibits FERC-regulated natural gas companies from unduly preferring, or unduly discriminating against, any person with respect to pipeline rates or terms and conditions of service or other matters. The rates and terms and conditions for the Hobbs Pipeline and the Arkoma Connector Pipeline can be found in their respective FERC-approved tariffs and in negotiated rate agreements entered into under those tariffs. Rendezvous Pipeline Company has authority to charge market-based rates, and its tariffs and pertinent operational information can be found on its website. Pursuant to FERC's jurisdiction, existing rates and/or other tariff provisions may be challenged (e.g., by complaint) and rate increases proposed by the pipeline or other tariff changes may be challenged (e.g., by protest). We also cannot be assured that FERC will continue to pursue its approach of pro-competitive policies as it considers matters such as pipeline rates and rules, rights of access, capacity and other issues that impact natural gas facilities. Any successful complaint or protest related to our services or facilities could have an adverse impact on our revenues.

Energy Policy Act of 2005

Under the Domenici-Barton Energy Policy Act of 2005 ("2005 EPAct"), FERC may impose civil penalties for violations of statutory and regulatory requirements. The 2005 EPAct also amends the NGA to add an anti-market manipulation provision, which makes it unlawful for any entity to engage in prohibited behavior in contravention of rules and regulations to be prescribed by FERC. FERC issued Order No. 670 to implement the anti-market manipulation provision of the 2005 EPAct. This order makes it unlawful for gas pipelines and storage companies that provide interstate services to: (i) directly or indirectly, use or employ any device, scheme or artifice to defraud in connection with the purchase or sale of natural gas subject to the jurisdiction of FERC, or the purchase or sale of transportation services subject to the jurisdiction of FERC; (ii) make any untrue statement of material fact or omit to make any such statement necessary to make the statements made not misleading; or (iii) engage in any act or practice that operates as a fraud or deceit upon any person.

Standards of Conduct

FERC has adopted affiliate standards of conduct applicable to interstate natural gas pipelines and certain other regulated entities, defined as "Transmission Providers." Under these rules, a Transmission Provider becomes subject to the standards of conduct if it provides service to affiliates that engage in marketing functions (as defined in the standards). If a Transmission Provider is subject to the standards of conduct, the Transmission Provider's transmission function employees (including the transmission function employees of any of its affiliates) must function independently from the Transmission Provider's marketing function employees (including the marketing function employees of any of its affiliates). The Transmission Provider must also comply with certain posting and other requirements.

Intrastate Natural Gas Pipeline Regulation

Some of our intrastate gas pipeline facilities are subject to various state laws and regulations that affect the rates we charge and terms of service. Although state regulation is typically less onerous than FERC, state regulation typically requires pipelines to charge just and reasonable rates and to provide service on a non-discriminatory basis. The rates and service of an intrastate pipeline generally are subject to challenge by complaint. Additionally, FERC has adopted certain regulations and reporting requirements applicable to intrastate natural gas pipelines (and Hinshaw natural gas pipelines) that provide certain interstate services subject to FERC's jurisdiction. We are subject to such regulations and reporting requirements to the extent that any of our intrastate pipelines provide, or are found to provide, such interstate services.

Additional proposals and proceedings that might affect the natural gas industry periodically arise before Congress, FERC and the courts. We cannot predict the ultimate impact of these or the above regulatory

changes to our natural gas operations. We do not believe that we would be affected by any such action materially differently than other midstream natural gas companies with whom we compete.

Natural Gas Gathering Pipeline Regulation

Section 1(b) of the NGA exempts natural gas production and gathering from the jurisdiction of FERC. There is, however, no bright-line test for determining the jurisdictional status of pipeline facilities. Rather, FERC looks at a number of factors, including length and diameter of pipeline facilities, extension beyond the central point of the field, geographic configuration, location of compressors and processing plants, location of wells along all or part of the facility and operating pressure of the facilities. We own a number of facilities that we believe qualify as production and gathering facilities not subject to FERC jurisdiction. The distinction between FERC-regulated transmission services and federally unregulated gathering services is the subject of litigation from time to time, so we cannot provide assurance that FERC will not at some point assert that these facilities are within its jurisdiction or that such an assertion would not adversely affect our results of operations and revenues. In such a case, we would possibly be required to file a tariff with FERC, potentially provide a cost justification for the transportation charge and obtain certificate(s) of public convenience and necessity for the FERC-regulated pipelines, and comply with additional FERC reporting requirements.

In the states in which we operate, regulation of gathering facilities and intrastate pipeline facilities generally includes various safety, environmental and, in some circumstances, open access, non-discriminatory take requirement and complaint-based rate regulation. For example, some of our natural gas gathering facilities are subject to state ratable take and common purchaser statutes and regulations. Ratable take statutes and regulations generally require gatherers to take, without undue discrimination, natural gas production that may be tendered to the gatherer for handling. Similarly, common purchaser statutes and regulations generally require gatherers to purchase gas without undue discrimination as to source of supply or producer. These statutes are designed to prohibit discrimination in favor of one producer over another producer or one source of supply over another source of supply. Although state regulation is typically less onerous than at FERC, these statutes and regulations have the effect of restricting our right as an owner of gathering facilities to decide with whom we contract to purchase or gather natural gas.

Our gathering operations could be adversely affected should they be subject in the future to the application of state or federal regulation of rates and services or regulated as a public utility. Our gathering operations also may be or become subject to safety and operational regulations and permitting requirements relating to the design, siting, installation, testing, construction, operation, replacement and management of gathering facilities. Additional rules and legislation pertaining to these matters are considered or adopted from time to time. We cannot predict what effect, if any, such changes might have on our operations, but the industry could be required to incur additional capital expenditures and increased costs depending on future legislative and regulatory changes.

On January 11, 2021, PHMSA published a Final Rule amending the gas pipeline safety regulations at 49 C.F.R. Parts 191 and 192. The effective date of the Final rule is March 12, 2021, with a deferred compliance date of October 1, 2021 for the new amendments. We do not anticipate that we would be impacted by these regulatory initiatives to any greater degree than other similarly situated companies.

Natural Gas Processing

Our natural gas processing operations are not presently subject to FERC or state rate regulation. There can be no assurance that our processing operations will continue to be exempt from rate regulation in the future. In addition, although the processing facilities may not be directly related, other laws and regulations may affect the availability of natural gas for processing, such as state regulation of production rates and maximum daily production allowances from gas wells, which could impact our processing business.

NGL Pipelines

We have constructed various NGL product pipelines to transport NGL products, some of which are regulated by FERC, and we may elect to construct additional such pipelines in the future that may be subject to these same regulatory requirements. Pipelines providing transportation of NGLs in interstate commerce are subject to the same regulatory requirements as common carrier petroleum pipelines. See “Common Carrier Liquids Pipeline Operations” above.

Our NGL pipelines are also subject to safety regulation by the DOT under 49 C.F.R. Part 195 for operators of hazardous liquid pipelines. In October 2019, PHMSA finalized rulemaking reviewing the scope and applicability of 49 C.F.R. Part 195, including, among other things, expansion of reporting obligations, additional inspection requirements, emergency order authority, expansion of integrity management principles and expansion of the use of leak detection systems. These changes became effective in 2020 and could have an impact upon MPLX LP and other pipeline operators. Our NGL pipelines and operations may also be or become subject to state public utility or related jurisdiction which could impose additional safety and operational regulations relating to the design, siting, installation, testing, construction, operation, replacement and management of NGL gathering facilities.

Marine Transportation

Our marine transportation business is subject to regulation by the USCG, federal laws, including the Jones Act, state laws and certain international conventions, as well as numerous environmental regulations. The majority of our vessels are subject to inspection by the USCG and carry certificates of inspection. The crews employed aboard the vessels are licensed or certified by the USCG. We are required by various governmental agencies to obtain licenses, certificates and permits for our vessels.

Our marine transportation business competes principally in markets subject to the Jones Act, a federal cabotage law that restricts domestic marine transportation in the United States to vessels built and registered in the United States, and manned and owned by United States citizens. We presently meet all of the requirements of the Jones Act for our vessels. The loss of Jones Act status could have a significant negative effect on our marine transportation business. The requirements that our vessels be United States built and manned by United States citizens, the crewing requirements and material requirements of the USCG, and the application of United States labor and tax laws increases the cost of United States flag vessels when compared with comparable foreign flag vessels. Our marine transportation business could be adversely affected if the Jones Act were to be modified so as to permit foreign competition that is not subject to the same United States government imposed burdens.

The Secretary of Homeland Security is vested with the authority and discretion to waive the Jones Act to such extent and upon such terms as the Secretary may prescribe whenever the Secretary deems that such action is necessary in the interest of national defense. For example, the Secretary has waived the Jones Act generally or with respect to the transportation of certain petroleum products for limited periods of time and in limited areas following the occurrence of certain natural disasters such as hurricanes. Waivers of the Jones Act, whether in response to natural disasters or otherwise, could result in increased competition from foreign tank vessel operators, which could negatively impact our marine transportation business.

Security

Certain of our facilities have been preliminarily classified as subject to the Department of Homeland Security Chemical Facility Anti-Terrorism Standards. In addition, we have several facilities that are subject to the United States Coast Guard's Maritime Transportation Security Act, and a number of other facilities that are subject to the Transportation Security Administration's Pipeline Security Guidelines and are designated as "Critical Facilities." The Transportation Security Administration Security Guidelines are subject to change without formal regulatory proposal and review. We have an internal inspection program designed to monitor and ensure compliance with all of these requirements. We believe that we are in material compliance with all applicable laws and regulations regarding the security of our facilities.

ENVIRONMENTAL REGULATION

We believe it is likely that the scientific and political attention to greenhouse gas emissions, climate change and climate adaptation will continue, with the potential for further regulations that could affect our operations. Currently, legislative and regulatory measures to address greenhouse gas emissions are in various phases of review, discussion or implementation. Reductions in greenhouse gas emissions could result in increased costs to (i) operate and maintain our facilities, (ii) install new emission controls at our facilities, (iii) capture the emissions from our facilities and (iv) administer and manage any greenhouse gas emissions programs, including acquiring emission credits or allotments.

General

Our processing and fractionation plants, storage facilities, pipelines and associated facilities are subject to multiple obligations and potential liabilities under a variety of federal, regional, state and local laws and regulations relating to environmental protection. Such environmental laws and regulations may affect many aspects of our present and future operations, including for example, requiring the acquisition of permits or other approvals to conduct regulated activities that may impose burdensome conditions or potentially cause delays, restricting the manner in which we handle or dispose of our wastes, limiting or prohibiting construction or other activities in environmentally sensitive areas such as wetlands or areas inhabited by threatened or endangered species, requiring us to incur capital costs to construct, maintain and/or upgrade processes, equipment and/or facilities, restricting the locations in which we may construct our compressor stations and other facilities and/or requiring the relocation of existing stations and facilities, and requiring remedial actions to mitigate any pollution that might be caused by our operations or attributable to former operations. Spills, releases or other incidents may occur in connection with our active operations or as a result of events outside of our reasonable control, which incidents may result in non-compliance with such laws and regulations. Any failure to comply with these legal requirements may expose us to the assessment of sanctions, including administrative, civil and criminal penalties, the imposition of remedial or corrective actions and the issuance of orders enjoining or limiting some or all of our operations.

We believe that our operations and facilities are in substantial compliance with applicable environmental laws and regulations and the cost of continued compliance with such laws and regulations will not have a material adverse effect on our results of operations or financial condition. We cannot assure, however, that existing environmental laws and regulations will not be reinterpreted or revised or that new environmental laws and regulations will not be adopted or become applicable to us. Generally speaking, the trend in environmental law is to place more restrictions and limitations on activities that may be perceived to adversely affect the environment, which may cause significant delays in obtaining permitting approvals for our facilities, result in the denial of our permitting applications, or cause us to become involved in time consuming and costly litigation. Thus, there can be no assurance as to the amount or timing of future expenditures for compliance with environmental laws and regulations, permits and permitting requirements or remedial actions pursuant to such laws and regulations, and actual future expenditures may be different from the amounts we currently anticipate. Revised or additional environmental requirements may result in increased compliance and mitigation costs or additional operating restrictions, particularly if those costs are not fully recoverable from our customers, and could have a material adverse effect on our business, financial condition, results of operations and cash flow. We may not be able to recover some or any of these costs from insurance. Such revised or additional environmental requirements may also result in substantially increased costs and material delays in the construction of new facilities or expansion of our existing facilities, which may materially impact our ability to meet our construction obligations with our producer customers.

Remediation

A comprehensive framework of environmental laws and regulations governs our operations as they relate to the possible release of hazardous substances or non-hazardous or hazardous wastes into soils, groundwater and surface water and measures taken to mitigate pollution into the environment. CERCLA, also known as the “Superfund” law, as well as comparable state laws, impose liability without regard to fault or the legality of the original conduct on certain classes of persons who are considered to be responsible for the release of a hazardous substance into the environment. These persons include current and prior owners or operators of a site where a release occurred and companies that transported or disposed or arranged for the transport or disposal of the hazardous substances released from the site. Under CERCLA, these persons may be subject to strict joint and several liability for the costs of removing or remediating hazardous substances that have been released into the environment and for restoration costs and damages to natural resources. RCRA and similar state laws may also impose liability for removing or remediating releases of hazardous or non-hazardous wastes from impacted properties.

We currently own or lease, and have in the past owned or leased, properties that have been used over the years for natural gas gathering, processing and transportation, for NGL fractionation, for the storage, gathering and transportation of crude oil, or for the storage and transportation of refined products. During the normal course of operation, whether by us or prior owners or operators, releases of petroleum hydrocarbons or other non-hazardous or hazardous wastes have or may have occurred. We could be required to remove or remediate previously disposed wastes or property contamination, including

groundwater contamination, or to perform remedial operations to prevent future contamination. We do not believe that we have any current material liability for cleanup costs under such laws or for third-party claims.

Hazardous and Solid Wastes

We may incur liability under RCRA, and comparable or more stringent state statutes, which impose requirements relating to the handling and disposal of non-hazardous and hazardous wastes. In the course of our operations, we generate some amount of ordinary industrial wastes, such as paint wastes, waste solvents and waste oils that may be regulated as hazardous wastes. It is possible that some wastes generated by us that are currently classified as non-hazardous wastes may in the future be designated as hazardous wastes, resulting in the wastes being subject to more rigorous and costly transportation, storage, treatment and disposal requirements.

Water

We maintain numerous discharge permits as required under the National Pollutant Discharge Elimination System program of the CWA and have implemented systems to oversee our compliance with these permits. In addition, we are regulated under OPA-90, which, among other things, requires the owner or operator of a tank vessel or a facility to maintain an emergency plan to respond to releases of oil or hazardous substances. OPA-90 also requires the responsible company to pay resulting removal costs and damages and provides for civil penalties and criminal sanctions for violations of its provisions. We operate tank vessels and facilities from which spills of oil and hazardous substances could occur. We have implemented emergency oil response plans for all of our components and facilities covered by OPA-90 and we have established Spill Prevention, Control and Countermeasures plans for all facilities subject to such requirements. Some coastal states in which we operate have passed state laws similar to OPA-90, but with expanded liability provisions, that include provisions for cargo owner responsibility as well as ship owner and operator responsibility.

Construction or maintenance of our plants, compressor stations, pipelines, barge dock and storage facilities may impact wetlands or other surface water bodies, which are also regulated under the CWA by the EPA, the United States Army Corps of Engineers and state water quality agencies. Regulatory requirements governing wetlands and other surface water bodies (including associated mitigation projects) may result in the delay of our projects while we obtain necessary permits and may increase the cost of new projects and maintenance activities. We believe that we are in substantial compliance with the CWA and analogous state laws. However, there is no assurance that we will not incur material increases in our operating costs or delays in the construction or expansion of our facilities because of future developments, the implementation of new laws and regulations, the reinterpretation of existing laws and regulations, or otherwise, including, for example, increased construction activities, potential inadvertent releases arising from pursuing borings for pipelines, and earth slips due to heavy rain and/or other causes.

In April 2020, the U.S. District Court in Montana vacated Nationwide Permit 12 (“NWP 12”), which authorizes the placement of fill material in “waters of the United States” for utility line activities as long as certain best management practices are implemented. The decision was ultimately appealed to the United States Supreme Court, which partially reversed the district court’s decision, temporarily reinstating NWP 12 for all projects except the Keystone XL oil pipeline. The United States Army Corps of Engineers subsequently reissued its nationwide permit authorizations on January 13, 2021, by dividing the NWP that authorizes utility line activities (NWP 12) into three separate NWPs that address the differences in how different utility line projects are constructed, the substances they convey, and the different standards and best management practices that help ensure those NWPs authorize only those activities that have no more than minimal adverse environmental effects. The 2021 authorization may be challenged in court or the Biden Administration may repeal or replace the 2021 authorization in a subsequent rulemaking. Repeal or replacement of the rule could impact pipeline maintenance activities.

Air Emissions

The Clean Air Act (“CAA”) and comparable state laws restrict the emission of air pollutants from many sources, including processing plants and compressor stations, and also impose various monitoring and reporting requirements. These laws and any implementing regulations may require us to obtain pre-approval for the construction or modification of certain projects or facilities expected to produce or

significantly increase air emissions, obtain and strictly comply with stringent air permit requirements, utilize specific equipment or technologies to control emissions, or aggregate two or more of our facilities into one application for permitting purposes. We believe that our operations are in substantial compliance with applicable air permitting and control technology requirements. However, we may be required to incur capital expenditures in the future for installation of air pollution control equipment and encounter construction or operational delays while applying for, or awaiting the review, processing and issuance of new or amended permits, and we may be required to modify certain of our operations which could increase our operating costs.

In 2015, the EPA finalized a revision to the National Ambient Air Quality Standards (“NAAQS”) for ozone. The EPA lowered the primary ozone NAAQS from 75 parts per billion to 70 parts per billion. In December 2020, the EPA published a rule maintaining this standard. Designation as a nonattainment area could result in increased costs associated with, or result in cancellation or delay of, capital projects at our or our customers’ facilities, or could require nitrogen oxides and/or volatile organic compound reductions that could result in increased costs to us or our customers. We cannot predict the effects of the various state implementation plan requirements at this time.

Climate Change

As a consequence of an EPA administrative conclusion that emissions of carbon dioxide, methane and other greenhouse gases (“GHGs”) into the ambient air endangers public health and welfare, the EPA adopted regulations establishing the Prevention of Significant Deterioration (“PSD”) construction and Title V operating permit programs for GHG emissions from certain large stationary sources that already are potential major sources of certain principal, or criteria, pollutant emissions. Although the EPA’s PSD and Title V permit programs are limited to large stationary sources of criteria pollutant emissions, states may seek to adopt their own permitting programs under state laws that require permit reviews of large stationary sources emitting only GHGs. If we were to become subject to Title V and PSD permitting requirements due to non-GHG criteria pollutants, or if the EPA implemented more stringent permitting requirements relating to GHG emissions without regard to non-GHG criteria pollutants, or if states adopt their own permitting programs that require permit reviews based on GHG emissions, we may be required to install “best available control technology,” to the extent such technology is available, to limit emissions of GHGs from any new or significantly modified facilities that we may seek to construct in the future. In addition, we may experience substantial delays or possible curtailment of construction or projects in connection with applying for, obtaining or maintaining preconstruction and operating permits, we may encounter limitations on the design capacities or size of facilities, and we may incur material increases in our construction and operating costs. We are monitoring GHG emissions from certain of our facilities in accordance with current GHG emissions reporting requirements in a manner that we believe is in substantial compliance with applicable reporting obligations.

Also, Congress has from time to time considered legislation to reduce emissions of GHGs, and it is possible that such legislation could be enacted in the future. In the absence of federal climate legislation in the United States, a number of state and regional efforts have emerged that are aimed at tracking and/or reducing GHG emissions by means of cap and trade programs that typically require major sources of GHG emissions, such as electric power plants, to acquire and surrender emission allowances in return for emitting those GHGs. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact our business, any such future laws and regulations could require us to incur increased operating costs, such as costs to purchase and operate emissions control systems, to acquire emission allowances or comply with new regulatory or reporting requirements including the imposition of a carbon tax. In 2020, the EPA rescinded regulation of methane emissions from the oil and gas industry as originally adopted in the EPA’s 2016 New Source Performance Standards (“NSPS”), which were aimed at minimizing fugitive emissions and establishing methane emission standards for new and modified oil and gas production and natural gas processing and transmission facilities. The EPA’s rescission of the methane emission regulations is being challenged in court. Further, President Biden’s Executive Order on climate change calls for the federal government to reduce methane emissions from the oil and gas industry as quickly as possible. Any such legislation or regulatory programs could also increase the cost of consuming, and thereby reduce demand for, oil and natural gas produced by our exploration and production customers that, in turn, could reduce the demand for our services and thus adversely affect our cash available for distribution to our unitholders.

Under the National Environmental Policy Act, environmental assessments must be performed for certain projects, including construction of certain new pipelines. On July 16, 2020, the Council on Environmental Quality published a rule updating the regulations implementing the procedural provisions of the National Environmental Policy Act. This update rule sought to modernize and clarify environmental assessment requirements. This rule is being challenged in court and could be revisited by the new administration. It is uncertain the extent to which an environmental assessment must consider direct and indirect greenhouse gas emissions from a new project. This uncertainty can result in delay and increased costs in completing new projects.

Endangered Species Act and Migratory Bird Treaty Act Considerations

The federal Endangered Species Act (“ESA”) and analogous state laws regulate activities that may affect endangered or threatened species, including their habitats. If protected species are located in areas where we propose to construct new gathering or transportation pipelines, processing or fractionation facilities, or other infrastructure, such work could be prohibited or delayed in certain of those locations or during certain times, when our operations could result in a taking of the species or destroy or adversely modify critical habitat that has been designated for the species. We also may be obligated to develop plans to avoid potential takings of protected species and provide mitigation to offset the effects of any unavoidable impacts, the implementation of which could materially increase our operating and capital costs. Existing laws, regulations, policies and guidance relating to protected species may also be revised or reinterpreted in a manner that further increases our construction and mitigation costs or restricts our construction activities. Additionally, construction and operational activities could result in inadvertent impact to a listed species and could result in alleged takings under the ESA, exposing MPLX to civil or criminal enforcement actions and fines or penalties. The existence of threatened or endangered species in areas where we conduct operations or plan to construct pipelines or facilities may cause us to incur increased costs arising from species protection measures or could result in delays in, or prohibit, the construction of our facilities or limit our customer’s exploration and production activities, which could have an adverse impact on demand for our midstream operations.

The Migratory Bird Treaty Act implements various treaties and conventions between the United States and certain other nations for the protection of migratory birds. In accordance with this law, the taking, killing or possessing of migratory birds covered under this act is unlawful without authorization. If there is the potential to adversely affect migratory birds as a result of our operations or construction activities, we may be required to seek authorization to conduct those operations or construction activities, which may result in specified operating or construction restrictions on a temporary, seasonal, or permanent basis in affected areas and thus have an adverse impact on our ability to provide timely gathering, processing or fractionation services to our exploration and production customers.

Safety Matters

We are subject to oversight pursuant to the federal Occupational Safety and Health Act, as amended, as well as comparable state statutes that regulate the protection of the health and safety of workers. We believe that we have conducted our operations in substantial compliance with OSHA requirements, including general industry standards, record-keeping requirements and monitoring of occupational exposure to regulated substances.

We are also subject at regulated facilities to the OSHA’s Process Safety Management and EPA’s Risk Management Program requirements, which are intended to prevent or minimize the consequences of catastrophic releases of toxic, reactive, flammable or explosive chemicals. The application of these regulations can result in increased compliance expenditures.

In general, we expect industry and regulatory safety standards to become stricter over time, resulting in increased compliance expenditures. While these expenditures cannot be accurately estimated at this time, we do not expect such expenditures will have a material adverse effect on our results of operations.

The DOT has adopted safety regulations with respect to the design, construction, operation, maintenance, inspection and management of our pipeline assets. These regulations contain requirements for the development and implementation of pipeline integrity management programs, which include the inspection and testing of pipelines and the correction of anomalies. These regulations also require that pipeline

operation and maintenance personnel meet certain qualifications and that pipeline operators develop comprehensive spill response plans. These regulations are discussed more fully below.

PHMSA Regulation

We are subject to regulation by the DOT under the Hazardous Liquid Pipeline Safety Act of 1979, also known as the HLPSPA. The HLPSPA delegated to the DOT the authority to develop, prescribe and enforce minimum federal safety standards for the transportation of hazardous liquids by pipeline. Congress also enacted the Pipeline Safety Act of 1992, also known as the PSA, which added the environment to the list of statutory factors that must be considered in establishing safety standards for hazardous liquid pipelines, required regulations be issued to define the term “gathering line” and establish safety standards for certain “regulated gathering lines,” and mandated that regulations be issued to establish criteria for operators to use in identifying and inspecting pipelines located in High Consequence Areas (“HCAs”), defined as those areas that are unusually sensitive to environmental damage, that cross a navigable waterway, or that have a high population density. In 1996, Congress enacted the Accountable Pipeline Safety and Partnership Act, also known as the APSPA, which limited the operator identification requirement mandate to pipelines that cross a waterway where a substantial likelihood of commercial navigation exists, required that certain areas where a pipeline rupture would likely cause permanent or long-term environmental damage be considered in determining whether an area is unusually sensitive to environmental damage, and mandated that regulations be issued for the qualification and testing of certain pipeline personnel. In the Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006, also known as the PIPES Act, Congress required mandatory inspections for certain U.S. crude oil and natural gas transmission pipelines in HCAs and mandated that regulations be issued for low-stress hazardous liquid pipelines and pipeline control room management. We are also subject to the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011, which reauthorized funding for federal pipeline safety programs through 2015, increased penalties for safety violations, established additional safety requirements for newly constructed pipelines and required studies of certain safety issues that could result in the adoption of new regulatory requirements for existing pipelines. Additionally, we are subject to the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016, which required PHMSA to develop underground gas storage standards within two years and provided PHMSA with significant new authority to issue industry-wide emergency orders if an unsafe condition or practices results in an imminent hazard.

The DOT has delegated its authority under these statutes to the PHMSA, which administers compliance with these statutes and has promulgated comprehensive safety standards and regulations for the transportation of natural gas by pipeline (49 C.F.R. Part 192), as well as hazardous liquids by pipeline (49 C.F.R. Part 195), including regulations for the design and construction of new pipelines or those that have been relocated, replaced or otherwise changed (Subparts C and D of 49 C.F.R., Part 195); pressure testing of new pipelines (Subpart E of 49 C.F.R. Part 195); operation and maintenance of pipelines, including inspecting and reburial of pipelines in the Gulf of Mexico and its inlets, establishing programs for public awareness and damage prevention, managing the integrity of pipelines in HCAs and managing the operation of pipeline control rooms (Subpart F of 49 C.F.R. Part 195); protecting steel pipelines from the adverse effects of internal and external corrosion (Subpart H of 49 C.F.R. Part 195); and integrity management requirements for pipelines in HCAs (49 C.F.R. 195.452). PHMSA has undertaken a number of initiatives to reevaluate its pipeline safety regulations. We do not anticipate that we would be impacted by these regulatory initiatives to any greater degree than other similarly situated competitors.

Notwithstanding the foregoing, PHMSA and one or more state regulators have, in isolated circumstances in the past, sought to expand the scope of their regulatory inspections to include certain in-plant equipment and pipelines found within NGL fractionation facilities and associated storage facilities in order to assess compliance with hazardous liquids pipeline safety requirements. If any of these actions were made broadly enforceable as part of a rule-making process or codified into law, they could result in additional capital costs, possible operational delays and increased costs of operation.

Product Quality Standards

Refined products and other hydrocarbon-based products that we transport are generally sold by us or our customers for consumption by the public. Various federal, state and local agencies have the authority to prescribe product quality specifications for products. The EPA established sulfur specifications for natural gasoline sold as certified ethanol denaturant effective January 1, 2017. The EPA has proposed product quality specifications for natural gasoline used for blendstock in ethanol flex fuel. The EPA has also

established product quality specifications related to blending gasoline with blendstocks and ethanol, which we perform at certain of our light products storage facilities. Changes in product quality specifications or blending requirements could reduce our throughput volumes, require us to incur additional handling costs or require capital expenditures. For example, different product specifications for different markets affect the fungibility of the products in our system and could require the construction of additional storage. In addition, changes in the product quality of the products we receive on our product pipelines could reduce or eliminate our ability to blend products.

Tribal Lands

Various federal agencies, including the EPA and the Department of the Interior, along with certain Native American tribes, promulgate and enforce regulations pertaining to oil and gas operations on Native American tribal lands where we operate. These regulations include such matters as lease provisions, drilling and production requirements, and standards to protect environmental quality and cultural resources. In addition, each Native American tribe is a sovereign nation having the right to enforce certain laws and regulations and to grant approvals independent from federal, state and local statutes and regulations. These laws and regulations may increase our costs of doing business on Native American tribal lands and impact the viability of, or prevent or delay our ability to conduct, our operations on such lands.

HUMAN CAPITAL

We are managed and operated by the board of directors and executive officers of MPLX GP LLC (“MPLX GP”), our general partner. Our general partner has the sole responsibility for providing the employees and other personnel necessary to conduct our operations. All of the employees that conduct our business are directly employed by affiliates of our general partner. We believe that our general partner and its affiliates have a satisfactory relationship with those employees.

MPC believes its employees are its greatest source of strength, and the culture reflects the quality of individuals across its workforce. Its collaborative efforts to foster an inclusive environment, provide broad-based development and mentorship opportunities, recognize and reward accomplishments, and offer benefits that support the well-being of its employees and their families contribute to increased engagement and fulfilling careers. Empowering people and prioritizing accountability also are key components for developing a high-performing culture, which is critical to achieving our strategic vision.

Employee Profile

As of December 31, 2020, MPC had approximately 57,900 regular full-time and part-time roles. Excluding employees of Speedway, which is targeted to be sold in the first quarter of 2021, MPC employs approximately 18,600 people in full-time and part-time roles. Our general partner and its affiliates have approximately 5,700 full-time employees that provide services to us under our employee services agreements.

Talent Management

Executing MPC’s strategic vision requires that it attracts and retains the best talent. Recruiting and retention success requires that it effectively nurtures new employees, providing opportunities for long-term engagement and career advancement. MPC also must appropriately reward high-performers and offer competitive benefits. MPC’s Talent Acquisition team consists of three segments: Executive Recruiting, Experienced Recruiting and University Recruiting. The specialization within each group allows those groups to specifically address MPC’s broad range of current and future talent needs, as well as devote time and attention to candidates during the hiring process. MPC values diverse perspectives in the workforce, and accordingly seeks candidates with a variety of backgrounds and experience. MPC’s primary source of full-time, entry-level new hires is its intern/co-op program. Through its university recruiters, MPC offers college students who have completed their freshman year the opportunity to participate in its hands-on programs focused in areas of finance and accounting, marketing, engineering and IT.

MPC provides a broad range of leadership training opportunities to support the development of leaders at all levels. Those programs, which are offered across the organization are a blended approach of business and leadership content, with many featuring external faculty. MPC utilizes various learning modalities, such as visual, audio, print, tactile, interactive, kinesthetic, experiential and leader-teaching-leader to

address and engage different learning styles. MPC believes networking and access to executives are key leadership success factors, and MPC incorporates these opportunities into all of its programs.

Compensation and Benefits

To ensure MPC is offering competitive pay packages in its recruitment and retention efforts, it annually benchmarks compensation, including base salaries, bonus levels and equity targets. MPC's annual bonus program is a critical component of its compensation, as it provides individual rewards for achievement against preset financial and sustainability goals, encouraging a sense of employee ownership. Employees in officer-level pay grades, as well as senior leaders and most mid-level leaders, are eligible to receive long-term equity incentive awards as part of their compensation.

MPC offers comprehensive benefits, including medical, dental and vision insurance for employees, their spouses or domestic partners, and their dependents. MPC also provides retirement programs, life insurance, education assistance, family assistance, short-term disability and paid vacation and sick time. Following MPC's acquisition of Andeavor, MPC enhanced several of its benefits programs. MPC increased the maximum accrual cap for vacation banks and doubled the number of college and trade school scholarships offered to the high school senior children of employees through the Marathon Petroleum Scholars Program. In addition, MPC increased its paid parental leave benefit to eight weeks for birth mothers and four weeks for nonbirth parents, including adoptive and foster parents. Both full-time and part-time employees are eligible for this benefit. Parents who both work for MPC or its affiliates are each eligible for a parental pay benefit.

Inclusion

MPC's company-wide Diversity and Inclusion ("D&I") program is managed by a dedicated D&I Office team and supported by leadership. The program is based on MPC's three-pillar D&I strategy of building awareness, increasing representation and ensuring success. The strategy focuses on understanding the benefits of diverse perspectives, increasing diversity across the organization and recognizing that cultural inclusion is an ongoing process. MPC has employee networks focusing on six populations: Asian, Black, Hispanic, Veterans, Women and LGBTQ+. All networks encourage ally membership. This broad support extends also to leaders throughout MPC, with each employee network represented by two active executive sponsors. The sponsors form several counsels that meet regularly to share updates, gain alignment, build deeper connections across networks and pursue collaboration ideas. The employee networks not only provide opportunities for employees to make meaningful and supportive connections, but they also serve a significant role in MPC's D&I strategy.

Safety

MPC is committed to safe operations to protect the health and safety of its employees, contractors and communities. MPC's commitment to safe operations is reflected in its safety systems design, its well-maintained equipment and by learning from its incidents. Part of MPC's effort to promote safety includes a management system based on the principles of RC14001®, the Plan-Do-Check-Act continual improvement cycle, and its Operational Excellence Management System. Together, these components of MPC's safety management system provide it with a comprehensive approach to managing risks and preventing incidents, illnesses and fatalities. Additionally, MPC's annual cash bonus program metrics includes several employee, process and environmental safety metrics.

The COVID-19 pandemic has underscored for MPC the importance of keeping its employees safe and healthy. In March 2020, MPC activated its Corporate Emergency Response Team to ensure a consistent and aggressive response across all facets of MPC and MPLX. The safety and health of employees, including essential personnel, were top priorities for MPC and MPLX. As part of MPC's existing pandemic plan, MPC had a central inventory of N95 respirators, surgical masks, and nitrile gloves to supply to employees and contractors when the pandemic began. MPC implemented a number of protective measures to ensure employee and contractor safety as they continued to keep our critical operations running safely. MPC continues to monitor the situation and adapt its practices as appropriate.

AVAILABLE INFORMATION

General information about MPLX LP and our general partner, MPLX GP LLC, including Governance Principles, Audit Committee Charter, Conflicts Committee Charter and Certificate of Limited Partnership, can be found at www.mplx.com. In addition, our Code of Business Conduct and Code of Ethics for Senior Financial Officers are available in this same location.

MPLX LP uses its website, www.mplx.com, as a channel for routine distribution of important information, including news releases, analyst presentations and financial information. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as any amendments and exhibits to those reports, are available free of charge through our website as soon as reasonably practicable after the reports are filed or furnished with the SEC, or on the SEC's website at www.sec.gov. These documents are also available in hard copy, free of charge, by contacting our Investor Relations office. In addition, our website allows investors and other interested persons to sign up to automatically receive email alerts when we post news releases and financial information on our website. Information contained on our website is not incorporated into this Annual Report on Form 10-K or other securities filings.

Item 1A. Risk Factors

You should carefully consider each of the following risks and all the other information contained in this Annual Report on Form 10-K in evaluating us and our common units. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. Our business, financial condition, results of operations and cash flows could be materially and adversely affected by these risks, and, as a result, the trading price of our common units could decline.

Summary of Risk Factors

We have in the past been adversely affected by certain of, and may in the future be materially and adversely affected by, the following:

- the COVID-19 pandemic;
- a significant decrease in oil and natural gas production in our areas of operation;
- challenges in accurately estimating expected production volumes of our producer customers;
- our dependence on third parties for the oil, natural gas and refined products we gather, transport and store, the natural gas and refinery off-gas we process, and the NGLs we fractionate and stabilize at our facilities;
- our ability to retain existing customers or acquire new customers;
- our ability to increase fees enough to cover costs incurred under our gathering, processing, transmission, transportation, fractionation, stabilization and storage agreements;
- unplanned maintenance of the United States (“U.S.”) inland waterway infrastructure;
- interruptions in operations at any of our facilities or those of our customers, including MPC;
- problems affecting our information technology systems;
- in our joint ventures, our lack of sole decision-making authority, our reliance on our joint venture partners’ financial condition and disputes between us and our joint venture partners;
- terrorist attacks aimed at our facilities or that impact our customers or the markets we serve;
- increases to our maintenance or repair costs;
- severe weather events and other climate conditions;
- insufficient cash from operations after the establishment of cash reserves and payment of our expenses to enable us to pay the intended quarterly distribution to our unitholders;
- our substantial debt and other financial obligations;
- changes to our credit ratings;
- increases in interest rates;
- uncertainty relating to the calculation of LIBOR and replacement reference rates;
- our exposure to the credit risks of our key customers and derivative counterparties;
- negative effects of our commodity derivative activities;
- uninsured losses;
- future costs relating to evolving environmental or other laws or regulations;
- increased regulation of hydraulic fracturing;
- climate-related and greenhouse gas emission regulation;
- societal and political pressures and other forms of opposition to the future development, transportation and use of carbon-based fuels;
- federal and tribal approvals, regulations and lawsuits relating to our facilities that are located on Native American tribal lands;
- an indemnifying third party failing to fulfill its indemnification obligations to us;
- our ability to maintain or obtain real property rights required for our business;
- the consequences resulting from foreign investment in us or our general partner exceeding certain levels;
- federal or state rate and service regulation or rate-making policies;
- costs and liabilities resulting from performance of pipeline integrity programs and related repairs;

- the Court of Chancery of the State of Delaware being, to the extent permitted by law, the sole and exclusive forum for substantially all disputes between us and our limited partners;
- future impairments;
- difficulties in making strategic acquisitions on economically acceptable terms from MPC or third parties;
- integration risks from significant future acquisitions;
- the failure by MPC to satisfy its obligations to us, or a significant reduction in volumes transported through our facilities or stored at our storage assets;
- MPC materially suspending, reducing or terminating its obligations under its agreements with us;
- MPC's level of indebtedness or credit ratings;
- various tax risks inherent in our master limited partnership structure, including the potential for unexpected tax liabilities for us or our unitholders, more burdensome tax filing requirements and future legislative changes to the expected tax treatment of an investment in us;
- MPC's conflicts of interest with us, its limited duties to us and our unitholders, and its potential favoring of its interests over our interests and the interests of our unitholders;
- the requirements and restrictions arising under our Partnership Agreement, including the requirement that we distribute all of our available cash, limitations on our general partner's duties, limited unitholder voting rights, and limited unitholder recourse in the event unitholders are dissatisfied with our operations;
- cost reimbursements and fees paid to our general partner and its affiliates, which in certain circumstances are subject to our general partner's sole discretion;
- control of our general partner being transferred to a third party without unitholder consent;
- the issuance of additional units resulting in the dilution of limited unitholder interests, which issuances may be made without unitholder approval;
- the sale of units - and the adverse impact on the trading price of the common units which might result from such sale - by MPC of the units it holds in public or private markets, and such sales could have an adverse impact on the trading price of the common units;
- affiliates of our general partner, including MPC, competing with us, and neither our general partner nor its affiliates having any obligation to present business opportunities to us;
- our general partner having a limited call right that may require unitholders to sell common units at an undesirable time or price;
- a unitholder's liability not being limited if a court finds that unitholder action constitutes control of our business;
- unitholders may have to repay distributions that were wrongfully distributed to them;
- the NYSE not requiring a publicly traded limited partnership like us to comply with certain of its corporate governance requirements; and
- global economic conditions.

Business and Operational Risks

The COVID-19 pandemic resulted in a significant decrease in demand for the petroleum products that we transport and store, which has had, and may continue to have, a material and adverse effect on our and our customers' business and on general economic, financial and business conditions.

The COVID-19 pandemic continues to negatively impact worldwide economic and commercial activity. Travel restrictions, business and school closures, increased remote work, stay-at-home orders and other actions taken by individuals, governments and the private sector to stem the spread of the virus have significantly reduced global economic activity, significantly reduced demand for the petroleum products that we transport and store, and contributed to increased market and oil price volatility.

Resurgences in COVID-19 infections could result in the imposition of new stay-at-home orders or other restrictions to slow the spread of the virus, which could further weaken demand for the petroleum products we transport and store, and could contribute to increased market and oil price volatility.

A prolonged period of economic slowdown or recession, or a protracted period of depressed prices for crude oil or refined petroleum products, could have significant and adverse consequences for our financial condition and the financial condition of our customers, suppliers and other counterparties, and could diminish our liquidity or trigger additional impairments.

The ultimate extent to which the COVID-19 pandemic will continue to negatively affect us and our customers, suppliers and other counterparties will depend largely on the length and severity of the pandemic; actions taken by individuals, governments and the private sector to stem the spread of the virus; general economic conditions; and the availability, widespread distribution and use of safe and effective vaccines, all of which cannot be predicted with certainty.

A significant decrease in oil and natural gas production in our areas of operation may adversely affect our business, financial condition, results of operation and cash available for distribution.

A significant portion of our operations is dependent on the continued availability of natural gas and crude oil production. The production from oil and natural gas reserves and wells owned by our producer customers will naturally decline over time, which means that our cash flows associated with these wells will also decline over time. To maintain or increase throughput levels and the utilization rate of our facilities, we must continually obtain new oil, natural gas, NGL and refined product supplies, which depend in part on the level of successful drilling activity near our facilities, our ability to compete for volumes from successful new wells and our ability to expand our system capacity as needed.

We have no control over the level of drilling activity in the areas of our operations, the amount of reserves associated with the wells or the rate at which production from a well will decline. In addition, we have no control over producers or their production decisions, which are affected by demand, prevailing and projected energy prices, drilling costs, operational challenges, access to downstream markets, the level of reserves, geological considerations, governmental regulations and the availability and cost of capital. Reductions in exploration or production activity in our areas of operations could lead to reduced throughput on our pipelines and utilization rates of our facilities.

Decreases in energy prices can decrease drilling activity, production rates and investments by third parties in the development of new oil and natural gas reserves. The prices for oil, natural gas and NGLs depend upon factors beyond our control, including global and local demand, production levels, changes in interstate pipeline gas quality specifications, imports and exports, seasonality and weather conditions, economic and political conditions domestically and internationally and governmental regulations. Sustained periods of low prices could result in producers deciding to limit their oil and gas drilling operations, which could substantially delay the production and delivery of volumes of oil, natural gas and NGLs to our facilities and adversely affect our revenues and cash available for distribution.

This impact may also be exacerbated due to the extent of our commodity-based contracts, which are more directly impacted by changes in natural gas and NGL prices than our fee-based contracts due to frac spread exposure and may result in operating losses when natural gas becomes more expensive on a Btu equivalent basis than NGL products. In addition, our purchase and resale of gas and NGLs in the ordinary course exposes us to significant risk of volatility in natural gas or NGL prices due to the potential difference in the time of the purchases and sales and the potential difference in the price associated with each transaction, and direct exposure may also occur naturally as a result of our production processes. The significant volatility in natural gas, NGL and oil prices could adversely impact our unit price, thereby increasing our distribution yield and cost of capital. Such impacts could adversely impact our ability to execute our long-term organic growth projects, satisfy our obligations to our customers, and make distributions to unitholders at intended levels, and may also result in non-cash impairments of long-lived assets or goodwill or other-than-temporary non-cash impairments of our equity method investments.

We may not always be able to accurately estimate expected production volumes of our producer customers; therefore, volumes we service in the future could be less than we anticipate.

We may not be able to accurately estimate expected production volumes of our producer customers. Furthermore, we may have only limited oil, natural gas, NGL or refined product supplies committed to any new facility prior to its construction. We may construct facilities to capture anticipated future growth in production or satisfy anticipated market demand which does not materialize, the facilities may not operate as planned or may not be used at all. In order to attract additional oil, natural gas, NGL or refined product

supplies from a customer, we may be required to order equipment and facilities, obtain rights of way or other land rights or otherwise commence construction activities for facilities that will be required to serve such customer's additional supplies prior to executing agreements with the customer. If such agreements are not executed, we may be unable to recover such costs and expenses. Additionally, new facilities may not be able to attract enough oil, natural gas, NGLs or refined products to achieve our expected investment return. Alternatively, oil, natural gas, NGL or refined product supplies committed to facilities under construction may be delivered prior to completion of such facilities, or we may otherwise have unexpected increases in volumes that could adversely affect our ability to expand our facilities. In such event, we may be required to temporarily utilize third-party facilities for such oil, natural gas, NGLs or refined products, which may increase our operating costs and reduce our cash available for distribution.

We depend on third parties for the oil, natural gas and refined products we gather, transport and store, the natural gas and refinery off-gas we process, and the NGLs we fractionate and stabilize at our facilities, and a reduction in these quantities could reduce our revenues and cash flow.

A significant portion of our supply of oil, natural gas, refinery off-gas, NGLs and refined products comes from a limited number of key producers/suppliers, who may be under no obligation to deliver a specific volume to our facilities. If any of these significant suppliers, or a significant number of smaller producers, were to decrease the supply of oil, natural gas, refinery off-gas, NGLs or refined products to our systems and facilities for any reason, we could experience difficulty in replacing those lost volumes. In some cases, the producers or suppliers are responsible for gathering or delivering oil, natural gas, refinery off-gas, NGLs or refined products to our facilities or we rely on other third parties to deliver volumes to us on behalf of the producers or suppliers. If such producers, suppliers or other third parties are unable, or otherwise fail to, deliver the volumes to our facilities, or if our agreements with any of these third parties terminate or expire such that our facilities are no longer connected to their gathering or transportation systems or the third parties modify the flow of natural gas, refinery off-gas or NGLs on those systems away from our facilities, the throughput on and utilization of our facilities may be reduced, or we may be required to incur significant capital expenditures to construct and install gathering pipelines or other facilities to be able to receive such volumes. Because our operating costs are primarily fixed, a reduction in the volumes delivered to us would result not only in a reduction of revenues, but also a decline in net income and cash flow.

We may not be able to retain existing customers, or acquire new customers, which would reduce our revenues and limit our future profitability.

A significant portion of our business comes from a limited number of key customers. The renewal or replacement of existing contracts with our customers at rates sufficient to maintain current revenues and cash flows depends on a number of factors beyond our control, including competition from other gatherers, processors, pipelines and fractionators, and the price of, and demand for, natural gas, NGLs, crude oil and refined products in the markets we serve. Our competitors include large oil, natural gas, refining and petrochemical companies, some of which have greater financial resources, more numerous or greater capacity pipelines, processing and other facilities, greater access to natural gas, crude oil and NGL supplies than we do or other synergies with existing or new customers that we cannot provide. Our competitors may also include our joint venture partners, who in some cases are permitted to compete with us and may have a competitive advantage due to their familiarity with our business arising from our joint venture arrangements, as well as third parties on whom we rely to deliver natural gas, NGLs, crude oil and refined products to our facilities, who may have a competitive advantage due to their ability to modify the flow of natural gas, NGLs, crude oil and refined products on their systems away from our facilities. Additionally, our customers that gather gas through facilities that are not otherwise dedicated to us may develop their own processing and fractionation facilities in lieu of using our services.

As a consequence of the increase in competition in the industry, and the volatility of natural gas prices, end-users and utilities are reluctant to enter into long-term purchase contracts. Many end-users purchase natural gas from more than one natural gas company and have the ability to change providers at any time. Some of these end-users also have the ability to switch between gas and alternative fuels in response to relative price fluctuations in the market. Because there are numerous companies of greatly varying size and financial capacity that compete with us in the marketing of natural gas, we often compete in the end-user and utilities markets primarily on the basis of price. The inability of our management to renew or replace our current contracts as they expire and to respond appropriately to changing market conditions could affect our profitability.

The fees charged to third parties under our gathering, processing, transmission, transportation, fractionation, stabilization and storage agreements may not escalate sufficiently to cover increases in costs, or the agreements may not be renewed or may be suspended in some circumstances.

Our costs may increase at a rate greater than the fees we charge to third parties. Furthermore, third parties may not renew their contracts with us. Additionally, some third parties' obligations under their agreements with us may be permanently or temporarily reduced due to certain events, some of which are beyond our control, including force majeure events wherein the supply of natural gas, NGLs, crude oil or refined products are curtailed or cut-off due to events outside our control, and in some cases, certain of those agreements may be terminated in their entirety if the duration of such events exceeds a specified period of time. If the escalation of fees is insufficient to cover increased costs, or if third parties do not renew or extend their contracts with us, or if third parties suspend or terminate their contracts with us, our financial results would suffer.

The U.S. inland waterway infrastructure is aging and planned and unplanned maintenance may adversely affect our operations.

Maintenance of the U.S. inland waterway system is vital to our marine transportation operations. The system is composed of over 12,000 miles of commercially navigable waterway, supported by approximately 240 locks and dams designed to provide flood control, maintain pool levels of water in certain areas of the country and facilitate navigation on the inland river system. The U.S. inland waterway infrastructure is aging, with more than half of the locks over 50 years old. As a result, due to the age of the locks, planned and unplanned maintenance may create more frequent outages, resulting in delays and additional operating expenses. Part of the costs for new construction and major rehabilitation of locks and dams is funded by marine transportation companies through taxes and the other portion is funded by general federal tax revenues. Failure of the federal government to adequately fund infrastructure maintenance and improvements in the future would have a negative impact on our ability to deliver products to our customers on a timely basis. Furthermore, any additional user taxes that may be imposed in the future to fund infrastructure improvements would increase our operating expenses.

Our operations are subject to business interruptions and casualty losses, which could materially and adversely affect our operations, financial condition, results of operations and cash flows.

Our operations are subject to business interruptions, such as unplanned maintenance, explosions, fires, pipeline releases, power outages, severe weather, labor disputes, acts of terrorism or other natural or man-made disasters. The inability to operate one or more of our facilities due to any of these events could adversely affect us. Our customers' operations, including MPC's refining operations, are subject to similar risks.

Explosions, fires, pipeline releases, product quality or other incidents may result in serious personal injury or loss of human life, significant damage to property and equipment, environmental pollution, impairment of operations and substantial losses to us. We and our customers have experienced certain of these incidents in the past. For assets located near populated areas, the level of damage resulting from these risks could be greater. Due to the nature of our operations, certain interruptions could impact operations in other regions.

Our marine transportation business, in particular, is subject to weather conditions. Adverse weather conditions such as high or low water on the inland waterway systems, fog and ice, tropical storms, hurricanes and tsunamis on both the inland waterway systems and throughout the U.S. coastal waters can impair the operating efficiencies of the marine fleet. Such adverse weather conditions can cause a delay, diversion or postponement of shipments of products and are beyond our control.

In addition, we operate in and adjacent to environmentally sensitive waters where tanker, pipeline, rail car and refined product transportation and storage operations are closely regulated by federal, state and local agencies and monitored by environmental interest groups. Transportation and storage of crude oil, other feedstocks and refined products over and adjacent to water involves inherent risk and subjects us to the provisions of the OPA-90 and state laws in U.S. coastal and Great Lakes states and states bordering inland waterways on which we operate. If we are unable to promptly and adequately contain any accident or discharge involving tankers, pipelines, rail cars or above ground storage tanks transporting or storing crude oil, other feedstocks or refined products, we may be subject to substantial liability. In addition, the service

providers contracted to aid us in a discharge response may be unavailable due to weather conditions, governmental regulations or other local or global events.

The construction and operation of certain of our facilities may be impacted by surface or subsurface mining operations by one or more third parties, which could adversely impact our construction activities or cause subsidence or other damage to our facilities. In such event, our construction may be prevented or delayed, or the costs and time increased, or our operations at such facilities may be impaired or interrupted, and we may not be able to recover the costs incurred for delays or to relocate or repair our facilities from such third parties.

We rely on the performance of our information technology systems, and the interruption or failure of any information technology system, including an interruption or failure due to a cybersecurity breach, could have an adverse effect on our business, financial condition, results of operations and cash flows.

We are heavily dependent on our information technology systems (and those of our third-party business partners, whether cloud-based or hosted on proprietary servers), including our network infrastructure and cloud applications, for the safe and effective operation of our business. We rely on such systems to process, transmit and store electronic information, including financial records and personally identifiable information such as contractor, customer and investor data, and to manage or support a variety of business processes, including our pipeline operations, gathering and processing operations, financial transactions, banking and numerous other processes and transactions. Our systems and infrastructure are subject to damage or interruption from a number of potential sources including natural disasters, malware, power failures, cyber-attacks and other events. We also face various other cybersecurity threats from criminal hackers and employee malfeasance, including threats to gain unauthorized access to our computer network and systems or render data or systems unusable.

Our cybersecurity protections, infrastructure protection technologies, disaster recovery plans and employee training may not be sufficient to defend us against all unauthorized attempts to access our information. We have been and may in the future be subject to attempts to gain unauthorized access to our computer network and systems. To date, the impacts of prior events have not had a material adverse effect on us.

Any cybersecurity incident involving our information technology systems or those of our third-party business partners could result in theft, destruction, loss, misappropriation or release of confidential financial and other data or intellectual property; give rise to remediation or other expense; expose us to liability under federal and state laws; reduce our customers' willingness to do business with us; disrupt the services we provide to customers; and subject us to litigation and legal liability under federal and state laws. Any of such results could have a material and adverse effect on our reputation, business, financial condition, results of operations and cash flows available for distribution to our unitholders.

Our investments in joint ventures could be adversely affected by our reliance on our joint venture partners and their financial condition, and our joint venture partners may have interests or goals that are inconsistent with ours.

We conduct some of our operations through joint ventures in which we share control over certain economic and business interests with our joint venture partners. Our joint venture partners may have economic, business or legal interests or goals that are inconsistent with our goals and interests or may be unable to meet their obligations. Failure by us, or an entity in which we have an interest, to adequately manage the risks associated with any acquisitions or joint ventures could have a material adverse effect on the financial condition or results of operations of our joint ventures and adversely affect our reputation, business, financial condition, results of operations and cash flows.

Terrorist attacks aimed at our facilities or that impact our customers or the markets we serve could adversely affect our business.

Refining, gathering and processing, pipeline and terminal infrastructure, and other energy assets, may be future targets of terrorist organizations. Any terrorist attack on our facilities, those of our customers and, in some cases, those of other energy assets, could have a material adverse effect on our business. Similarly, any future terrorist attacks that severely disrupt the markets we serve could materially and adversely affect our results of operations, financial position and cash flows.

Many of our assets have been in service for many years and, as a result, our maintenance or repair costs may increase in the future.

Our pipelines, terminals, fractionator 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.

Severe weather events and other climate conditions may adversely affect our facilities and ongoing operations.

Our facilities are subject to potential acute physical risks, such as floods, hurricane-force winds, wildfires and snowstorms, and potential chronic physical risks, such as sea-level rise or water shortages. If any such events were to occur, they could have an adverse effect on our assets and operations. We have incurred and will continue to incur additional costs to protect our assets and operations from such physical risks and employ the evolving technologies and processes available to mitigate such risks. To the extent such severe weather events or other climate conditions increase in frequency and severity, we may be required to modify operations and incur costs that could materially and adversely affect our business, financial condition, results of operations and cash flows.

Financial Risks

We may not have sufficient cash from operations after the establishment of cash reserves and payment of our expenses, including cost reimbursements to MPC and its affiliates, to enable us to pay the intended quarterly distribution to our unitholders.

The amount of cash we can distribute to our common unitholders principally depends on the amount of cash we generate from our operations, which will fluctuate from quarter to quarter based on, among other things:

- the volumes of natural gas, crude oil, NGLs and refined products we gather, process, store, transport and fractionate;
- the fees and tariff rates we charge and the margins we realize for our services and sales;
- the prices of, level of production of and demand for oil, natural gas, NGLs and refined products;
- the level of our operating costs including repairs and maintenance;
- the relative prices of NGLs and crude oil, which impact the effectiveness of our hedging program; and
- prevailing economic conditions.

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

- the amount of our operating expenses and general and administrative expenses, including cost reimbursements to MPC;
- our debt service requirements and other liabilities;
- fluctuations in our working capital needs;
- our ability to borrow funds and access capital markets;
- restrictions in our joint venture agreements or agreements governing our debt;
- the level and timing of capital expenditures we make, including capital expenditures incurred in connection with our enhancement projects;
- the cost of acquisitions, if any; and
- the amount of cash reserves established by our general partner in its discretion, which may increase in the future and which may in turn further reduce the amount of cash available for distribution.

Furthermore, the amount of cash we have available for distribution depends primarily on our cash flow and not solely on profitability, which is affected by non-cash items. As a result, we may make distributions during periods when we record net losses and may not make distributions during periods when we record net income.

Our substantial debt and other financial obligations could impair our financial condition, results of operations and cash flow, and our ability to fulfill our debt obligations.

We have significant debt obligations, which totaled \$20.5 billion as of December 31, 2020. We may incur significant debt obligations in the future, including under our loan agreement with MPC. Our existing and future indebtedness may impose various restrictions and covenants on us that could have, or the incurrence of such debt could otherwise result in, material adverse consequences, including:

- We may have difficulties obtaining additional financing for working capital, capital expenditures, acquisitions, or general business purposes on favorable terms, if at all, or our cost of borrowing may increase.
- We may be at a competitive disadvantage compared to our competitors who have proportionately less debt, or we may be more vulnerable to, and have limited flexibility to respond to, competitive pressures or a downturn in our business or the economy generally.
- If our operating results are not sufficient to service our indebtedness, we may be required to reduce our distributions, reduce or delay our business activities, investments or capital expenditures, sell assets or issue equity, which could materially and 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.
- The operating and financial restrictions and covenants in our revolving credit facility and any future financing agreements could restrict our ability to finance our operations or capital needs or to expand or pursue our business activities, which may, in turn, limit our ability to make distributions to our unitholders. Our ability to comply with these covenants may be impaired from time to time if the fluctuations in our working capital needs are not consistent with the timing for our receipt of funds from our operations.
- If we fail to comply with our debt obligations and an event of default occurs, our lenders could declare the outstanding principal of that debt, together with accrued interest, to be immediately due and payable, which may trigger defaults under our other debt instruments or other contracts. 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.

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 distributions at our intended levels.

Certain of our senior notes, our revolving credit facility and our loan agreement with MPC Investment have variable interest rates. As a result, future 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-rate indebtedness. Interest rates payable on fixed-rate indebtedness typically are higher than the short-term variable interest rates that we pay on borrowings under our revolving credit facility. We also have other fixed-rate indebtedness that we may need or desire to refinance in the future prior to the applicable stated maturity.

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 distributions at our intended levels.

The expected phase out of LIBOR could impact the interest rates paid on our variable rate indebtedness and could cause our interest expense to increase.

A portion of our borrowing capacity and outstanding indebtedness bears interest at a variable rate based on LIBOR. The ICE Benchmark Administration Limited (“ICE”) announced that it will cease calculating and

publishing all USD LIBOR tenors on June 30, 2023 and cease calculating and publishing certain USD LIBOR tenors on December 31, 2021. Further, U.K. and U.S. regulatory authorities have recently issued statements encouraging banks to cease entering into new USD LIBOR based loans as soon as possible and by no later than December 31, 2021 and to continue to transition away from USD LIBOR based loans in preparation of ICE ceasing to calculate and public LIBOR based rates on June 30, 2023. These developments may cause fluctuations in LIBOR rates and pricing of USD LIBOR based loans that are not transitioned to a new benchmark rate.

The agreements that govern our variable rate indebtedness contain customary transition and fallback provisions in contemplation of the cessation of LIBOR. Nevertheless, at this time, it is not possible to predict the effect that these developments, any discontinuance, modification or other reforms to LIBOR or any other reference rate, or the establishment of alternative reference rates may have on LIBOR, other benchmarks or floating rate indebtedness. Uncertainty as to the nature of such potential discontinuance, modification, alternative reference rates or other reforms may materially adversely affect the trading market for securities linked to such benchmarks. Furthermore, the use of alternative reference rates or other reforms could cause the market value of, the applicable interest rate on and the amount of interest paid on our floating rate indebtedness to be materially different than expected and could materially adversely impact our ability to refinance such floating rate indebtedness or raise future indebtedness on a cost effective basis.

We are exposed to the credit risks of our key customers and derivative counterparties, and any material non-payment or non-performance by our key customers or derivative counterparties could reduce our ability to make distributions to our unitholders.

We are subject to risks of loss resulting from non-payment or non-performance by our customers, which risks may increase during periods of economic uncertainty. Furthermore, some of our customers may be highly leveraged and subject to their own operating and regulatory risks, which increases the risk that they may default on their obligations to us. This risk is further heightened during sustained periods of declines of natural gas, NGL and oil prices. To the extent any of our customers are in financial distress or commence bankruptcy proceedings, our contracts with them, including provisions relating to dedications of production, may be subject to renegotiation or rejection under applicable provisions of the United States Bankruptcy Code. If a contract with a customer is altered or rejected in bankruptcy proceedings, we could lose some or all of the expected revenues associated with that contract. In addition, our risk management activities are subject to the risks that a counterparty may not perform its obligation under the applicable derivative instrument, the terms of the derivative instruments are imperfect, and our risk management policies and procedures are not properly followed. Any such material non-payment or non-performance could reduce our ability to make distributions to our unitholders.

We may incur losses and additional costs as a result of our forward-contract activities and derivative transactions.

We currently use commodity derivative instruments, and we expect to continue their use in the future. If the instruments we use to hedge our exposure to various types of risk are not effective, we may incur losses. Derivative transactions involve the risk that counterparties may be unable to satisfy their obligations to us. The risk of counterparty default is heightened in a poor economic environment. In addition, we may be required to incur additional costs in connection with future regulation of derivative instruments to the extent it is applicable to us.

We do not insure against all potential losses, and, therefore, our business, financial condition, results of operations and cash flows could be adversely affected by unexpected liabilities and increased costs.

We maintain insurance coverage in amounts we believe to be prudent against many, but not all, potential liabilities arising from operating hazards. Uninsured liabilities arising from operating hazards such as explosions, fires, pipeline releases, cybersecurity breaches or other incidents involving our assets or operations, could reduce the funds available to us for capital and investment spending and could have a material adverse effect on our business, financial condition, results of operations and cash flows. Historically, we also have maintained insurance coverage for physical damage and resulting business interruption to our major facilities, with significant self-insured retentions. In the future, we may not be able to maintain insurance of the types and amounts we desire at reasonable rates.

Legal and Regulatory Risks

We expect to continue to incur substantial capital expenditures and operating costs to meet the requirements of evolving environmental or other laws or regulations. Future environmental laws and regulations may impact our current business plans and reduce demand for our services.

Our business is subject to numerous environmental laws and regulations. These laws and regulations continue to increase in both number and complexity and affect our business. Laws and regulations expected to become more stringent relate to the following:

- the emission or discharge of materials into the environment;
- solid and hazardous waste management;
- the regulatory classification of materials currently or formerly used in our business;
- pollution prevention;
- greenhouse gas emissions;
- climate change;
- public and employee safety and health;
- permitting;
- inherently safer technology; and
- facility security.

The specific impact of laws and regulations, and their enforcement, on us and our competitors may vary depending on a number of factors, including the age and location of operating facilities, marketing areas and production processes and subsequent judicial interpretation of such laws and regulations. We have incurred and will continue to incur substantial capital, operating and maintenance, and remediation expenditures to modify operations, install pollution control equipment, perform site cleanups or curtail operations. We may also face liability for personal injury, property damage, natural resource damage or clean-up costs due to alleged contamination and/or exposure to chemicals or other regulated materials at or from our facilities. Such expenditures could materially and adversely affect our business, financial condition, results of operations and cash flows.

Increased regulation of hydraulic fracturing and other oil and gas production activities could result in reductions or delays in U.S. production of crude oil and natural gas, which could adversely affect our results of operations and financial condition.

While we do not conduct hydraulic fracturing operations, we do provide gathering, processing and fractionation services with respect to natural gas and natural gas liquids produced by our customers as a result of such operations. A range of federal, state and local laws and regulations currently govern or, in some cases, prohibit, hydraulic fracturing in some jurisdictions. Stricter laws, regulations and permitting processes may be enacted in the future. For example, President Biden has suspended new oil and gas permitting on public lands and properties, and has proposed modifying royalties to account for climate costs. If these or other federal, state and local legislation and regulatory initiatives relating to hydraulic fracturing or other oil and gas production activities are enacted or expanded, such efforts could impede oil and gas production, increase producers' cost of compliance, and result in reduced volumes available for our midstream assets to gather, process and fractionate.

Climate change and greenhouse gas emission regulation could affect our operations, energy consumption patterns and regulatory obligations, any of which could affect our results of operations and financial condition.

Currently, multiple legislative and regulatory measures to address greenhouse gas (including carbon dioxide, methane and nitrous oxides) and other emissions are in various phases of consideration, promulgation or implementation. These include actions to develop international, federal, regional or statewide programs, which could require reductions in our greenhouse gas or other emissions, establish a carbon tax and decrease the demand for refined products. Requiring reductions in these emissions could result in increased costs to (i) operate and maintain our facilities, (ii) install new emission controls at our

facilities and (iii) administer and manage any emissions programs, including acquiring emission credits or allotments.

Regional and state climate change and air emissions goals and regulatory programs are complex, subject to change and considerable uncertainty due to a number of factors including technological feasibility, legal challenges and potential changes in federal policy. Increasing concerns about climate change and carbon intensity have also resulted in societal concerns and a number of international and national measures to limit greenhouse gas emissions. Additional stricter measures and investor pressure can be expected in the future and any of these changes may have a material adverse impact on our business or financial condition.

International climate change-related efforts, such as the 2015 United Nations Conference on Climate Change, which led to the creation of the Paris Agreement, may impact the regulatory framework of states whose policies directly influence our present and future operations. Though the United States had withdrawn from the Paris Agreement, President Biden issued an executive order recommitting the United States to the Paris Agreement on January 20, 2021. President Biden also issued an Executive Order on climate change in which he announced putting the U.S. on a path to achieve net-zero carbon emissions, economy-wide, by 2050. The Executive Order also calls for the federal government to pause oil and gas leasing on federal lands, reduce methane emissions from the oil and gas sector as quickly as possible, and requires federal permitting decisions to consider the effects of greenhouse gas emissions and climate change. In a second Executive Order, President Biden reestablished a working group to develop the social cost of carbon and the social cost of methane. The social cost of carbon and social cost of methane can be used to weigh the costs and benefits of proposed regulations. A higher social cost of carbon could support more stringent greenhouse gas emission regulation.

The scope and magnitude of the changes to U.S. climate change strategy under the Biden administration and future administrations, however, remain subject to the passage of legislation and interpretation and action of federal and state regulatory bodies; therefore, the impact to our industry and operations due to greenhouse gas regulation is unknown at this time.

Energy assets and companies are subject to increasing environmental and climate-related litigation.

Governmental and other entities in various U.S. states have filed lawsuits against coal, gas, oil and petroleum companies, including MPC, upon which we depend for a substantial portion of our business. The lawsuits allege damages as a result of climate change and the plaintiffs are seeking unspecified damages and abatement under various tort theories. Similar lawsuits may be filed in other jurisdictions. Additionally, private plaintiffs and government parties have undertaken efforts to shut down energy assets by challenging operating permits, the validity of easements or the compliance with easement conditions. For example, the Dakota Access Pipeline, in which we have a minority interest, has been subject to litigation in which plaintiffs have challenged the validity of an easement necessary for the operation of the pipeline and demanded a permanent shutdown of the pipeline. There remains a high degree of uncertainty regarding the ultimate outcome of these types of proceedings, as well as their potential effect on our business, financial condition, results of operation and cash flows.

We are subject to risks associated with societal and political pressures and other forms of opposition to the development, transportation and use of carbon-based fuels. Such risks could adversely impact our business and ability to realize certain growth strategies.

We operate and develop our business with the expectation that regulations and societal sentiment will continue to enable the development, transportation and use of carbon-based fuels. However, policy decisions relating to the production, refining, transportation, storage and marketing of carbon-based fuels are subject to political pressures and the influence and protests of environmental and other special interest groups.

The approval process for storage and transportation projects has become increasingly challenging, due in part to state and local concerns related to pipelines, negative public perception regarding the oil and gas industry, and concerns regarding greenhouse gas emissions downstream of pipeline operations. In addition, government disruptions may delay or halt the granting and renewal of permits, licenses and other items required by us and our customers to conduct our business. Our expansion or construction projects may not be completed on schedule (or at all), or at the budgeted cost. We also may be required to incur additional costs and expenses in connection with the design and installation of our facilities due to their location and

the surrounding terrain. We may be required to install additional facilities, incur additional capital and operating expenditures, or experience interruptions in or impairments of our operations to the extent that the facilities are not designed or installed correctly.

Moreover, our revenues may not increase immediately upon the expenditure of funds on a particular project. For instance, if we build a new pipeline, the construction will occur over an extended period of time, and we may not receive any material increases in revenues until after completion of the project, if at all. Delays or cost increases related to capital spending programs involving engineering, procurement and construction of facilities (including improvements and repairs to our existing facilities) could adversely affect our ability to achieve forecasted internal rates of return and operating results, thereby limiting our ability to grow and generate cash flows.

Certain of our facilities are located on Native American tribal lands and are subject to various federal and tribal approvals and regulations, which may increase our costs and delay or prevent our efforts to conduct planned operations.

Various federal agencies within the U.S. Department of the Interior, particularly the Bureau of Indian Affairs, Bureau of Land Management, and the Office of Natural Resources Revenue, along with each Native American tribe, regulate natural gas and oil operations on Native American tribal lands. In addition, each Native American tribe is a sovereign nation having the right to enforce laws and regulations and to grant approvals independent from federal, state and local statutes and regulations. These tribal laws and regulations include various taxes, fees, requirements to employ Native American tribal members and other conditions that apply to operators and contractors conducting operations on Native American tribal lands. Persons conducting operations on tribal lands are generally subject to the Native American tribal court system. In addition, if our relationships with any of the relevant Native American tribes were to deteriorate, we could face significant risks to our ability to continue operations on Native American tribal lands. One or more of these factors may increase our cost of doing business on Native American tribal lands and impact the viability of, or prevent or delay our ability to conduct our operations on such lands.

We are indemnified for certain environmental liabilities arising from properties on which certain of our facilities are located and our results of operations and our ability to make distributions to our unitholders could be adversely affected if an indemnifying party fails to perform its indemnification obligations.

Prior third-party owners or operators of certain of our facilities, or such parties' successors-in-interest, have in certain circumstances agreed to retain full or partial liability and responsibility for, or to indemnify us against, any environmental liabilities associated with these facilities to the extent such liabilities arose prior to the effective date of the agreements pursuant to which such properties were acquired or leased and to the extent not contributed to by us. Our results of operations and our ability to make cash distributions to our unitholders could be adversely affected if in the future any of these third parties fail to perform their indemnification obligations. In addition, from time to time, we have acquired, and may acquire in the future, facilities from third parties which previously have been or currently are the subject of investigatory, remedial or monitoring activities relating to environmental matters. In some cases, we may receive indemnification from the prior owner or operator for some or all of such liabilities, and in other cases we may accept some or all of such liabilities. There is no assurance that any such third parties will perform any such indemnification obligations, or that the obligations and liabilities that we may accept in connection with any such acquisition will not be larger than anticipated, and in such event, our results of operations and cash available for distribution could be adversely affected.

Our operations could be disrupted if we are unable to maintain or obtain real property rights required for our business.

We do not own all of the land on which our assets are located, but rather obtain the rights to construct and operate such assets on land owned by third parties and governmental agencies for a specific period of time. Therefore, we are subject to the possibility of more burdensome terms and increased costs to obtain and retain necessary land use if our leases, rights-of-way or other property rights lapse, terminate or are reduced or it is determined that we do not have valid leases, rights-of-way or other property rights. Any loss of or reduction in these rights, including loss or reduction due to legal, governmental or other actions or difficulty renewing leases, right-of-way agreements or permits on satisfactory terms or at all, could have a

material adverse effect on our business, results of operations, financial condition and ability to make cash distributions to our unitholders.

If foreign investment in us or our general partner exceeds certain levels, we could be prohibited from operating inland river vessels, which could materially and adversely affect our business, financial condition, results of operations and cash flows.

The Shipping Act of 1916 and Merchant Marine Act of 1920 (collectively, the “Maritime Laws”), generally require that vessels engaged in U.S. coastwise trade be owned by U.S. citizens. Among other requirements to establish citizenship, entities that own such vessels must be owned at least 75 percent by U.S. citizens. If we fail to maintain compliance with the Maritime Laws, we would be prohibited from operating vessels in the U.S. inland waters. Such a prohibition could materially and adversely affect our business, financial condition, results of operations and cash flows.

Certain of our pipelines may be subject to federal or state rate and service regulation, and the imposition and cost of compliance with such regulation could adversely affect our operations and cash flows available for distribution to our unitholders.

Some of our natural gas, crude oil, NGL, and refined product pipelines are, or may in the future be, subject to siting, public necessity or service regulations by FERC or various state or other regulatory bodies, depending upon jurisdiction. FERC generally regulates the transportation of natural gas, NGLs, crude oil and refined products in interstate commerce and FERC’s regulatory authority includes: facilities construction, acquisition, extension or abandonment of services or facilities (for natural gas pipelines only); rates; operations; accounts and records; and depreciation and amortization policies. FERC’s action in any of these areas or modifications of its current regulations can adversely impact our ability to compete for business, the costs we incur in our operations, the construction of new facilities or our ability to recover the full cost of operating our pipelines. FERC also may conduct audits of these facilities, and if FERC determines that we are not in compliance with our tariff or applicable regulations, we may incur additional costs, expenses or penalties. For certain natural gas, NGL, crude oil and refined product common carrier pipelines, we have FERC tariffs on file and we may have additional pipelines in the future that may be subject to these requirements. We also own and are constructing pipelines that we believe are either not subject to FERC’s jurisdiction or would otherwise meet the qualifications for a waiver from many or all of FERC’s requirements. However, we cannot provide assurance that FERC will not at some point find that some or all of these pipelines are subject to FERC’s requirements or are otherwise not exempt from certain requirements. Such a finding could subject us to potentially burdensome and expensive operational, reporting and other requirements as well as fines, penalties or other sanctions.

Pipelines and operations not subject to regulation by FERC may still be subject to regulation by various state agencies. The applicable statutes and regulations generally require that our rates and terms and conditions of service provide no more than a fair return on the aggregate value of the facilities used to render services and that we offer service to our shippers on a not unduly discriminatory basis. FERC rate cases can involve complex and expensive proceedings. For more information regarding regulatory matters that could affect our business, please read Item 1. Business – Regulatory Matters as set forth in this Annual Report on Form 10-K.

Some of our natural gas, NGL, crude oil and refined product pipelines are subject to FERC’s rate-making policies that could have an adverse impact on our ability to establish rates that would allow us to recover the full cost of operating our pipelines including a reasonable return.

A number of our pipelines provide interstate service that is subject to regulation by FERC. FERC prescribes rate methodologies for developing regulated tariff rates for these natural gas, interstate oil and products pipelines. FERC’s regulated tariff may not allow us to recover all of our costs of providing services. Changes in FERC’s approved rate methodologies, or challenges to our application of an approved methodology, could also adversely affect our rates. Additionally, shippers may protest (and FERC may investigate) the lawfulness of tariff rates. FERC can require refunds of amounts collected pursuant to rates that are ultimately found to be unlawful and prescribe new rates prospectively.

Action by FERC could adversely affect our ability to establish reasonable rates that cover operating costs and allow for a reasonable return. An adverse determination in any future rate proceeding brought by or

against us could have a material adverse effect on our business, financial condition and results of operations.

We may incur significant costs and liabilities resulting from performance of pipeline integrity programs and related repairs, and the expansion of pipeline safety laws and regulations could require us to use more comprehensive and stringent safety controls and subject us to increased capital and operating costs.

The DOT through the PHMSA has adopted regulations requiring pipeline operators to develop integrity management programs for gas transmission and hazardous liquids pipelines located where a leak or rupture could do the most harm. The regulations require the following of operators of covered pipelines to:

- perform ongoing assessments of pipeline integrity;
- identify and characterize applicable threats to pipeline segments that could impact a high consequence area;
- improve data collection, integration and analysis;
- repair and remediate the pipeline as necessary; and
- implement preventive and mitigating actions.

Some states have adopted regulations similar to existing PHMSA regulations for intrastate gathering and transmission lines. The adoption of additional laws or regulations that apply more comprehensive or stringent safety standards to gas, NGL, crude oil and refined product lines or other facilities, or the expansion of regulatory inspections by regulators, could require us to install new or modified safety controls, pursue added capital projects, make modifications or operational changes, or conduct maintenance programs on an accelerated basis, all of which could require us to incur increased capital and operational costs or operational delays that could be significant and have a material adverse effect on our financial position or results of operations and ability to make distributions to our unitholders.

Strategic Transaction Risks

We have recorded goodwill and other intangible assets that could become impaired and result in material non-cash charges to our results of operations in the future.

We accounted for the Merger as a reorganization of entities under common control in accordance with accounting principles generally accepted in the United States. Under a reorganization of entities under common control, the assets and liabilities of ANDX transferred between entities under common control were recorded by MPLX based on MPC's historical cost basis resulting from its preliminary purchase price accounting. We recorded ANDX's assets and liabilities at MPC's basis as of October 1, 2018, the date that common control was first established.

Effective October 1, 2018, MPC acquired Andeavor, including a controlling interest in ANDX, thus establishing common control between MPLX, ANDX and their respective general partners. Under MPC's application of the acquisition method of accounting, a portion of the total purchase price was allocated to ANDX's tangible assets and liabilities and identifiable intangible assets based on their fair values as of October 1, 2018. The excess of the allocated purchase price over those fair values was recorded as goodwill.

As of December 31, 2020, our balance sheet reflected \$7.7 billion and \$1.0 billion of goodwill and intangible assets, respectively. In 2020, we recorded approximately \$2.0 billion in impairment expense related to goodwill and intangible assets. To the extent the value of goodwill or intangible assets becomes further impaired, we may be required to incur additional material non-cash charges relating to such impairment. Our operating results may be significantly impacted from both the impairment and the underlying trends in the business that triggered the impairment.

If we are unable to make strategic acquisitions on economically acceptable terms from MPC or third parties, our ability to implement our business strategy may be impaired.

In addition to organic growth, a component of our business strategy can include the expansion of our operations through strategic acquisitions. If we are unable to make accretive strategic acquisitions from

MPC or third parties that increase the cash generated from operations per unit, whether due to an inability to identify attractive acquisition candidates, to negotiate acceptable purchase contracts, or to obtain financing for these acquisitions on economically acceptable terms, then our ability to successfully implement our business strategy may be impaired.

Future acquisitions will involve the integration of new assets or businesses and may present substantial risks that could adversely affect our business, financial conditions, results of operations and cash flows.

Future transactions involving the addition of new assets or businesses will present potential risks, which may include, among others:

- inaccurate assumptions about future synergies, revenues, capital expenditures and operating costs;
- an inability to successfully integrate, or a delay in the successful integration of, assets or businesses we acquire;
- a decrease in our liquidity resulting from using a portion of our available cash or borrowing capacity under our revolving credit agreement to finance transactions;
- a significant increase in our interest expense or financial leverage if we incur additional debt to finance transactions;
- the assumption of unknown environmental and other liabilities, losses or costs for which we are not indemnified or for which our indemnity is inadequate;
- the diversion of management's attention from other business concerns;
- the loss of customers or key employees from the acquired businesses; and
- the incurrence of other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

Risks Relating to the Business and Operations of MPC

MPC accounts for a substantial portion of our revenues. If MPC is unable to satisfy its obligations to us or significantly reduces the volumes transported through our facilities 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 and adversely affected.

We derive a substantial portion of our revenues from MPC. Any event that materially and adversely affects MPC's financial condition, results of operations or cash flows may adversely affect our ability to sustain or increase distributions to our unitholders. Accordingly, we are indirectly subject to the operational and business decisions and risks of MPC, which include the following:

- 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;
- a material decrease in the refining margins at MPC's refineries;
- disruptions due to equipment interruption or failure at MPC's facilities or at third-party facilities on which MPC's business is dependent;
- any decision by MPC to temporarily or permanently alter, 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 or refining logistics and fuels distribution agreements;
- changes to the routing of volumes shipped by MPC on our crude oil and refined product pipelines or the ability of MPC to utilize third-party pipeline connections to access our pipelines;
- MPC's ability to remain in compliance with the terms of its outstanding indebtedness;
- changes in the cost or availability of third-party pipelines, railways, vessels, terminals and other means of delivering and transporting crude oil, feedstocks, refined products and other hydrocarbon-based products;
- 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 refined product inventory levels and carrying costs; and
- disruptions due to hurricanes, tornadoes or other forces of nature.

MPC is not obligated to use our services with respect to volumes in excess of the minimum volume commitments under its agreements with us. If MPC satisfies only its minimum obligations under, or if we are unable to renew or extend, the transportation, terminal, fuels distribution, marketing and storage services agreements we have with MPC, or if MPC elects to use credits upon the expiration or termination of an agreement, our cash available for distribution will be materially and adversely affected.

In addition, significant stockholders of MPC may attempt to effect changes at MPC or acquire control of the company, which could impact the pursuit of MPC's business strategies. Campaigns by stockholders to effect changes at publicly traded companies are sometimes led by investors seeking to increase short-term stockholder value through actions such as financial restructuring, increased debt, special dividends, stock repurchases or sales of assets or the entire company. As a result, stockholder campaigns at MPC could directly or indirectly adversely affect our results of operations and financial condition and our ability to sustain or increase distributions to our unitholders.

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

Certain of our transportation, terminal, fuels distribution, marketing 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 a material breach of the applicable agreement by us, MPC being prevented from transporting its full minimum volume commitment because of capacity constraints on our pipelines, certain force majeure events that would prevent us from performing some or all of the required services under the applicable agreement and MPC's determination to suspend refining operations at one of its refineries. 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 suspension, reduction or termination of MPC's obligations under one or more transportation and storage services agreements.

Any such reduction, suspension or termination of MPC's obligations could have a material adverse effect on our financial condition, results of operations, cash flows and ability to make distributions to our unitholders.

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 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 December 31, 2020, MPC had consolidated long-term indebtedness of approximately \$29 billion, of which \$9 billion was a direct obligation of MPC or its subsidiaries other than MPLX or its consolidated subsidiaries. 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 and adversely affected. Rating agencies have in the past, and may in the future, change MPLX's credit ratings or credit outlook following developments at MPC. If these ratings are lowered in the future, the interest rate and fees MPC pays on its credit facilities may increase. 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 a portion of our revenues. If one or more credit rating agencies were to downgrade the outstanding indebtedness of us or 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 distributions to our unitholders.

Tax Risks

Our tax treatment depends on our status as a partnership for federal income tax purposes as well as our not being subject to a material amount of entity level taxation by individual states. If the IRS were to treat us as a corporation for federal income tax purposes, or we become subject to a material amount of entity level taxation for state tax purposes, it would substantially reduce the amount of cash available for distribution to our unitholders.

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, and do not plan to request, a ruling from the IRS on this.

A publicly traded partnership such as us may be treated as a corporation for federal income tax purposes unless it satisfies a “qualifying income” requirement. Based on our current operations, we believe that we are treated as a partnership rather than as a corporation for such purposes; however, 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. We have requested and received a favorable ruling from the IRS on the treatment of a portion of our “qualifying income.” The IRS may adopt positions that differ from the ones we take. A successful IRS contest of the federal income tax positions we take may adversely impact the market for our common units, and the costs of any IRS contest will reduce our cash available for distribution to unitholders.

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 21 percent, and likely would pay state and local income tax at varying rates. Distributions to unitholders generally would be taxed again as corporate dividends, and no income, gains, losses, deductions, or credits would flow through to our unitholders. Treatment of us as a corporation would result in a 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. Changes in current state or local law may subject us to additional entity-level taxation by individual states and localities. Imposition of any such additional taxes on us may substantially reduce the cash available for distribution to unitholders.

Our Partnership Agreement provides that, if a law is enacted or an 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 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.

The IRS has made no determination as to our status as a partnership for federal income tax purposes. The IRS may adopt positions that differ from the positions we take. It may be necessary to resort to administrative or court proceedings to sustain some or all the positions we take. A court may not agree with some or all of the positions we take. Any contest with the IRS may materially and adversely impact 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.

Our unitholders will be required to pay taxes on their share of income even if they do not receive any distributions from us.

Because our unitholders will be treated as partners to whom we will allocate taxable income that could be different in amount than the cash we distribute, our unitholders will be required to pay any federal income taxes and, in some cases, state and local income taxes on their share of our taxable income even if they receive no distributions from us. Our unitholders may not receive distributions from us equal to their share of our taxable income or even equal to the actual tax liability that result from that income.

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

If our unitholders sell their common units, they will recognize gain or loss equal to the difference between the amount realized and their tax basis in those common units. Because distributions in excess of a unitholder's allocable share of our net taxable income decrease the unitholder's tax basis in their common units, the amount, if any, of such prior excess distributions with respect to their units will, in effect, become taxable income to the unitholder if the common units are sold at a price greater than the unitholder's tax basis in those common units, even if the price the unitholder receives is less than the unitholder's original cost. Furthermore, a substantial portion of the amount realized, 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 non-recourse liabilities, if a unitholder sells units, the unitholder may incur a tax liability in excess of the amount of cash received from the sale.

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. Furthermore, a tax-exempt entity's gain on sale of common units may be treated, at least in part, as unrelated business taxable income. 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 U.S. federal tax returns and pay tax on their share of our taxable income. Non-U.S. persons will also potentially have tax filings and payment obligations in additional jurisdictions. Furthermore, non-U.S. persons may be subject to tax on the gain on sale of their common units to the extent the gain is attributable to effectively connected income. Tax-exempt entities and non-U.S. persons should consult their tax advisor before investing in our common units.

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

To maintain the uniformity of the economic and tax characteristics of common units, we have adopted 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 our unitholders. It also could affect the timing of these tax benefits or the amount of gain from the sale of common units and could have a negative impact on the value of our common units or result in audit adjustments to our unitholders' tax returns.

Our unitholders will likely be subject to state and local taxes and return filing requirements in states where they do not live as a result of investing in our units.

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 do business or own property now or in the future, even if our unitholders 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 currently conduct business in more than 30 states. Many of these states currently impose a personal income tax on individuals. As we make acquisitions or expand our business, we may own assets or conduct business in additional states that impose a personal income tax. It is our unitholders' responsibility to file all U.S. federal, state and local tax returns.

We have adopted certain valuation methodologies 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 the 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, our allocation of the Section 743(b) adjustment attributable to our tangible and intangible assets, or our allocations of 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 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.

A unitholder whose common units are loaned to a "short seller" to cover 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 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.

A unitholder who loans his common units to a "short seller" to cover a short sale of common units (i) may be considered as having disposed of the loaned common units, (ii) may no longer be treated for tax purposes as a partner with respect to those common units during the period of the loan to the short seller and (iii) 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 distributions received by the unitholder as to those common units could be fully taxable as ordinary income. 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 modify any applicable brokerage account agreements to prohibit their brokers from borrowing their common units.

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

The present U.S. 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.

Any modification to the U.S. federal income tax laws and interpretations thereof may or may not be applied retroactively and could make it more difficult or impossible to meet the exception for certain publicly traded partnerships to be treated as partnerships for U.S. federal income tax purposes or increase the amount of taxes payable by unitholders in publicly traded partnerships.

We prorate our items of income, gain, loss and deduction 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 prorate our items of income, gain, loss and deduction between existing unitholders and unitholders who purchase our units 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. The U.S. Treasury Department has issued proposed Treasury Regulations that provide a safe harbor pursuant to which publicly traded partnerships may use a similar

monthly simplifying convention to allocate tax items. Nonetheless, the proposed regulations do not specifically authorize the use of the proration method we have adopted. If the IRS were to challenge our proration 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.

If the IRS makes audit adjustments to our income tax returns for tax years beginning after 2017, it may collect any resulting taxes (including any applicable penalties and interest) directly from us, in which case our cash available for distribution to our unitholders might be substantially reduced.

If the IRS makes audit adjustments to our income tax returns for tax years beginning after December 31, 2017, the IRS may collect any resulting taxes (including any applicable penalties and interest) directly from us. We will generally have certain limited rights to shift any such tax liability to our general partner and our unitholders in accordance with their interests in us during the year under audit, but there can be no assurance that we will be able to do so (or choose to do so) under all circumstances. If we are required to make payments of taxes, penalties and interest resulting from audit adjustments, our cash available for distribution to our unitholders might be reduced.

Common Unit Ownership Risks

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.

MPC owns our general partner and approximately 62.4 percent of our outstanding common units as of February 12, 2021. Although our general partner has a duty to manage us in a manner that is not adverse to the best interests of our partnership, 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, which may occur under our Partnership Agreement without being independently reviewed by the conflicts committee. These conflicts include, among others, the following situations:

- 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;
- MPC, as a significant 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;
- 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;
- except in limited circumstances, our general partner has the power and authority to conduct our business without unitholder approval;
- 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 and the amount of adjusted operating surplus generated in any given period;
- our general partner will determine which costs incurred by it are reimbursable by us and may cause us to pay it or its affiliates for any services rendered to us;
- our general partner may cause us to borrow funds in order to permit the payment of distributions;

- our Partnership Agreement permits us to classify up to \$60 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 to our general partner;
- our Partnership Agreement does not restrict our general partner from entering into additional contractual arrangements with it or its affiliates 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 85 percent 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; and
- our general partner decides whether to retain separate counsel, accountants or others to perform services for us.

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. 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.

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 may require 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. 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 and restricts the remedies available to unitholders for actions taken by our general partner.

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. Our general partner is entitled to consider only the interests and factors that it desires and is relieved of any duty or obligation to give consideration to any interest of, or factors affecting, us, our affiliates or our limited partners.

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:

- 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;
- 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;
- 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 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. By purchasing a common unit, a unitholder is treated as having consented to the provisions in our Partnership Agreement, including the provisions discussed above.

Unitholders have very limited voting rights and, even if they are dissatisfied, they have limited ability to 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. The vote of the holders of at least 66 2/3 percent of all outstanding common units voting together as a single class is required to remove our general partner. As of February 12, 2021, our general partner and its affiliates owned approximately 62.4 percent of the outstanding common units (excluding common units held by officers and directors of our general partner and MPC). 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.

Furthermore, unitholders' voting rights are further restricted by the Partnership Agreement provision providing that any units held by a person that owns 20 percent 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.

If unitholders are not both citizenship-eligible holders and rate-eligible holders, their 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. If unitholders are not persons who meet the requirements to be citizenship-eligible holders and rate-eligible holders, they run the risk of having their 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 unitholders are not persons who meet the requirements to be citizenship eligible holders, they will not be entitled to voting rights.

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.

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 agreements or our employee services agreements, our general partner determines the amount of these expenses. Under the terms of the omnibus agreements, 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 have agreed to reimburse MPC or its affiliates for the provision of certain operational and management services to us in support of our facilities. 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.

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

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 members 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.

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

At any time, we may issue an unlimited number of limited partner interests of any type, including limited partner interests that are convertible into our common units, 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 bank revolving credit facility prohibits the issuance of additional preferred units, or other equity securities that may effectively rank senior to our common units as to distributions or liquidations. The issuance by us of additional common units, preferred units or other equity securities of equal or senior rank will have the following effects:

- our unitholders' proportionate ownership interest in us will decrease;
- it may be more difficult to maintain or increase our distributions to unitholders, and the amount of cash available for distribution on each unit may decrease;
- the ratio of taxable income to distributions may increase;
- the relative voting strength of each previously outstanding unit may be diminished; and
- 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.

As of February 12, 2021, MPC held 647,415,452 common units. Additionally, we have agreed to provide MPC with certain registration rights. 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.

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.

MPC and other affiliates of our general partner are not prohibited 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 and adversely impact our results of operations and cash available for distribution to unitholders.

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

If at any time our general partner and its affiliates own more than 85 percent 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, unitholders may be required to sell their common units at an undesirable time or price and may not receive any return on their investment. Unitholders may also incur a tax liability upon a sale of such units.

A unitholder's 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. A unitholder could be liable for our obligations as if they were a general partner if a court or government agency were to determine that:

- we were conducting business in a state but had not complied with that particular state's partnership statute; or
- a unitholder's 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.

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 unitholders 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.

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

We list our common units on the NYSE. Because we are 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.

The Court of Chancery of the State of Delaware will be, to the extent permitted by law, the sole and exclusive forum for substantially all disputes between us and our limited partners.

Our limited partnership agreement provides that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any claims, actions or proceedings:

- arising out of or relating in any way to our limited partnership agreement, or the rights or powers of, or restrictions on, our limited partners or the limited partnership;
- brought in a derivative manner on behalf of the limited partnership;
- asserting a claim of breach of a duty owed by any director, officer, or other employee of the limited partnership or the general partner, or owed by the general partner, to the partnership or the limited partners;
- asserting a claim pursuant to any provision of the Delaware Revised Uniform Limited Partnership Act; or
- asserting a claim governed by the internal affairs doctrine.

The forum selection provision may restrict a limited partner's ability to bring a claim against us or directors, officers or other employee of ours or our general partner in a forum that it finds favorable, which may discourage limited partners from bringing such claims at all. Alternatively, if a court were to find the forum selection provision contained in our limited partnership agreement to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in another forum, which could materially adversely affect our business, financial condition and results of operations. However, the forum selection provision does not apply to any claims, actions or proceedings arising under the Securities Act or the Exchange Act.

General Risk Factors

Global economic conditions may have adverse impacts on our business and financial condition.

Changes in economic conditions could adversely affect our financial condition and results of operations. A number of economic factors, including gross domestic product, consumer interest rates, government spending, consumer confidence and debt levels, retail trends, inflation, tariffs, trade agreements and foreign currency exchange rates, may generally affect our business. Recessionary economic cycles, higher unemployment rates, higher fuel and other energy costs, higher tax rates and global outbreaks of infectious diseases, such as the COVID-19 pandemic, may adversely affect demand for natural gas, NGLs and crude oil. Also, any tightening of the capital markets could adversely impact our ability to execute our long-term organic growth projects and meet our obligations to our customers and limit our ability to raise capital and, therefore, have an adverse impact on our ability to otherwise take advantage of business opportunities or react to changing economic and business conditions. These factors could have a material adverse effect on our revenues, income from operations, cash flows and our quarterly distribution on our common units.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

LOGISTICS AND STORAGE

Crude Oil and Refined Product Pipelines

The following table sets forth information regarding our crude oil and refined product pipeline systems, which we own or have an interest in as of December 31, 2020.

	Diameter	Length (miles) ⁽¹⁾⁽²⁾⁽³⁾	Capacity
Total Crude Systems	2" - 48"	8,125	Various
Total Refined Products Systems	4" - 36"	5,655	Various

- (1) Includes approximately 16 miles of crude pipeline and approximately 2 miles of refined product pipeline leased from third parties.
- (2) Includes approximately 1,916 miles of crude pipeline in which we have a 9.2 percent ownership interest, 168 miles of crude pipeline in which we have a 35.0 percent ownership interest, 48 miles of crude pipeline in which we have a 40.7 percent ownership interest, 57 miles of crude pipeline in which we have a 58.5 percent ownership interest, 107 miles of crude pipeline in which we have a 67.0 percent ownership interest and 975 miles of crude pipeline in which we have a 17.0 percent ownership interest. Also includes approximately 1,830 miles of refined product pipeline in which we have a 24.5 percent ownership interest, 87 miles of refined product pipeline in which we have a 65.16 percent ownership interest and 43 miles of refined product pipeline in which we have a 25 percent ownership interest.
- (3) Includes approximately 696 miles of inactive crude pipeline and 247 miles of inactive refined product pipeline.

Our crude oil pipeline and related assets are strategically positioned to support diverse and flexible crude oil supply options for MPC's refineries, which receive imported and domestic crude oil through a variety of sources. Imported and domestic crude oil is transported to supply hubs from a variety of regions, including: Cushing, Oklahoma on the Ozark pipeline; Western Canada, Wyoming and North Dakota on the Keystone, Platte, Mustang and Enbridge pipelines; and the Gulf Coast on the Capline crude oil pipeline. Crude oil pipelines from the Delaware and Midland Basins, as well as from the Bakken region transport crude oil into major regional takeaway pipelines and refining centers. Our major crude oil pipelines are connected to these supply hubs and transport crude oil to refineries owned by MPC and third parties.

Our pipelines are strategically positioned to supply feedstocks to MPC refineries and transport refined products from certain MPC refineries to MPC and MPLX marketing operations, as well as those of third parties. These refined product pipelines are integrated with MPC's and MPLX's expansive network of refined product marketing terminals, which support MPC's integrated midstream business.

Terminal Assets

The following table sets forth certain information regarding our owned and operated terminals as of December 31, 2020.

Owned and Operated Terminals ⁽¹⁾	Number of Terminals	Tank Shell Capacity (mbbls)	Number of Tanks
Refined Product Terminals:			
Alabama	2	443	16
Alaska	3	1,510	37
California	8	3,421	66
Florida	4	3,407	64
Georgia	4	982	30
Idaho	3	998	47
Illinois	4	1,221	33
Indiana	6	3,229	60
Kentucky	6	2,587	56
Louisiana	1	97	7
Michigan	8	2,440	73
Minnesota	1	13	5
New Mexico	3	711	22
North Carolina	3	1,508	34
North Dakota	1	1	6
Ohio	12	3,218	101
Pennsylvania	1	390	12
South Carolina	1	371	8
Tennessee	4	1,149	30
Texas	1	72	13
Utah	1	47	7
Washington	4	908	24
West Virginia	2	1,587	25
Total Refined Product Terminals	83	30,310	776
Asphalt Terminals:			
Arizona	3	538	35
California	3	701	36
Minnesota	1	529	8
Nevada ⁽²⁾	1	273	15
New Mexico	1	38	9
Texas	1	193	18
Total Asphalt Terminals	10	2,272	121
Total Terminals	93	32,582	897

(1) MPLX also operates one leased terminal and has partial ownership interest in one terminal, with a combined tank shell capacity of 1,045 mbbls.

(2) This terminal is accounted for as an equity method investment.

Marine Assets

The following table sets forth certain information regarding our marine assets as of December 31, 2020. The marine business currently has an associated transportation service agreement with MPC.

Marine Vessels	Number of Boats and Barges	Capacity (thousand barrels)
Inland tank barges:	300	7,931
Inland towboats:	23	N/A

Our fleet of boats and barges transport light products, heavy oils, crude oil, renewable fuels, chemicals and feedstocks to and from refineries and terminals owned by MPC in the Mid-Continent and Gulf Coast regions. We also have an MRF, which is a full-service marine shipyard, located on the Ohio River, adjacent to MPC's Catlettsburg, Kentucky refinery. The MRF is responsible for the preventive routine and unplanned maintenance of towing vessels, barges and local terminal facilities.

Refining Logistics Assets

The following table outlines the tankage, rail and truck racks, and docks owned by us, serving MPC's refineries as of December 31, 2020. Each of the following assets are currently included in storage services agreements with MPC.

MPC Refining Logistics Assets	Tank Capacity (mbbls)
Galveston Bay, Texas City, Texas	18,778
Garyville, Louisiana	17,320
Los Angeles, California	13,995
Robinson, Illinois	7,036
Martinez, California ⁽¹⁾	5,715
Anacortes, Washington	5,447
Catlettsburg, Kentucky	5,106
Detroit, Michigan	4,986
El Paso, Texas	4,919
Kenai, Alaska	3,573
Mandan, North Dakota	2,765
Canton, Ohio	2,700
Salt Lake City, Utah	2,159
Gallup, New Mexico ⁽²⁾	993
St. Paul Park, Minnesota	865
Total	96,357

(1) Associated with MPC refinery being evaluated for conversion to renewable fuels.

(2) Associated with an indefinitely idled MPC refinery.

Other L&S Assets

The following tables set forth certain information regarding our other midstream assets as of December 31, 2020, each of which currently has an associated transportation services agreement or storage services agreement with MPC.

Asset Name	Capacity ⁽¹⁾	Associated MPC Refineries
LOOP ⁽²⁾	N/A	Garyville, LA
Barge Docks	2,490 mbbbls	Multiple
Mt. Airy Terminal ⁽³⁾	5,307 mbbbls	Garyville, LA
Tank Farms ⁽⁴⁾	32,911 mbbbls	N/A
Caverns	4,375 mbbbls	N/A

Pipeline Name	Diameter (inches)	Length (miles)	Capacity (mbpd) ⁽⁵⁾
Belfield water system	3" - 6"	106	Various
Green River water system	4" - 8"	11	Various

- (1) Capacity for Tank Farms is shown as 100 percent of the available storage capacity. Capacity for the Barge Dock is shown as 100 percent of the throughput capacity. Capacity for caverns is shown as the storage commitment.
- (2) We have a 40.7 percent interest in LOOP, which includes a deep-water oil port and crude oil storage.
- (3) The Mt. Airy Terminal includes 45 tanks and a 4-vessel barge/ship dock.
- (4) We own and operate 32 tank farms and operate one leased tank farms.
- (5) All capacities reflect 100 percent of the pipeline systems' capacity in thousands of barrels per day.

GATHERING AND PROCESSING

The following tables set forth certain information relating to our consolidated and operated joint venture gas processing facilities, fractionation facilities, natural gas gathering systems, NGL pipelines and natural gas pipelines as of and for the year ended December 31, 2020. All throughputs and utilizations included are weighted-averages for days in operation. See further discussion about our joint ventures in Item 8. Financial Statements and Supplementary Data - Note 5.

Gas Processing Complexes

Region	Design Throughput Capacity (MMcf/d)	Natural Gas Throughput ⁽¹⁾ (MMcf/d)	Utilization of Design Capacity ⁽¹⁾
Marcellus Shale	6,172	5,629	91 %
Utica Shale	1,325	578	44 %
Southern Appalachia	620	231	37 %
Southwest ⁽²⁾	2,067	1,361	68 %
Bakken	190	136	72 %
Rockies	1,472	502	34 %
Total Gas Processing	11,846	8,437	72 %

- (1) Natural gas throughput is a weighted average for days in operation. The utilization of design capacity has been calculated using the weighted average design throughput capacity.
- (2) Centrahoma Processing LLC's processing capacity of 550 MMcf/d and actual throughput of 176 MMcf/d are not included in this table as we own a non-operating 40 percent interest in this joint venture.

Fractionation & Condensate Stabilization Facilities

Region	Design Throughput Capacity (mbpd)	NGL Throughput ⁽¹⁾ (mbpd)	Utilization of Design Capacity ⁽¹⁾
Marcellus Shale ⁽²⁾⁽³⁾	427	310	82 %
Utica Shale ⁽²⁾⁽³⁾⁽⁴⁾	23	12	52 %
Southern Appalachia ⁽²⁾⁽⁵⁾	24	12	50 %
Southwest	11	7	64 %
Bakken	34	25	74 %
Rockies	61	4	7 %
Total C3+ Fractionation and Condensate Stabilization	580	370	69 %

- (1) NGL throughput is a weighted average for days in operation. The utilization of design capacity has been calculated using the weighted average design throughput capacity.
- (2) Certain complexes have above-ground NGL storage with a usable capacity of 1,111 thousand barrels, large-scale truck and rail loading. We also have access to up to an additional 800 thousand barrels of propane storage capacity that can be utilized by our assets in the Marcellus Shale, Utica Shale, and Appalachia region under an agreement with a third party. Lastly, we have up to 180 thousand barrels of propane storage with third parties that can be utilized by our assets in the Marcellus Shale and Utica Shale.
- (3) The capacity, throughput and utilization of design capacity at the Hopedale fractionation complex is presented in the Marcellus Shale totals, however, the Hopedale fractionation complex is jointly owned by MarkWest Ohio Fractionation Company, L.L.C. (“Ohio Fractionation”) and MarkWest Utica EMG, L.L.C. (“MarkWest Utica EMG”). Ohio Fractionation is a joint venture between MarkWest Liberty Midstream & Resources, L.L.C. (“MarkWest Liberty Midstream”) and Sherwood Midstream (a joint venture between MarkWest Liberty Midstream and Antero Midstream LLC). MarkWest Liberty Midstream and Sherwood Midstream are entities that operate in the Marcellus region, and MarkWest Utica EMG is an entity that operates in the Utica region. During the year ended December 31, 2020, the Marcellus Operations and Utica Operations utilized an average of 89 percent and 11 percent of the Hopedale fractionation complex, respectively. Additionally, Sherwood Midstream has the right to fractionation revenue and the obligation to pay expenses related to 40 mbpd of capacity in the Hopedale 3 and 4 fractionators.
- (4) We have access to 100 thousand barrels of condensate storage in this region.
- (5) This region includes complexes with both above-ground, pressurized NGL storage facilities, with usable capacity of 48 thousand barrels, and underground storage facilities, with usable capacity of 238 thousand barrels. Product can be received by truck, pipeline or rail and can be transported from the facility by truck, rail or barge. We also have large-scale truck and rail loading and unloading capabilities, and a river barge facility capable of loading a 20 thousand barrel barge.

De-ethanization Facilities

Region	Design Throughput Capacity (mbpd)	NGL Throughput ⁽¹⁾ (mbpd)	Utilization of Design Capacity ⁽¹⁾
Marcellus Shale	273	187	68 %
Utica Shale	40	6	15 %
Southwest	18	11	61 %
Total De-ethanization	331	204	62 %

- (1) NGL throughput is a weighted average for days in operation. The utilization of design capacity has been calculated using the weighted average design throughput capacity.

Natural Gas Gathering Systems

Region	Design Throughput Capacity (MMcf/d)	Natural Gas Throughput ⁽¹⁾ (MMcf/d)	Utilization of Design Capacity ⁽¹⁾
Marcellus Shale	1,547	1,349	87 %
Utica Shale	3,183	1,818	57 %
Southwest	2,770	1,483	54 %
Bakken	194	137	71 %
Rockies ⁽²⁾	1,486	544	37 %
Total Natural Gas Gathering	9,180	5,331	58 %

- (1) Natural gas throughput is a weighted average for days in operation. The utilization of design capacity has been calculated using the weighted average design throughput capacity.
- (2) This region does not include our operated joint venture, Rendezvous Gas Services, L.L.C. (“RGS”), which has a gathering capacity of 1,032 MMcf/d; this system supports other systems which are included in the Rockies region and that throughput is presented in the table above. The third party volumes gathered for RGS during the year ended December 31, 2020 were 144 MMcf/d.

NGL Pipelines

Region	Diameter	Length (miles)	Design Throughput Capacity (mbpd)
Marcellus Shale	4" - 20"	442	Various
Utica Shale	4" - 12"	119	Various
Southern Appalachia	6" - 8"	138	35
Southwest ⁽¹⁾	6"	50	39
Bakken	8" - 12"	84	80
Rockies	8"	10	15

(1) Includes 38 miles of inactive pipeline.

Title to Properties

Substantially all of our pipelines are constructed on rights-of-way granted by the apparent record owners of the property. In many instances, lands over which pipeline rights-of-way have been obtained may be subject to prior liens that have not been subordinated to the right-of-way grants, as well as potential conflicts with other mineral or surface use owners. We have obtained, where determined necessary, permits, leases, license agreements and franchise ordinances from public authorities to cross over or under, or to lay facilities in or along water courses, county roads, municipal streets and state highways, as applicable. We also have obtained easements and license agreements from railroad companies to cross over or under railroad properties or rights-of-way. Some of the property rights we have obtained are revocable at the election of the grantor. We believe that our properties and facilities are adequate for our operations and that our facilities are adequately maintained. In addition, our L&S segment leases vehicles, building spaces, and pipeline equipment under long-term operating leases, most of which include renewal options. Many of our compression, processing, fractionation and other facilities, including certain fractionation plants and certain of our pipelines and other facilities, are on land that we either own in fee or that is held under long-term leases, but for any such facilities that are on land that we lease, we could be required to remove our facilities upon the termination or expiration of the leases.

Some of the leases, easements, rights-of-way, permits, licenses and franchise ordinances that were transferred to us required the consent of the then-current landowner to transfer these rights, which in some instances was a governmental entity. We believe that we have obtained sufficient third-party consents, permits and authorizations for the transfer of the assets necessary for us to operate our business. We also believe we have satisfactory title or other right to our material land assets. Title to these properties is subject to encumbrances in some cases, such as coal, that may require payment to other holders of title in the property at issue; however, we believe that none of these burdens will materially detract from the value of these properties or from our interest in these properties, or will materially interfere with their use in the operation of our business. See Item 8. Financial Statements and Supplementary Data – Note 22, for additional information regarding our leases.

MPC indemnifies us for certain title defects and for failures to obtain certain consents and permits necessary to conduct our business with respect to the assets contributed to us by MPC. Although title to these properties is subject to encumbrances in some cases, such as customary interests generally retained in connection with acquisition of real property, liens that can be imposed in some jurisdictions for government-initiated action to clean up environmental contamination, liens for current taxes and other burdens, and easements, restrictions and other encumbrances to which the underlying properties were subject at the time of acquisition by our Predecessor or us, we believe that none of these burdens should materially detract from the value of these properties or from our interest in these properties or should materially interfere with their use in the operation of our business.

Item 3. Legal Proceedings

We are the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment. While it is possible that an adverse result in one or more of the lawsuits or proceedings in which we are a defendant could be material to us, based upon current information and our experience as a defendant in other matters, we believe that these lawsuits and proceedings, individually or in the aggregate, will not have

a material adverse effect on our consolidated results of operations, financial position or cash flows.

Litigation

Dakota Access Pipeline

In connection with our 9.19 percent indirect interest in a joint venture (“Dakota Access”) that owns and operates the Dakota Access Pipeline and Energy Transfer Crude Oil Pipeline projects (collectively the “Bakken Pipeline system” or “DAPL”), we have entered into a Contingent Equity Contribution Agreement. MPLX LP, along with the other joint venture owners in the Bakken Pipeline system, has agreed to make equity contributions to the joint venture upon certain events occurring to allow the entities that own and operate the Bakken Pipeline system to satisfy their senior note payment obligations. The senior notes were issued to repay amounts owed by the pipeline companies to fund the cost of construction of the Bakken Pipeline system.

In March 2020, the U.S. District Court for the District of Columbia (the “D.D.C.”) ordered the U.S. Army Corps of Engineers (“Army Corps”), which granted permits and an easement for the Bakken Pipeline system, to conduct a full environmental impact statement (“EIS”), and further requested briefing on whether an easement necessary for the operation of the Bakken Pipeline system should be vacated while the EIS is being prepared.

On July 6, 2020, the D.D.C. ordered vacatur of the easement to cross Lake Oahe during the pendency of an EIS and further ordered a shut down of the pipeline by August 5, 2020. The D.D.C. denied a motion to stay that order. Dakota Access and the Army Corps appealed the D.D.C.’s order to the U.S. Court of Appeals for the District of Columbia Circuit (the “Court of Appeals”). On July 14, 2020, the Court of Appeals issued an administrative stay while the court considered Dakota Access and the Army Corps’ emergency motion for stay pending appeal. On August 5, 2020, the Court of Appeals stayed the D.D.C.’s injunction that required the pipeline be shutdown and emptied of oil by August 5, 2020. The Court of Appeals denied a stay of the D.D.C.’s March order, which required the EIS, and further denied a stay of the D.D.C.’s July order, which vacated the easement. On January 26, 2021, the Court of Appeals upheld the D.D.C.’s order vacating the easement while the Army Corps prepares the EIS. The Court of Appeals reversed the D.D.C.’s order to the extent it directed that the pipeline be shutdown and emptied of oil. In the D.D.C., briefing has been completed for a renewed request for an injunction. The pipeline remains operational.

If the pipeline is temporarily shut down pending completion of the EIS, MPLX would have to contribute its 9.19 percent pro rata share of funds required to pay interest accruing on the notes and any portion of the principal that matures while the pipeline is shutdown. MPLX also expects to contribute its 9.19 percent pro rata share of any costs to remediate any deficiencies to reinstate the permit and/or return the pipeline into operation. If the vacatur of the easement permit results in a permanent shutdown of the pipeline, MPLX would have to contribute its 9.19 percent pro rata share of the cost to redeem the bonds (including the one percent redemption premium required pursuant to the indenture governing the notes) and any accrued and unpaid interest. As of December 31, 2020, our maximum potential undiscounted payments under the Contingent Equity Contribution Agreement were approximately \$230 million and we had an investment of \$465 million in MarEn Bakken Company LLC, which includes our 9.19 percent indirect interest in Dakota Access.

Tesoro High Plains Pipeline

In early July 2020, MPLX received a Notification of Trespass Determination from the Bureau of Indian Affairs (“BIA”) relating to a portion of the Tesoro High Plains Pipeline that crosses the Fort Berthold Reservation in North Dakota. The notification covered the rights of way for 23 tracts of land and demanded the immediate cessation of pipeline operations. The notification also assessed trespass damages of approximately \$187 million. We appealed this determination, which triggered an automatic stay of the requested pipeline shutdown and payment. On October 29, the Assistant Secretary - Indian Affairs issued an order vacating the BIA’s trespass order and requiring the Regional Director for the BIA Great Plains Region to issue a new decision on or before December 15 covering all 34 tracts at issue. On December 15, the Regional Director of the BIA issued a new trespass notice to THPP consistent with the Assistant Secretary of Indian Affairs order vacating the prior trespass order. The new order found that THPP was in trespass and assessed trespass damages of approximately \$4 million (including interest). The order also required THPP to immediately cease and desist use of the portion of the pipeline that crosses the property at issue. The new order was appealed, and was upheld by the Assistant Secretary - Indian Affairs. THPP has

complied with the Regional Director's December 15, 2020 notice. On February 12, 2021, landowners filed suit in the U.S. District Court for the District of North Dakota, requesting, among other things, that decisions by the Assistant Secretary – Indian Affairs and the Interior Board of Indian Appeals be vacated as to the award of damages to plaintiffs. We continue to work towards a settlement of this matter with holders of the property rights at issue.

Environmental Proceedings

Item 103 of Regulation S-K promulgated by the SEC requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions, unless we reasonably believe that the matter will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than \$300,000. The following matters are disclosed in accordance with that requirement. We do not currently believe that the eventual outcome of any such matters, individually or in the aggregate, could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Gathering and Processing

In November 2020, we received an offer from the EPA to settle multiple alleged violations of the National Emission Standards for Hazardous Air Pollutants by the Chapita, Coyote Wash, Island, River Bend and Wonsits Valley Compressor Stations in Utah. The proposed settlement consists of an injunctive relief package, mitigation project and proposed penalty in excess of \$300,000. We continue to negotiate a settlement of the allegations and cannot currently estimate the timing of the resolution of this matter.

Item 4. Mine Safety Disclosure

Not applicable

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common units are listed on the NYSE and traded under the symbol "MPLX." As of February 12, 2021, there were 254 registered holders of 389,754,155 outstanding common units held by the public, including 389,430,521 common units held in street name. In addition, as of February 12, 2021, MPC and its affiliates owned 647,415,452 of our common units, constituting approximately 62.4 percent of the outstanding common units. In addition, MPC, through our general partner, owns a non-economic general partnership interest in us.

On November 2, 2020, MPLX announced the board authorization of a unit repurchase program for the repurchase of up to \$1 billion of MPLX's outstanding common units held by the public. MPLX may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, tender offers, accelerated unit repurchases or open market solicitations for units, some of which may be effected through Rule 10b5-1 plans. The timing and amount of repurchases will depend upon several factors, including market and business conditions, and repurchases may be initiated, suspended or discontinued at any time. The repurchase authorization has no expiration date.

Issuer Purchases of Equity Securities

The following table sets forth a summary of our purchases during the quarter ended December 31, 2020, of equity securities that are registered by MPLX pursuant to Section 12 of the Securities Exchange Act of 1934, as amended.

Period	Total Number of Units Purchased as Part of Publicly Announced Plans or Programs	Average Price Paid per Unit ⁽¹⁾	Total Cost	Maximum Dollar Value of Units that May Yet Be Purchased Under the Plans or Programs ⁽²⁾
10/01/2020-10/31/2020	—	\$ —	\$ —	\$ 1,000,000,000
11/01/2020-11/30/2020	264,822	21.72	5,751,145	994,248,855
12/01/2020-12/31/2020	1,209,021	22.41	27,096,747	\$ 967,152,108
Total	<u>1,473,843</u>	\$ 22.29	<u>\$ 32,847,892</u>	

(1) Amounts in this column reflect the weighted average price paid for units purchased under our unit repurchase authorization. The weighted average price includes commissions paid to brokers on shares repurchased under our unit repurchase authorization.

(2) On November 2, 2020, we announced the board authorization of a unit repurchase program for the repurchase of up to \$1 billion of MPLX's common units held by the public. This unit repurchase authorization has no expiration date.

Distributions of Available Cash

The amount of distributions paid and the decision to make any distribution is determined by our general partner, taking into consideration the terms of our Partnership Agreement. Our Partnership Agreement requires that, within 60 days after the end of each quarter, we distribute all of our available cash to unitholders of record on the applicable record date. 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 and for anticipated future credit needs);
 - comply with applicable law, any of our debt instruments or other agreements or obligations; 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 \$0.2625 per unit on all common units for the current quarter);
- plus, if our general partner so determines, all or any portion of the cash on hand resulting from working capital borrowings made subsequent to the end of such quarter.

See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Debt and Liquidity Overview, for a discussion of the restrictions included in our bank revolving credit facility that may restrict our ability to make distributions.

Preferred Unit Distributions

The holders of the Series A preferred units are entitled to receive a quarterly distribution equal to the greater of \$0.528125 per unit or the amount of distributions they would have received on an as converted basis. Series B preferred unitholders are entitled to receive a fixed distribution of \$68.75 per unit, per annum, payable semi-annually in arrears on February 15 and August 15, or the first business day thereafter, up to and including February 15, 2023. After February 15, 2023, the holders of Series B preferred units are entitled to receive cumulative, quarterly distributions payable in arrears on the 15th day of February, May, August and November of each year, or the first business day thereafter, based on a floating annual rate equal to the three-month LIBOR plus 4.652 percent. MPLX may not pay any distributions for any quarter on any junior securities, including any of the common units, unless the distribution payable to the preferred units with respect to such quarter, together with any previously accrued and unpaid distributions to the preferred units, have been paid in full.

Item 6. Selected Financial Data

The following table shows selected historical consolidated financial data of MPLX LP as of the dates and for the years indicated. The following table also presents the non-GAAP financial measures of Adjusted EBITDA and DCF, which we use in our business. For the definitions of Adjusted EBITDA and DCF and a reconciliation to our most directly comparable financial measures calculated and presented in accordance with GAAP, see Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Information and Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations.

<i>(In millions, except per unit data)</i>	2020	2019 ⁽¹⁾	2018 ⁽¹⁾	2017	2016
Consolidated Statements of Income Data					
Total revenues and other income	\$ 7,569	\$ 9,041	\$ 7,005	\$ 3,867	\$ 3,029
Income from operations	211	2,377	2,728	1,191	683
Net (loss)/income	(687)	1,462	2,006	836	434
Net (loss)/income attributable to MPLX LP	(720)	1,033	1,818	794	233
Limited partners’ interest in net (loss)/income attributable to MPLX LP	(842)	935	1,743	411	1
Per Unit Data					
Net (loss)/income attributable to MPLX LP per limited partner unit:					
Common - basic	(0.80)	1.00	2.29	1.07	—
Common - diluted	(0.80)	1.00	2.29	1.06	—
Cash distributions declared per limited partner common unit	2.7500	2.6900	2.5300	2.2975	2.0500
Consolidated Balance Sheets Data (at period end)					
Property, plant and equipment, net	21,218	22,145	21,525	12,187	11,408
Total assets	36,414	40,430	39,325	19,500	17,509
Long-term debt, including finance leases	19,375	19,704	17,922	6,945	4,422
Series A preferred units	968	968	1,004	1,000	1,000
Consolidated Statements of Cash Flows Data					
Net cash provided by/(used in):					
Operating activities	4,521	4,082	3,071	1,907	1,491
Investing activities	(1,262)	(3,063)	(2,878)	(2,308)	(1,417)
Financing activities	(3,259)	(1,089)	(117)	171	113
Additions to property, plant and equipment ⁽²⁾	1,183	2,408	2,111	1,411	1,313
Other Financial Data					
Adjusted EBITDA attributable to MPLX LP ⁽³⁾	5,211	4,334	3,475	2,004	1,419
DCF attributable to MPLX LP ⁽³⁾	4,327	3,489	2,781	1,628	1,140
Cash distributions declared on limited partner common units	\$ 2,872	\$ 2,635	\$ 1,985	\$ 895	\$ 692

- (1) On July 30, 2019, MPLX completed the acquisition of ANDX. ANDX’s assets, liabilities and results of operations prior to the Merger are collectively included in what we refer to as the “Predecessor” from October 1, 2018, which was the date that MPC acquired Andeavor. MPLX’s acquisition of ANDX is considered a transfer between entities under common control due to MPC’s prior relationship with ANDX. As an entity under common control with MPC, MPLX recorded the assets acquired and liabilities assumed on its consolidated balance sheets at MPC’s historical carrying value. Transfers of businesses between entities under common control require prior periods to be retrospectively adjusted for those dates that the entity was under common control. Accordingly, the table above includes the historical results of ANDX beginning October 1, 2018.
- (2) Represents cash capital expenditures as reflected on the Consolidated Statements of Cash Flows for the periods indicated, which are included in cash used in investing activities.
- (3) For all years presented, Predecessor is excluded from Adjusted EBITDA attributable to MPLX LP and DCF attributable to MPLX LP.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

This section of this Annual Report on Form 10-K does not address certain items regarding the year ended December 31, 2018. Discussion and analysis of 2018 and year-to-year comparisons between 2019 and 2018 not included in this Annual Report on Form 10-K can be found in Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the year ended December 31, 2019.

All statements in this section, other than statements of historical fact, are forward-looking statements that are inherently uncertain. See “Disclosures Regarding Forward-Looking Statements” and “Risk Factors” for a discussion of the factors that could cause actual results to differ materially from those projected in these statements. The following information concerning our business, results of operations and financial condition should also be read in conjunction with the information included under Item 1. Business, Item 6. Selected Financial Data and Item 8. Financial Statements and Supplementary Data.

MPLX OVERVIEW

We are a diversified, large-cap MLP formed by MPC that owns and operates midstream energy infrastructure and logistics assets, and provides fuels distribution services. Our assets include a network of crude oil and refined product pipelines; an inland marine business; light-product, asphalt, heavy oil and marine terminals; storage caverns; refinery tanks, docks, loading racks, and associated piping; crude oil and natural gas gathering systems and pipelines; as well as natural gas and NGL processing and fractionation facilities. The operation of these assets are conducted in our Logistics and Storage (“L&S”) and Gathering and Processing (“G&P”) operating segments. Our assets are positioned throughout the United States. Our L&S segment primarily engages in the transportation, storage, distribution and marketing of crude oil, asphalt and refined petroleum products. The L&S segment also includes the operation of our inland marine business, terminals, rail facilities, storage caverns and refining logistics. Our G&P segment primarily engages in the gathering, processing and transportation of natural gas as well as the gathering, transportation, fractionation, storage and marketing of NGLs.

RECENT DEVELOPMENTS

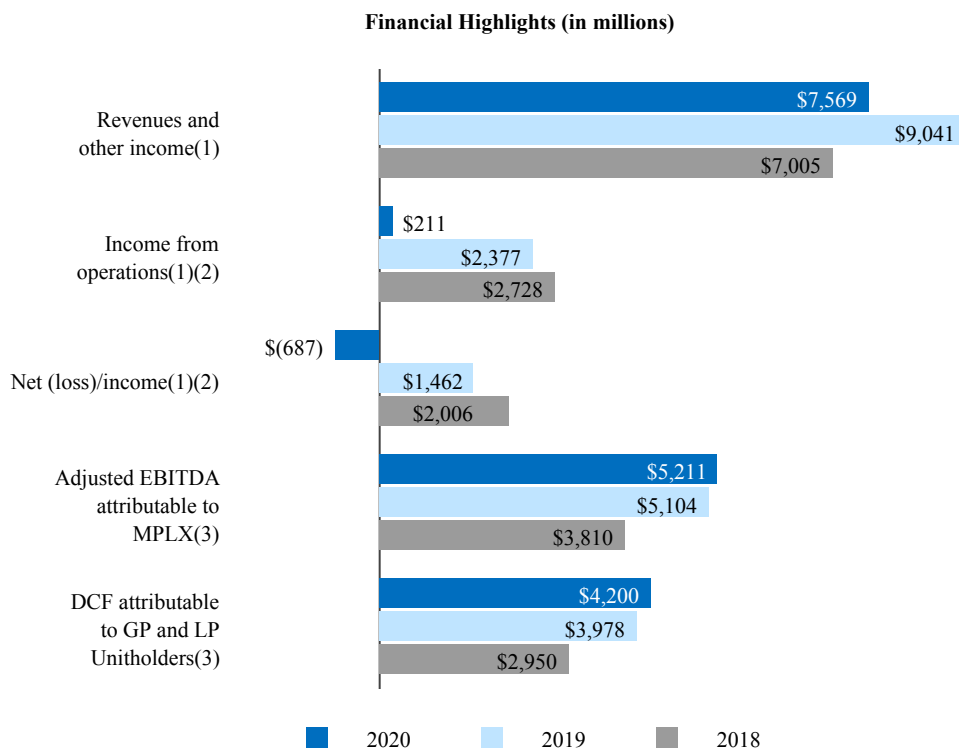
In line with previously announced efforts around portfolio optimization, the company closed on the sale of its Javelina plant in Corpus Christi, Texas, on February 12, 2021.

On January 28, 2021, we announced the board of directors of our general partner had declared a distribution of \$0.6875 per common unit that was paid on February 12, 2021 to common unitholders of record on February 8, 2021.

On December 29, 2020, MPLX announced the redemption of all the \$750 million outstanding aggregate principal amount of 5.250 percent senior notes due January 15, 2025, including approximately \$42 million aggregate principal amount of senior notes issued by Andeavor Logistics LP. The notes were redeemed on January 15, 2021 at a price equal to 102.625 percent of the principal amount.

SIGNIFICANT FINANCIAL AND OTHER HIGHLIGHTS

During 2020, we were able to focus and execute on our business strategies to enhance the stability of our cash flows, taking steps to lower our cost structure, achieving full year excess cash flow, continuing to maintain safe and reliable operations during a challenging time and continuing to progress our commitment to corporate social responsibility. Significant financial and other highlights for the year ended December 31, 2020 are shown in the chart below. Refer to the Results of Operations and the Liquidity and Capital Resources sections for further details.



- (1) Includes impairment of equity method investments within our G&P operating segment of \$1,264 million and \$42 million in 2020 and 2019, respectively.
- (2) Includes impairment expense within our G&P operating segment of \$2,165 million and \$1,197 million in 2020 and 2019, respectively. Goodwill, intangible assets and property, plant and equipment were impaired in 2020 and goodwill was impaired in 2019.
- (3) The 2019 and 2018 amounts include Adjusted EBITDA attributable to Predecessor and DCF adjustments attributable to Predecessor.

Additional highlights for the year ended December 31, 2020 include:

- On July 31, 2020, MPLX completed the transfer of WRW to WRSW, a wholly owned subsidiary of MPC, in exchange for the redemption of 18,582,088 MPLX common units held by WRSW, valued at \$340 million. The transaction effects the transfer to MPC of the Western wholesale distribution business that MPLX acquired as a result of its acquisition of ANDX.
- During the year, our sponsor progressed certain strategic priorities to lay a foundation for long-term success, including plans to optimize its assets and structurally lower costs in 2021 and beyond, which included an involuntary workforce reduction plan. The workforce reduction plan, together with employee reductions resulting from MPC's indefinite idling of its Martinez, California and Gallup, New Mexico refineries, affected approximately 2,050 employees. All of the employees that conduct MPLX's business are directly employed by affiliates of MPC, and certain of those employees were affected by MPC's workforce reductions. During 2020, MPLX reimbursed MPC \$37 million related to severance and employee benefits related expenses that MPC recorded in connection with its workforce reductions.
- We previously announced a goal to reduce planned capital spending for 2020 by approximately \$700 million from our initial plan, which we were able to achieve.

- The outbreak of COVID-19 and its development into a pandemic in March 2020 resulted in significant economic disruption globally. Actions taken by various governmental authorities, individuals and companies around the world to prevent the spread of COVID-19 through social distancing have restricted travel, many business operations, public gatherings and the overall level of individual movement and in-person interaction across the globe. Although there have been some signs of economic improvement since that time, these events significantly reduced global economic activity and resulted in a decline in the demand for the midstream services we provide beginning with the first quarter of 2020. Macroeconomic conditions and global geopolitical events have also resulted in significant price volatility related to those aforementioned products. We responded to the impacts that these matters had on our business by:
 - Taking actions to reduce operating expenses across the business, including the deferral of certain expense projects
 - Continuing to evaluate and high-grade our capital portfolio

During the first quarter of 2020, the overall deterioration in the economy and the environment in which MPLX and its customers operate, as well as a sustained decrease in unit price, were considered triggering events resulting in impairments of the carrying value of certain assets. We recognized impairments related to goodwill, certain equity method investments and certain long-lived assets (including intangibles), within our G&P segment. Many of our producer customers refined and updated production forecasts in response to the current environment, which impacted their current and expected future demand for our services, including the future utilization of our assets. Additionally, certain of our contracts have commodity price exposure, including NGL prices, which have experienced increased volatility as noted above.

- On March 18, 2020, MPC announced the unanimous decision of its board of directors to maintain MPC's current midstream structure, with MPC remaining the general partner of MPLX. This was a result of a comprehensive evaluation by a special committee formed by MPC's board of directors, which included extensive input from multiple external advisors and significant feedback from investors.

Financing Activities

- On November 2, 2020, MPLX announced the board authorization of a unit repurchase program for the repurchase of up to \$1 billion of MPLX's outstanding common units held by the public. MPLX may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, tender offers, accelerated unit repurchases or open market solicitations for units, some of which may be effected through Rule 10b5-1 plans. The timing and amount of repurchases will depend upon several factors, including market and business conditions, and repurchases may be initiated, suspended or discontinued at any time. The repurchase authorization has no expiration date. As of December 31, 2020, 1.5 million common units held by the public have been repurchased and \$967 million remained available under the program for future repurchases.
- On August 18, 2020, MPLX issued \$3 billion aggregate principal amount of new senior notes consisting of \$1.5 billion aggregate principal amount of 1.750 percent senior notes due March 2026 and \$1.5 billion aggregate principal amount of 2.650 percent senior notes due August 2030. The net proceeds were used to repay the \$1.0 billion of outstanding borrowings under the MPLX Term Loan Agreement, to repay the \$1.0 billion aggregate principal amount of floating rate notes due September 2021, to redeem all of the \$450 million aggregate principal amount of 6.375 percent senior notes due May 2024, to reduce amounts outstanding under the MPLX Credit Agreement at the time and to redeem the \$300 million aggregate principal amount of 6.250 percent senior notes due October 15, 2022 (these notes were redeemed on October 15, 2020).
- During the year ended December 31, 2020, we did not issue any common units under our ATM Program. As of December 31, 2020, \$1.7 billion of common units remain available for issuance through the ATM Program.

NON-GAAP FINANCIAL INFORMATION

Our management uses 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 the non-GAAP financial measures of Adjusted EBITDA, DCF, free cash flow (“FCF”) and excess/deficit cash flow. The amount of Adjusted EBITDA and DCF generated is considered by the board of directors of our general partner in approving MPLX’s cash distributions.

We define Adjusted EBITDA as net income adjusted for: (i) depreciation and amortization; (ii) provision/ (benefit) for income taxes; (iii) amortization of deferred financing costs; (iv) extinguishment of debt; (v) non-cash equity-based compensation; (vi) impairment expense; (vii) net interest and other financial costs; (viii) income/(loss) from equity method investments; (ix) distributions and adjustments related to equity method investments (x) unrealized derivative gains/(losses); (xi) acquisition costs; (xii) noncontrolling interests and (xiii) other adjustments as deemed necessary. We also use DCF, which we define as Adjusted EBITDA adjusted for: (i) deferred revenue impacts; (ii) net interest and other financial costs; (iii) net maintenance capital expenditures; (iv) equity method investment capital expenditures paid out; and (v) other adjustments as deemed necessary. We make a distinction between realized and unrealized gains and losses on derivatives. During the period when a derivative contract is outstanding, changes in the fair value of the derivative are recorded as an unrealized gain or loss. When a derivative contract matures or is settled, the previously recorded unrealized gain or loss is reversed and the realized gain or loss of the contract is recorded.

We define FCF as net cash provided by operating activities adjusted for (i) net cash used in investing activities; (ii) contributions from MPC; (iii) contributions from noncontrolling interests and (iv) distributions to noncontrolling interests. We define excess/deficit cash flow as FCF adjusted for distributions to common and preferred unitholders.

We believe that the presentation of Adjusted EBITDA, DCF, FCF and excess/deficit cash flow provides useful information to investors in assessing our financial condition and results of operations. The GAAP measures most directly comparable to Adjusted EBITDA and DCF are net income and net cash provided by operating activities while the GAAP measure most directly comparable to FCF and excess/deficit cash flow is net cash provided by operating activities. These non-GAAP financial measures should not be considered alternatives to GAAP net income or net cash provided by operating activities as they have important limitations as analytical tools because they exclude 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. These non-GAAP financial measures should not be considered in isolation or as substitutes for analysis of our results as reported under GAAP. Additionally, because non-GAAP financial measures may be defined differently by other companies in our industry, our definitions may not be comparable to similarly titled measures of other companies, thereby diminishing their utility. For a reconciliation of Adjusted EBITDA and DCF to their most directly comparable measures calculated and presented in accordance with GAAP, see the Results of Operations section. For a reconciliation of FCF and excess/deficit cash flow to their most directly comparable measure calculated and presented in accordance with GAAP, see the Liquidity and Capital Resources section.

Management also utilizes Segment Adjusted EBITDA in evaluating the financial performance of our segments. The disclosure of this measure allows investors to understand how management evaluates financial performance to make operating decisions and allocate resources.

COMPARABILITY OF OUR FINANCIAL RESULTS

The comparability of our financial results has been impacted by acquisitions, dispositions, performance of our equity method investments, and impairments among others (see Item 8. Financial Statements and Supplementary Data – Notes 4, 5 and 14).

RESULTS OF OPERATIONS

The following table and discussion is a summary of our results of operations for the years ended 2020, 2019 and 2018, including a reconciliation of Adjusted EBITDA and DCF from net income and net cash provided by operating activities, the most directly comparable GAAP financial measures.

<i>(In millions)</i>	2020	2019	\$ Change	2018	\$ Change
Revenues and other income:					
Service revenue	\$ 2,397	\$ 2,498	\$ (101)	\$ 1,856	\$ 642
Service revenue - related parties	3,580	3,455	125	2,404	1,051
Service revenue - product related	155	140	15	220	(80)
Rental income	398	388	10	352	36
Rental income - related parties	952	1,196	(244)	846	350
Product sales	636	806	(170)	887	(81)
Product sales - related parties	128	142	(14)	87	55
(Loss)/income from equity method investments ⁽¹⁾	(936)	290	(1,226)	247	43
Other income	5	12	(7)	7	5
Other income - related parties	254	114	140	99	15
Total revenues and other income	<u>7,569</u>	<u>9,041</u>	<u>(1,472)</u>	<u>7,005</u>	<u>2,036</u>
Costs and expenses:					
Cost of revenues (excludes items below)	1,326	1,489	(163)	1,096	393
Purchased product costs	539	686	(147)	824	(138)
Rental cost of sales	135	141	(6)	135	6
Rental cost of sales - related parties	160	165	(5)	31	134
Purchases - related parties	1,116	1,231	(115)	925	306
Depreciation and amortization	1,377	1,254	123	867	387
Impairment expense	2,165	1,197	968	—	1,197
General and administrative expenses	378	388	(10)	316	72
Restructuring expenses	37	—	37	—	—
Other taxes	125	113	12	83	30
Total costs and expenses	<u>7,358</u>	<u>6,664</u>	<u>694</u>	<u>4,277</u>	<u>2,387</u>
Income from operations	211	2,377	(2,166)	2,728	(351)
Related party interest and other financial costs	5	11	(6)	5	6
Interest expense (net of amounts capitalized)	829	851	(22)	590	261
Other financial costs	62	53	9	119	(66)
(Loss)/income before income taxes	<u>(685)</u>	<u>1,462</u>	<u>(2,147)</u>	<u>2,014</u>	<u>(552)</u>
Provision for income taxes	2	—	2	8	(8)
Net (loss)/income	<u>(687)</u>	<u>1,462</u>	<u>(2,149)</u>	<u>2,006</u>	<u>(544)</u>
Less: Net income attributable to noncontrolling interests	33	28	5	16	12
Less: Net income attributable to Predecessor	—	401	(401)	172	229
Net (loss)/income attributable to MPLX LP	<u>(720)</u>	<u>1,033</u>	<u>(1,753)</u>	<u>1,818</u>	<u>(785)</u>
Adjusted EBITDA attributable to MPLX LP (excluding Predecessor results)⁽²⁾	5,211	4,334	877	3,475	859
Adjusted EBITDA attributable to MPLX LP (including Predecessor results)⁽³⁾	5,211	5,104	107	3,810	1,294
DCF attributable to GP and LP unitholders (including Predecessor results)⁽³⁾	\$ 4,200	\$ 3,978	\$ 222	\$ 2,950	\$ 1,028

(1) Includes impairment expense related to various equity method investments of \$1.3 billion and \$42 million in 2020 and 2019, respectively.

(2) Non-GAAP measure. See reconciliation below for the most directly comparable GAAP measures. Excludes adjusted EBITDA and DCF adjustments attributable to Predecessor.

(3) Non-GAAP measure. See reconciliation below for the most directly comparable GAAP measures. Includes adjusted EBITDA and DCF adjustments attributable to Predecessor.

(In millions)

	2020	2019	2018
Reconciliation of Adjusted EBITDA attributable to MPLX LP and DCF attributable to GP and LP unitholders from Net (loss)/income:			
Net (loss)/income	\$ (687)	\$ 1,462	\$ 2,006
Provision for income taxes	2	—	8
Amortization of deferred financing costs	61	42	55
(Gain)/loss on extinguishment of debt	(19)	—	46
Net interest and other financial costs	854	873	613
Income from operations	211	2,377	2,728
Depreciation and amortization	1,377	1,254	867
Non-cash equity-based compensation	14	22	23
Impairment expense	2,165	1,197	—
Loss/(income) from equity method investments ⁽¹⁾	936	(290)	(247)
Distributions/adjustments related to equity method investments	499	562	458
Unrealized derivative losses/(gains) ⁽²⁾	3	(1)	(5)
Restructuring expenses	37	—	—
Acquisition costs	—	14	4
Other	6	1	—
Adjusted EBITDA	5,248	5,136	3,828
Adjusted EBITDA attributable to noncontrolling interests	(37)	(32)	(18)
Adjusted EBITDA attributable to Predecessor ⁽³⁾	—	(770)	(335)
Adjusted EBITDA attributable to MPLX LP	5,211	4,334	3,475
Deferred revenue impacts	144	94	28
Net interest and other financial costs	(854)	(873)	(613)
Maintenance capital expenditures	(161)	(262)	(175)
Maintenance capital expenditures reimbursements	46	53	8
Equity method investment capital expenditures paid out	(23)	(28)	(31)
Restructuring expenses	(37)	—	—
Other	1	12	8
Portion of DCF adjustments attributable to Predecessor ⁽³⁾	—	159	81
DCF	4,327	3,489	2,781
Preferred unit distributions ⁽⁴⁾	(127)	(122)	(85)
DCF attributable to GP and LP unitholders	4,200	3,367	2,696
Adjusted EBITDA attributable to Predecessor ⁽³⁾	—	770	335
Portion of DCF adjustments attributable to Predecessor ⁽³⁾	—	(159)	(81)
DCF attributable to GP and LP unitholders (including Predecessor results)	<u>\$ 4,200</u>	<u>\$ 3,978</u>	<u>\$ 2,950</u>

- (1) Includes impairment expense related to various equity method investments of \$1.3 billion and \$42 million in 2020 and 2019, respectively.
- (2) MPLX makes a distinction between realized and unrealized gains and losses on derivatives. During the period when a derivative contract is outstanding, changes in the fair value of the derivative are recorded as an unrealized gain or loss. When a derivative contract matures or is settled, the previously recorded unrealized gain or loss is reversed and the realized gain or loss of the contract is recorded.
- (3) The Adjusted EBITDA and DCF adjustments related to Predecessor are excluded from Adjusted EBITDA attributable to MPLX LP and DCF attributable to GP and LP unitholders prior to the acquisition dates.
- (4) Includes MPLX distributions declared on the Series A and Series B preferred units as well as cash distributions earned by the Series B preferred units (as the Series B preferred units are declared and payable semi-annually) assuming a distribution is declared by the Board of Directors. Cash distributions declared/to be paid to holders of the Series A and Series B preferred units are not available to common unitholders.

(In millions)

	2020	2019	2018
Reconciliation of Adjusted EBITDA attributable to MPLX LP and DCF attributable to GP and LP unitholders from Net cash provided by operating activities:			
Net cash provided by operating activities	\$ 4,521	\$ 4,082	\$ 3,071
Changes in working capital items	(204)	108	31
All other, net	(3)	(9)	(5)
Non-cash equity-based compensation	14	22	23
Net (loss)/gain on disposal of assets	(4)	6	(3)
Net interest and other financial costs	854	873	613
(Gain)/loss on extinguishment of debt	(19)	—	46
Current income taxes	3	2	—
Asset retirement expenditures	—	1	7
Unrealized derivative losses/(gains) ⁽¹⁾	3	(1)	(5)
Restructuring expenses	37	—	—
Acquisition costs	—	14	4
Other adjustments to equity method investment distributions	40	37	46
Other	6	1	—
Adjusted EBITDA	5,248	5,136	3,828
Adjusted EBITDA attributable to noncontrolling interests	(37)	(32)	(18)
Adjusted EBITDA attributable to Predecessor ⁽²⁾	—	(770)	(335)
Adjusted EBITDA attributable to MPLX LP	5,211	4,334	3,475
Deferred revenue impacts	144	94	28
Net interest and other financial costs	(854)	(873)	(613)
Maintenance capital expenditures	(161)	(262)	(175)
Maintenance capital expenditures reimbursements	46	53	8
Equity method investment capital expenditures paid out	(23)	(28)	(31)
Restructuring expenses	(37)	—	—
Other	1	12	8
Portion of DCF adjustments attributable to Predecessor ⁽²⁾	—	159	81
DCF	4,327	3,489	2,781
Preferred unit distributions ⁽³⁾	(127)	(122)	(85)
DCF attributable to GP and LP unitholders	4,200	3,367	2,696
Adjusted EBITDA attributable to Predecessor ⁽²⁾	—	770	335
Portion of DCF adjustments attributable to Predecessor ⁽²⁾	—	(159)	(81)
DCF attributable to GP and LP unitholders (including Predecessor results)	\$ 4,200	\$ 3,978	\$ 2,950

- (1) MPLX makes a distinction between realized and unrealized gains and losses on derivatives. During the period when a derivative contract is outstanding, changes in the fair value of the derivative are recorded as an unrealized gain or loss. When a derivative contract matures or is settled, the previously recorded unrealized gain or loss is reversed and the realized gain or loss of the contract is recorded.
- (2) The Adjusted EBITDA and DCF adjustments related to Predecessor are excluded from Adjusted EBITDA attributable to MPLX LP and DCF attributable to GP and LP unitholders prior to the acquisition dates.
- (3) Includes MPLX distributions declared on the Series A and Series B preferred units as well as cash distributions earned by the Series B preferred units (as the Series B preferred units are declared and payable semi-annually) assuming a distribution is declared by the Board of Directors. Cash distributions declared/to be paid to holders of the Series A and Series B preferred units are not available to common unitholders.

2020 Compared to 2019

Service revenue decreased \$101 million in 2020 compared to 2019. This was primarily due to lower fees from lower volumes in the Rockies, Southwest and Southern Appalachia as well as other decreases including reduced pipeline volumes, partially offset by higher fees from higher volumes in the Marcellus.

Service revenue-related parties increased \$125 million in 2020 compared to 2019. This was primarily due to a \$124 million increase due to the reclassification of lease income between service revenue, rental income and other income based on modifications to lease contracts and a \$42 million increase from additional marine equipment. There were also increases related to volume deficiency payments and favorable price impacts partially offset by unfavorable volume impacts and an \$18 million decrease due to the Wholesale Exchange.

Rental income increased \$10 million in 2020 compared to 2019. This was due to higher fees related to gathering contracts in the Marcellus, partially offset by decreased revenue from third parties for terminal storage.

Rental income-related parties decreased \$244 million in 2020 compared to 2019. This was primarily due to a decrease of \$262 million due to the reclassification of lease income between service revenue, rental income and other income based on modification to lease contracts. The decrease was partially offset by increased terminal storage revenue as well as other miscellaneous increases.

Service revenue-product related, product sales and product sales-related parties decreased \$169 million in 2020 compared to 2019. This was primarily due to lower prices in all G&P regions, lower volumes in the Southwest, and the Wholesale Exchange. These decreases were partially offset by volume increases in the Marcellus and the Javelina plant in the Southwest, as well as other miscellaneous increases.

Income (loss) from equity method investments decreased \$1,226 million in 2020 compared to 2019. The large decrease was driven by our ownership in MarkWest Utica EMG, our indirect ownership in Ohio Gathering Company, L.L.C. through our investment in MarkWest Utica EMG and our ownership in Uintah Basin Field Services, L.L.C., as we recognized impairments related to these investments in the first quarter of 2020 in the amount of \$1,264 million. There was also decreased throughput on the Explorer and Bakken pipelines during 2020. These decreases were partially offset by an increase in the Sherwood Midstream LLC joint venture due to additional plants coming online during the second half of 2019.

Other income and Other income-related parties increased \$133 million in 2020 compared to 2019. This was primarily due to the reclassification of lease income between service revenue, rental income and other income based on modifications to lease contracts. This increase was partially offset by lower management service fees.

Cost of revenues decreased \$163 million in 2020 compared to 2019. This variance was primarily due to lower operating costs due to lower throughput; lower project-related spend; lower repairs, maintenance and operating costs in the Southwest, Southern Appalachia and Marcellus; the Wholesale Exchange; as well as other miscellaneous expense decreases.

Purchased product costs decreased \$147 million in 2020 compared to 2019. This was primarily due to lower costs from lower volumes in the Southwest and lower prices in the Southwest and Southern Appalachia. This was partially offset by an increase due to unrealized derivative gains in the prior year compared to unrealized derivative losses in the current year.

Rental cost of sales and rental cost of sales-related parties decreased \$11 million in 2020 compared to 2019 primarily due to lower project-related spend and lower repairs, maintenance and operating costs from overall cost reduction initiatives.

Purchases-related parties decreased \$115 million in 2020 compared to 2019, primarily due to the Wholesale Exchange and lower project-related spend, as well as other miscellaneous expense decreases from MPC.

Depreciation and amortization expense increased \$123 million in 2020 compared to 2019, primarily due to abandonment of assets and assets under construction, primarily related to indefinitely idled MPC refineries as well as from property, plant and equipment placed in service in 2020.

Impairment expense increased \$968 million in 2020 compared to 2019. During the first quarter of 2020, we recorded impairment expense for goodwill, intangible assets and property, plant and equipment of \$1,814 million, \$177 million and \$174 million, respectively. The impairment of goodwill related to our Eastern G&P reporting unit while the intangible asset and property, plant and equipment impairments relate to certain assets in our Southwest region. In 2019, we recorded impairment of \$1,197 million within our Western G&P reporting unit. The impairments in both years were primarily driven by the slowing of drilling activity, which has reduced production growth forecasts from our producer customers.

General and administrative expenses decreased \$10 million in 2020 compared to 2019, primarily due to lower employee related costs and a decrease in other miscellaneous costs.

Restructuring expenses increased \$37 million in 2020 compared to 2019, primarily due to cost cutting measures during 2020 that resulted in restructuring charges.

Other taxes increased \$12 million in 2020 compared to 2019. This variance was primarily due to higher property taxes.

Interest expense and other financial costs (including related parties) decreased \$19 million in 2020 compared to 2019. This was primarily due to decreased interest on variable rate debt as a result of lower interest rates during the year, the repayment of debt with higher interest rates, the issuance of new senior notes at lower interest rates and gains on debt extinguishments.

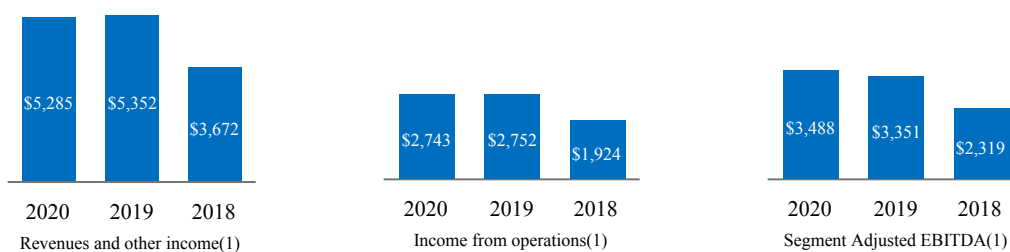
SEGMENT REPORTING

We classify our business in the following reportable segments: L&S and G&P. Segment Adjusted EBITDA represents Adjusted EBITDA attributable to the reportable segments. Amounts included in net income and excluded from Segment Adjusted EBITDA include: (i) depreciation and amortization; (ii) provision/ (benefit) for income taxes; (iii) amortization of deferred financing costs; (iv) extinguishment of debt; (v) non-cash equity-based compensation; (vi) impairment expense; (vii) net interest and other financial costs; (viii) income/(loss) from equity method investments; (ix) distributions and adjustments related to equity method investments; (x) unrealized derivative gains/(losses); (xi) acquisition costs; (xii) noncontrolling interests; and (xiii) other adjustments as deemed necessary. These items are either: (i) believed to be non-recurring in nature; (ii) not believed to be allocable or controlled by the segment; or (iii) are not tied to the operational performance of the segment.

The tables below present information about Segment Adjusted EBITDA for the reported segments for the years ended December 31, 2020, 2019 and 2018.

L&S Segment

L&S Segment Financial Highlights (in millions)



(1) Includes results of Predecessor.

<i>(In millions)</i>	2020	2019	\$ Change	2018	\$ Change
Service revenue	\$ 3,889	\$ 3,765	\$ 124	\$ 2,575	\$ 1,190
Rental income	985	1,235	(250)	856	379
Product related revenue	51	91	(40)	23	68
Income from equity method investments	154	200	(46)	171	29
Other income	206	61	145	47	14
Total segment revenues and other income	5,285	5,352	(67)	3,672	1,680
Cost of revenues	782	966	(184)	536	430
Purchases - related parties	824	872	(48)	698	174
Depreciation and amortization	633	503	130	308	195
General and administrative expenses	203	198	5	161	37
Restructuring expenses	29	—	29	—	—
Other taxes	71	61	10	45	16
Segment income from operations	2,743	2,752	(9)	1,924	828
Depreciation and amortization	633	503	130	308	195
Income from equity method investments	(154)	(200)	46	(171)	(29)
Distributions/adjustments related to equity method investments	221	267	(46)	242	25
Restructuring expenses	29	—	29	—	—
Acquisition costs	—	14	(14)	4	10
Non-cash equity-based compensation	10	14	(4)	12	2
Other	6	1	5	—	1
Adjusted EBITDA attributable to Predecessor	—	(603)	603	(262)	(341)
Segment Adjusted EBITDA ⁽¹⁾	3,488	2,748	740	2,057	691
Capital expenditures ⁽²⁾	498	1,060	(562)	708	352
Investments in unconsolidated affiliates	\$ 141	\$ 289	\$ (148)	\$ 3	\$ 286

(1) See the Reconciliation of Adjusted EBITDA attributable to MPLX LP and DCF attributable to GP and LP unitholders from Net income table for the reconciliation to the most directly comparable GAAP measure.

(2) Capital expenditures do not include adjustments for asset retirement expenditures.

2020 Compared to 2019

Service revenue increased \$124 million in 2020 compared to 2019. This was primarily due to a \$124 million increase due to the reclassification of lease income between service revenue, rental income and other income based on modifications to lease contracts and a \$42 million increase from additional marine equipment. There were also increases related to volume deficiency payments and favorable price impacts. These increases were partially offset by unfavorable volume impacts related to pipelines and terminals as well as an \$18 million decrease⁽¹⁾ due to the Wholesale Exchange.

Rental income decreased \$250 million in 2020 compared to 2019. This was primarily due to a decrease of \$262 million due to the reclassification of lease income between service revenue, rental income and other

income based on modification to lease contracts. The decrease was partially offset by increased terminal storage revenue at our Mt. Airy terminal.

Product related revenue decreased \$40 million in 2020 compared to 2019. This was primarily due to the Wholesale Exchange.

Income from equity method investments decreased \$46 million in 2020 compared to 2019. This was primarily due to decreased throughput on the Explorer and Bakken pipelines during 2020.

Other income increased \$145 million in 2020 compared to 2019. This was primarily due to the reclassification of lease income between service revenue, rental income and other income based on modifications to lease contracts.

Cost of revenues decreased \$184 million in 2020 compared to 2019. This was primarily due to lower operating costs due to lower throughput, lower project-related spend, the Wholesale Exchange and other miscellaneous expense decreases.

Purchases - related parties decreased \$48 million in 2020 compared to 2019. This was primarily due to the Wholesale Exchange and lower project-related spend, as well as other miscellaneous expense decreases from MPC.

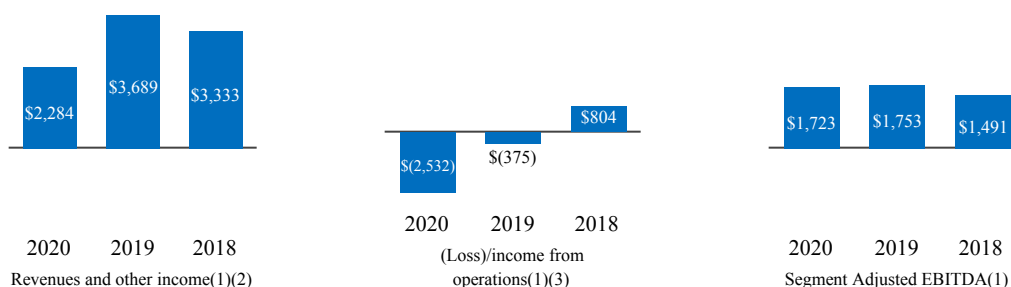
Depreciation and amortization increased \$130 million in 2020 compared to 2019. This was primarily due to abandonment of assets in-service and assets under construction of \$79 million, primarily related to idled MPC refineries, as well as from property, plant and equipment placed in service in 2020.

Restructuring expenses increased \$29 million in 2020 compared to 2019. This was due to cost cutting measures during 2020 that resulted in restructuring charges.

Other taxes increased \$10 million in 2020 compared to 2019. This variance was primarily due to higher property taxes.

G&P Segment

G&P Segment Financial Highlights (in millions)



(1) Includes results of Predecessor.

(2) Includes impairment of equity method investments of \$1,264 million for 2020 and \$42 million for 2019.

(3) Includes impairment of goodwill of \$1,814 million, long-lived assets including intangibles of \$351 million and equity method investments of \$1,264 million for 2020 and impairment of goodwill of \$1,197 million and equity method investments of \$42 million for 2019.

<i>(In millions)</i>	2020	2019	\$ Change	2018	\$ Change
Service revenue	\$ 2,088	\$ 2,188	\$ (100)	\$ 1,685	\$ 503
Rental income	365	349	16	342	7
Product related revenue	868	997	(129)	1,171	(174)
(Loss)/income from equity method investments ⁽¹⁾	(1,090)	90	(1,180)	76	14
Other income	53	65	(12)	59	6
Total segment revenues and other income	2,284	3,689	(1,405)	3,333	356
Cost of revenues	839	829	10	726	103
Purchased product costs	539	686	(147)	824	(138)
Purchases - related parties	292	359	(67)	227	132
Depreciation and amortization	744	751	(7)	559	192
Impairment expense	2,165	1,197	968	—	1,197
General and administrative expenses	175	190	(15)	155	35
Restructuring expenses	8	—	8	—	—
Other taxes	54	52	2	38	14
Segment (loss)/income from operations	(2,532)	(375)	(2,157)	804	(1,179)
Depreciation and amortization	744	751	(7)	559	192
Impairment expense	2,165	1,197	968	—	1,197
Loss/(income) from equity method investments	1,090	(90)	1,180	(76)	(14)
Distributions/adjustments related to equity method investments	278	295	(17)	216	79
Restructuring expenses	8	—	8	—	—
Unrealized derivative losses/(gains) ⁽²⁾	3	(1)	4	(5)	4
Non-cash equity-based compensation	4	8	(4)	12	(4)
Adjusted EBITDA attributable to noncontrolling interests	(37)	(32)	(5)	(19)	(13)
Adjusted EBITDA attributable to Predecessor	—	(167)	167	(73)	(94)
Segment Adjusted EBITDA ⁽³⁾	1,723	1,586	137	1,418	168
Capital expenditures ⁽⁴⁾	441	1,203	(762)	1,545	(342)
Investments in unconsolidated affiliates	\$ 125	\$ 424	\$ (299)	\$ 338	\$ 86

(1) Includes impairment expense related to various equity method investments of \$1,264 million and \$42 million in 2020 and 2019, respectively.

(2) MPLX makes a distinction between realized and unrealized gains and losses on derivatives. During the period when a derivative contract is outstanding, changes in the fair value of the derivative are recorded as an unrealized gain or loss. When a derivative contract matures or is settled, the previously recorded unrealized gain or loss is reversed and the realized gain or loss of the contract is recorded.

(3) See the Reconciliation of Adjusted EBITDA attributable to MPLX LP and DCF attributable to GP and LP unitholders from Net income table for the reconciliation to the most directly comparable GAAP measure.

(4) Capital expenditures do not include adjustments for asset retirement expenditures.

2020 Compared to 2019

Service revenue decreased \$100 million in 2020 compared to 2019. This was primarily due to lower fees from lower volumes in the Rockies, Southwest and Southern Appalachia of \$93 million, as well as other miscellaneous decreases, partially offset by higher fees from higher volumes in the Marcellus of \$40 million.

Rental income increased \$16 million in 2020 compared to 2019. This was primarily due to higher fees related to gathering contracts in the Marcellus.

Product related revenue decreased \$129 million in 2020 compared to 2019. This was primarily due to lower prices in all of the G&P regions of approximately \$160 million and lower volumes of \$67 million in the Southwest. This was partially offset by \$37 million of volume increases in the Marcellus and the Javelina plant in the Southwest (this plant experienced downtime for maintenance in 2019), as well as other miscellaneous increases.

Income (loss) from equity method investments decreased \$1,180 million in 2020 compared to 2019. The large decrease was driven by our ownership in MarkWest Utica EMG, our indirect ownership in Ohio Gathering Company, L.L.C. through our investment in MarkWest Utica EMG and our ownership in Uintah Basin Field Services, L.L.C., as we recognized impairments related to these investments in the first quarter of 2020 in the amount of \$1,264 million. In 2019 we recognized impairment charges related to our Ohio Condensate Company, L.L.C. and Three Rivers Gathering LLC joint ventures of \$42 million. This decrease was partially offset by an increase in the Sherwood Midstream LLC joint venture due to additional plants coming online during the second half of 2019.

Other income decreased \$12 million in 2020 compared to 2019. This variance was primarily due to lower management fees.

Cost of revenues increased \$10 million in 2020 compared to 2019. The majority of the increase is attributable to aligning various expenses as a result of the ANDX acquisition offset by lower repairs, maintenance and operating costs in the Southwest, Southern Appalachia and Marcellus.

Purchased product costs decreased \$147 million in 2020 compared to 2019. This was primarily due to lower volumes in the Southwest resulting in lower costs of \$84 million and lower prices of \$68 million in the Southwest and Southern Appalachia. This was offset by an increase of \$4 million due to unrealized derivative gains in the prior year compared to unrealized derivative losses in the current year.

Purchases - related parties decreased \$67 million in 2020 compared to 2019. This was primarily due to aligning various expenses as a result of the ANDX acquisition.

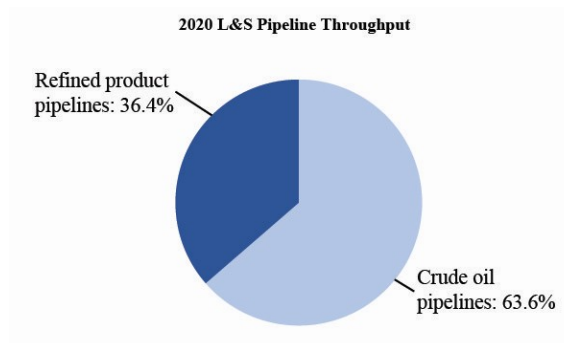
Depreciation and amortization decreased \$7 million in 2020 compared to 2019, primarily due to the impairment of intangible assets and property, plant and equipment during the first quarter of 2020 which has resulted in less depreciation expense in the current period when compared to prior periods partially offset by an increase in depreciation due to property, plant and equipment placed in service in beginning of 2020.

Impairment expense increased \$968 million as a result of our 2020 and 2019 impairment tests over goodwill. During the first quarter of 2020 we recorded impairment expense for goodwill, intangible assets and property, plant and equipment of \$1,814 million, \$177 million and \$174 million, respectively. The impairment of goodwill related to our Eastern G&P reporting unit while the intangible asset and property, plant and equipment impairments relate to certain assets in our Southwest region. In 2019 we recorded impairment of \$1,197 million within our Western G&P reporting unit. The impairments in both years were primarily driven by the slowing of drilling activity, which has reduced production growth forecasts from our producer customers.

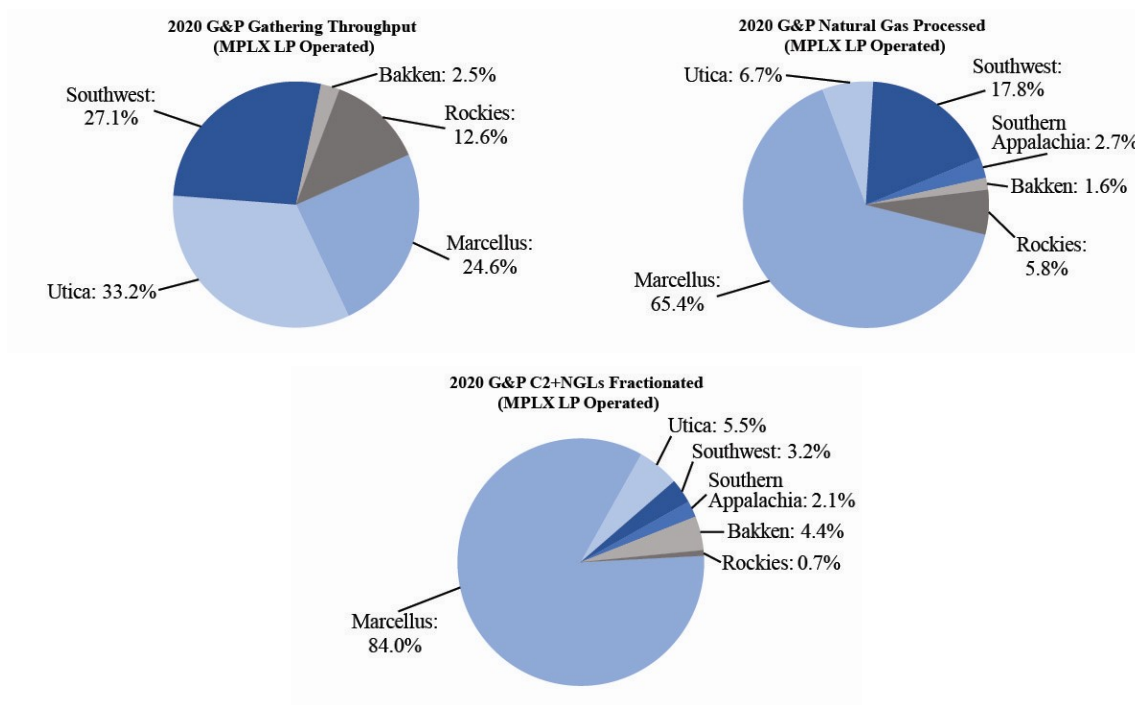
General and administrative expenses decreased \$15 million in 2020 compared to 2019, due to lower employee related costs and a decrease in other miscellaneous costs.

Restructuring expenses increased \$8 million in 2020 compared to 2019. This was due to cost cutting measures during 2020 that resulted in restructuring charges.

Operating Data



	2020	2019	2018
L&S			
Crude oil transported for (mbpd) ⁽¹⁾ :			
MPC	2,465	2,671	2,446
Third parties	533	557	675
Total	2,998	3,228	3,121
% MPC	82%	83%	78%
Refined products transported for (mbpd) ⁽²⁾ :			
MPC ⁽³⁾	1,477	1,629	1,571
Third parties	237	257	252
Total	1,714	1,886	1,823
% MPC	86%	86%	86%
Average tariff rates (\$ per Bbl) ⁽⁴⁾ :			
Crude oil pipelines	\$ 0.96	\$ 0.94	\$ 0.67
Refined product pipelines	0.81	0.75	0.75
Total pipelines	\$ 0.91	\$ 0.87	\$ 0.70
Terminal throughput (mbpd)	2,673	3,279	3,148
Marine Assets (number in operation) ⁽⁵⁾			
Barges	300	286	256
Towboats	23	23	23



	2020	2019	2018
G&P Consolidated entities⁽⁶⁾			
Gathering Throughput (MMcf/d)			
Marcellus Operations	1,349	1,287	1,155
Utica Operations	—	—	—
Southwest Operations	1,430	1,625	1,566
Bakken Operations	137	151	147
Rockies Operations	511	630	654
Total gathering throughput	3,427	3,693	3,522
Natural Gas Processed (MMcf/d)			
Marcellus Operations	4,198	4,192	3,826
Utica Operation	—	—	—
Southwest Operations	1,471	1,629	1,438
Southern Appalachia Operations	231	244	247
Bakken Operations	136	151	147
Rockies Operations	502	572	573
Total natural gas processed	6,538	6,788	6,231
C2 + NGLs Fractionated (mbpd)			
Marcellus Operations ⁽⁸⁾	472	435	379
Utica Operations	—	—	—
Southwest Operations	18	15	18
Southern Appalachia Operations ⁽⁹⁾	12	12	15
Bakken Operations	25	24	15
Rockies Operations	4	4	4
Total C2 + NGLs fractionated⁽¹⁰⁾	531	490	431

	2020	2019	2018
G&P Consolidated entities plus Partnership-Operated Equity Method Investments⁽⁷⁾			
Gathering Throughput (MMcf/d)			
Marcellus Operations	1,349	1,287	1,155
Utica Operations	1,818	2,200	1,809
Southwest Operations	1,483	1,628	1,567
Bakken Operations	137	151	147
Rockies Operations	688	828	841
Total gathering throughput	5,475	6,094	5,519
Natural Gas Processed (MMcf/d)			
Marcellus Operations	5,629	5,248	4,448
Utica Operations	578	810	886
Southwest Operations	1,537	1,636	1,438
Southern Appalachia Operations	231	244	247
Bakken Operations	136	151	147
Rockies Operations	502	572	573
Total natural gas processed	8,613	8,661	7,739
C2 + NGLs Fractionated (mbpd)			
Marcellus Operations ⁽⁸⁾	472	435	379
Utica Operations ⁽⁸⁾	31	44	47
Southwest Operations	18	15	18
Southern Appalachia Operations ⁽⁹⁾	12	12	15
Bakken Operations	25	24	15
Rockies Operations	4	4	4
Total C2 + NGLs fractionated ⁽¹⁰⁾	562	534	478
	2020	2019	2018
Pricing Information			
Natural Gas NYMEX HH (\$/MMBtu)	\$ 2.13	\$ 2.53	\$ 3.07
C2 + NGL Pricing/Gal ⁽¹¹⁾	\$ 0.43	\$ 0.52	\$ 0.78

- (1) Represents the average aggregate daily number of barrels of crude oil transported on our pipelines and at our Wood River barge dock for MPC and for third parties. Volumes shown are 100 percent of the volumes transported on the pipelines and barge dock.
- (2) Represents the average aggregate daily number of barrels of products transported on our pipelines for MPC and third parties. Volumes shown are 100 percent of the volumes transported on the pipelines.
- (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, the volumes associated with this revenue are applied towards MPC's minimum quarterly volume commitments on the applicable pipelines because MPC is the shipper of record.
- (4) Average tariff rates calculated using pipeline transportation revenues divided by pipeline throughput barrels.
- (5) Represents total at the end of the period.
- (6) This table represents operating data for entities that have been consolidated into the MPLX financial statements.
- (7) This table represents operating data for entities that have been consolidated into the MPLX financial statements as well as operating data for MPLX-operated equity method investments.
- (8) Hopedale is jointly owned by Ohio Fractionation and MarkWest Utica EMG. Ohio Fractionation is a subsidiary of MarkWest Liberty Midstream. MarkWest Liberty Midstream and MarkWest Utica EMG are entities that operate in the Marcellus and Utica regions, respectively. The Marcellus Operations includes its portion utilized of the jointly owned Hopedale fractionation complex. The Utica Operations includes Utica's portion utilized of the jointly owned Hopedale fractionation complex. Additionally, Sherwood Midstream has the right to fractionation revenue and the obligation to pay expenses related to 40 mbpd of capacity in the Hopedale 3 and Hopedale 4 fractionators.
- (9) Includes NGLs fractionated for the Marcellus and Utica Operations.
- (10) Purity ethane makes up approximately 188 mbpd, 179 mbpd and 171 mbpd of MPLX LP consolidated total fractionated products for the years ended December 31, 2020, 2019 and 2018, respectively. Purity ethane makes up approximately 194 mbpd, 189 mbpd and 185 mbpd of MPLX operated total fractionated products for the years ended December 31, 2020, 2019 and 2018, respectively.
- (11) C2 + NGL pricing based on Mont Belvieu prices assuming an NGL barrel of approximately 35 percent ethane, 35 percent propane, six percent Iso-Butane, 12 percent normal butane and 12 percent natural gasoline.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Our cash, cash equivalents and restricted cash balance was \$15 million at December 31, 2020 and December 31, 2019. Net cash provided by (used in) operating activities, investing activities and financing activities for the past three years were as follows:

<i>(In millions)</i>	2020	2019	2018
Net cash provided by/(used in):			
Operating activities	\$ 4,521	\$ 4,082	\$ 3,071
Investing activities	(1,262)	(3,063)	(2,878)
Financing activities	(3,259)	(1,089)	(117)
Total	<u>\$ —</u>	<u>\$ (70)</u>	<u>\$ 76</u>

Cash Flows Provided by Operating Activities - Net cash provided by operating activities increased \$439 million in 2020 compared to 2019, primarily due to net income adjusted for non-cash items.

Cash Flows Used in Investing Activities - Net cash used in investing activities decreased \$1,801 million in 2020 compared to 2019 primarily due to decreased spending related to the capital budget, a return of capital primarily from our investments in Wink to Webster and Whistler and decreased contributions to equity method investments.

Cash Flows Used in and Provided by Financing Activities - Financing activities were a \$3,259 million use of cash in 2020 compared to a \$1,089 million use of cash in 2019. The primary reasons for the increase in the use of cash was due to lower net borrowings in 2020 for third-party obligations as well as net repayments on the loan agreement with MPC in 2020 compared to net borrowings in the prior year.

Free Cash Flow - For the year ended December 31, 2020, we generated excess cash flow after capital investments and distributions, allowing us the financial flexibility to repurchase \$33 million of public common units during the fourth quarter of 2020. The table below provides a reconciliation of FCF and excess/deficit cash flow from net cash provided by operating activities for the twelve months ended December 31, 2020, 2019 and 2018.

<i>(In millions)</i>	2020	2019	2018
Net cash provided by operating activities ⁽¹⁾	\$ 4,521	\$ 4,082	\$ 3,071
Adjustments to reconcile net cash provided by operating activities to free cash flow			
Net cash used in investing activities	(1,262)	(3,063)	(2,878)
Contributions from MPC	50	74	41
Contributions from noncontrolling interests	—	95	11
Distributions to noncontrolling interests	(37)	(30)	(17)
Free cash flow	<u>3,272</u>	<u>1,158</u>	<u>228</u>
Distributions to common and preferred unitholders ⁽²⁾	(3,006)	(3,039)	(2,129)
Excess (deficit) cash flow	<u>\$ 266</u>	<u>\$ (1,881)</u>	<u>\$ (1,901)</u>

(1) The year ended December 31, 2020, include a decrease in working capital of \$204 million while the years ended December 31, 2019 and 2018 include an increase in working capital of \$108 million and \$31 million, respectively.

(2) For the years ended December 31, 2019 and 2018, this amount includes distributions to common unitholders and Series B unitholders attributable to the Predecessor.

Debt and Liquidity Overview

Credit Agreement

On July 30, 2019, in connection with the closing of the Merger, we amended our previously existing revolving credit facility (the “MPLX Credit Agreement”) to, among other things, increase the borrowing capacity from \$2.25 billion to \$3.5 billion and extend its maturity from July 2022 to July 2024. Borrowings under the MPLX Credit Agreement bear interest at either the Adjusted LIBOR or the Alternate Base Rate

(as defined in the MPLX Credit Agreement), at our election, plus a specified margin. We are charged various fees and expenses in connection with the agreement, including administrative agent fees, commitment fees on the unused portion of the bank revolving credit facility and fees with respect to issued and outstanding letters of credit. The applicable margins to the benchmark interest rates and certain fees fluctuate based on the credit ratings in effect from time to time on MPLX's long-term debt.

The MPLX Credit Agreement includes letter of credit issuing capacity of up to \$300 million and swingline capacity of up to \$150 million. The borrowing capacity under the MPLX Credit Agreement may be increased by up to an additional \$1.0 billion, subject to certain conditions, including the consent of lenders whose commitments would increase. In addition, the maturity date may be extended for up to two additional one-year periods subject to, among other conditions, the approval of lenders holding the majority of the commitments then outstanding, provided that the commitments of any non-consenting lenders will terminate on the then-effective maturity date. During 2020, we borrowed \$3,815 million under the MPLX Credit Agreement, at an average interest rate of 1.490 percent, and repaid \$3,640 million of these borrowings. At December 31, 2020, MPLX had \$175 million outstanding borrowings under the new facility and less than \$1.0 million in letters of credit outstanding, resulting in total availability of approximately \$3,325 million, or approximately 95 percent of the borrowing capacity.

The MPLX Credit Agreement contains certain representations and warranties, affirmative and negative covenants and events of default that we consider usual and customary for an agreement of that type and that could, among other things, limit our ability to pay distributions to our unitholders. The financial covenant requires us to maintain a ratio of Consolidated Total Debt as of the end of each fiscal quarter to Consolidated EBITDA (both as defined in the MPLX Credit Agreement) for the prior four fiscal quarters of no greater than 5.0 to 1.0 (or 5.5 to 1.0 for up to two fiscal quarters following certain acquisitions). Consolidated EBITDA is subject to adjustments for certain acquisitions completed and capital projects undertaken during the relevant period. Other covenants restrict us and/or certain of our subsidiaries from incurring debt, creating liens on our assets and entering into transactions with affiliates. As of December 31, 2020, we were in compliance with this financial covenant with a ratio of Consolidated Total Debt to Consolidated EBITDA of 3.8 to 1.0, as well as all other covenants contained in the MPLX Credit Agreement.

Term Loan

On September 26, 2019, MPLX entered into a Term Loan Agreement, which provides for a committed term loan facility for up to an aggregate of \$1.0 billion. Borrowings under the Term Loan Agreement bore interest, at MPLX's election, at either (i) the Adjusted LIBO Rate (as defined in the Term Loan Agreement) plus a margin ranging from 75.0 basis points to 100.0 basis points per annum, depending on MPLX's credit ratings, or (ii) the Alternate Base Rate (as defined in the Term Loan Agreement). On August 18, 2020 MPLX fully repaid the \$1.0 billion of outstanding borrowings on the Term Loan Agreement using proceeds from the August 2020 New Senior Notes as discussed below.

Senior Notes

On December 29, 2020, MPLX announced the redemption of all the \$750 million outstanding aggregate principal amount of 5.250 percent senior notes due January 15, 2025, including approximately \$42 million aggregate principal amount of senior notes issued by ANDX. The notes were redeemed on January 15, 2021 at a price equal to 102.625 percent of the principal amount.

As of December 31, 2020, we had \$20.35 billion in aggregate principal amount of senior notes outstanding. The increase compared to year-end 2019 resulted primarily from the issuance of an additional \$1.5 billion aggregate principal amount of 1.750 percent senior notes due March 2026 and \$1.5 billion of 2.650 percent senior notes due August 2030, offset by the redemption of \$1.75 billion aggregate principal amount of senior notes, as discussed below.

On August 18, 2020 MPLX issued \$3 billion aggregate principal amount of senior notes in a public offering, consisting of \$1.5 billion aggregate principal amount of 1.750 percent senior notes due March 2026 and \$1.5 billion aggregate principal amount of 2.650 percent senior notes due August 2030 (collectively, the "August 2020 New Senior Notes"). The August 2020 New Senior Notes were offered at a price to the public of 99.785 percent and 99.913 percent of par, respectively. Interest on each series of notes in the August 2020 New Senior Notes is payable semi-annually in arrears, commencing on March 1, 2021

for the senior notes due March 2026 and commencing on February 15, 2021 for the senior notes due August 2030. The net proceeds were used to repay the \$1.0 billion of outstanding borrowings under the MPLX Term Loan Agreement, to repay the \$1.0 billion aggregate principal amount of floating rate notes due September 2021, to redeem all of the \$450 million aggregate principal amount of 6.375 percent senior notes due May 2024, \$69 million of which was issued by ANDX, and to redeem the \$300 million aggregate principal amount of 6.250 percent senior notes due October 2022, \$34 million of which was issued by ANDX. Proceeds were also used to reduce amounts outstanding under the MPLX Credit Agreement at the time.

MPC Loan Agreement

MPLX is party to a loan agreement with MPC Investment (the “MPC Loan Agreement”). Under the terms of the agreement, MPC Investment extends loans to MPLX on a revolving basis as requested by MPLX and as agreed to by MPC Investment. On April 27, 2018, MPLX and MPC Investment entered into an amendment to the MPC Loan Agreement to increase the borrowing capacity under the MPC Loan Agreement from \$500 million to \$1 billion. In connection with the Merger, on July 31, 2019, MPLX and MPC Investment entered into a second amendment to the MPC Loan Agreement to increase the borrowing capacity under the MPC Loan Agreement to \$1.5 billion in aggregate principal amount of all loans outstanding at any one time. The loan agreement is scheduled to expire, and borrowings under the loan agreement are scheduled to mature and become due and payable on July 31, 2024, provided that MPC Investment may demand payment of all or any portion of the outstanding principal amount of the loan, together with all accrued and unpaid interest and other amounts (if any), at any time prior to the maturity date. Borrowings under the MPC Loan Agreement prior to July 31, 2019 bore interest at LIBOR plus 1.50 percent, while borrowings as of and after July 31, 2019 will bear interest at the one-month LIBOR plus 1.25 percent or such lower rate as would be applicable to such loans under the MPLX Credit Agreement. Activity on the MPC Loan Agreement for 2020 was as follows:

<i>(In millions, except %)</i>	<u>December 31, 2020</u>
Borrowings	\$ 6,264
Average interest rate of borrowings	2.278 %
Repayments	\$ 6,858
Outstanding balance at end of period	\$ —

For further discussion, see Item 8. Financial Statements and Supplementary Data – Note 6 and Note 17.

Our intention is to maintain an investment grade credit profile. As of February 1, 2021, the credit ratings on our senior unsecured debt were at or above investment grade level as follows:

<u>Rating Agency</u>	<u>Rating</u>
Moody’s	Baa2 (negative outlook)
Fitch	BBB (negative outlook)
Standard & Poor’s	BBB (negative outlook)

The ratings shown above reflect the respective views of the rating agencies. Although it is our intention to maintain a credit profile that supports an investment grade rating, there is no assurance that these ratings will continue for any given period of time. The ratings may be revised or withdrawn entirely by the rating agencies if, in their respective judgments, circumstances so warrant.

The agreements governing our debt obligations do not contain credit rating triggers that would result in the acceleration of interest, principal or other payments in the event that our credit ratings are downgraded. However, any downgrades in the credit ratings of our senior unsecured debt ratings could, among other things, increase the applicable interest rates and other fees payable under the MPLX Credit Agreement, which may limit our flexibility to obtain future financing.

Our liquidity totaled \$4.8 billion at December 31, 2020, consisting of:

<i>(In millions)</i>	December 31, 2020		
	Total Capacity	Outstanding Borrowings	Available Capacity
MPLX LP - bank revolving credit facility expiring 2024	\$ 3,500	\$ (175)	\$ 3,325
MPC Loan Agreement	1,500	—	1,500
Total	<u>\$ 5,000</u>	<u>\$ (175)</u>	4,825
Cash and cash equivalents			15
Total liquidity			<u>\$ 4,840</u>

We expect our ongoing sources of liquidity to include cash generated from operations, borrowings under our revolving credit facilities and access to capital markets. We believe that cash generated from these sources will be sufficient to meet our short term and long-term funding requirements, including working capital requirements, capital expenditure requirements, contractual obligations and quarterly cash distributions. Our material future obligations include interest on debt, payments of debt principal, purchase obligations including contracts to acquire PP&E and our operating leases and service agreements. We may also, from time to time repurchase notes in the open market, in privately-negotiated transactions or otherwise in such volumes, at such prices and upon such other terms as we deem appropriate and execute unit repurchases under our unit repurchase program

MPC manages our cash and cash equivalents on our behalf directly with third-party institutions as part of the treasury services that it provides to us. From time to time, we may also consider utilizing other sources of liquidity, including the formation of joint ventures or sales of non-strategic assets.

Equity and Preferred Units Overview

The following table summarizes the changes in the number of units outstanding through December 31, 2020:

<i>(In units)</i>	Common	General Partner	Total
Balance at December 31, 2017	407,130,020	8,308,773	415,438,793
Unit-based compensation awards	348,387	140	348,527
Contribution of Refining Logistics and Fuels Distribution	111,611,111	2,277,778	113,888,889
Conversion of GP economic interests	<u>275,000,000</u>	<u>(10,586,691)</u>	<u>264,413,309</u>
Balance at December 31, 2018	794,089,518	—	794,089,518
Unit-based compensation awards	288,031	—	288,031
Issuance of units in connection with the Merger	262,829,592	—	262,829,592
Conversion of Series A preferred units	<u>1,148,330</u>	<u>—</u>	<u>1,148,330</u>
Balance at December 31, 2019	1,058,355,471	—	1,058,355,471
Unit-based compensation awards	478,438	—	478,438
Units redeemed in unit repurchase program	(1,473,843)	—	(1,473,843)
Wholesale Exchange	<u>(18,582,088)</u>	<u>—</u>	<u>(18,582,088)</u>
Balance at December 31, 2020	1,038,777,978	—	1,038,777,978

For more details on equity activity, see Item 8. Financial Statements and Supplementary Data – Notes 8 and 9.

Preferred Units

Series A Preferred Units - On May 13, 2016, MPLX completed the private placement of approximately 30.8 million Series A preferred units for a cash purchase price of \$32.50 per unit. The aggregate net proceeds of approximately \$984 million from the sale of the preferred units were used for capital expenditures, repayment of debt and general business purposes.

The Series A preferred units rank senior to all common units with respect to distributions and rights upon liquidation. The holders of the Series A preferred units received cumulative quarterly distributions equal to \$0.528125 per unit for each quarter prior to the second quarter of 2018. Beginning with the second quarter of 2018, the holders of the Series A preferred units are entitled to receive a quarterly distribution equal to the greater of \$0.528125 per unit or the amount of distributions they would have received on an as converted basis. Distributions paid to Series A preferred unitholders during the years ended December 31, 2020, 2019 and 2018 were \$81 million, \$81 million and \$71 million, respectively.

On September 20, 2019, certain holders exercised their right to convert a total of 1.2 million Series A preferred units into common units. As a result of the transaction, approximately 29.6 million Series A preferred units remain outstanding as of December 31, 2020.

Series B Preferred Units - Prior to the Merger, ANDX issued 600,000 units of 6.875 percent Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units representing limited partner interests of ANDX at a price to the public of \$1,000 per unit. Upon completion of the Merger, the ANDX preferred units converted to preferred units of MPLX representing substantially equivalent limited partnership interests in MPLX. The Series B preferred units are pari passu with the Series A preferred units with respect to distribution rights and rights upon liquidation. Distributions on the Series B preferred units are payable semi-annually through February 15, 2023, and quarterly thereafter. Distributions paid to Series B preferred unitholders during the year ended December 31, 2020 and 2019 were \$41 million and \$21 million, respectively.

ATM Program

On March 13, 2018, MPLX entered into a Third Amended and Restated Distribution Agreement, which provided for the at-the-market issuances of common units having an aggregate offering price of up to approximately \$1.7 billion, in amounts, at prices and on terms determined by market conditions and other factors at the time of the offerings. There were no issuances made under the ATM Program during the years ended December 31, 2020, 2019 or 2018.

Unit Repurchase Program

On November 2, 2020, MPLX announced the board authorization of a unit repurchase program for the repurchase of up to \$1 billion of MPLX's outstanding common units held by the public. MPLX may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, tender offers, accelerated unit repurchases or open market solicitations for units, some of which may be effected through Rule 10b5-1 plans. The timing and amount of repurchases will depend upon several factors, including market and business conditions, and repurchases may be initiated, suspended or discontinued at any time. The repurchase authorization has no expiration date. During the year ended December 31, 2020, 1,473,843 public common units had been repurchased at an average cost of \$22.29 per unit. Total cash paid for units repurchased during the year was \$33 million with \$967 million outstanding under the program for future repurchases as of December 31, 2020.

Distributions

We intend to pay a minimum quarterly distribution of \$0.2625 per unit, which equates to \$273 million per quarter, or \$1,091 million per year, based on the number of common units outstanding. On January 28, 2021, we announced that the board of directors of our general partner had declared a distribution of \$0.6875 per common unit, consistent with distributions made for each quarter since the fourth quarter of 2019. The distribution was paid on February 12, 2021 to common unitholders of record on February 8, 2021. Although our Partnership Agreement requires that we distribute all of our available cash each quarter, we do not otherwise have a legal obligation to distribute any particular amount per common unit.

The allocation of total quarterly cash distributions to general and limited partners is as follows for the years ended December 31, 2020, 2019 and 2018. Our distributions are declared subsequent to quarter end; therefore, the following table represents total cash distributions applicable to the period in which the distributions were earned. See additional discussion in Item 8. Financial Statements and Supplementary Data - Note 7.

<i>(In millions, except per unit data)</i>	2020	2019	2018
Distribution declared:			
Limited partner common units - public	\$ 1,079	\$ 988	\$ 732
Limited partner common units - MPC	1,793	1,647	1,253
Total GP & LP distribution declared	2,872	2,635	1,985
Series A preferred units	81	81	75
Series B preferred units	41	42	—
Total distribution declared	<u>\$ 2,994</u>	<u>\$ 2,758</u>	<u>\$ 2,060</u>
Cash distributions declared per limited partner common unit:			
Quarter ended March 31,	\$ 0.6875	\$ 0.6575	\$ 0.6175
Quarter ended June 30,	0.6875	0.6675	0.6275
Quarter ended September 30,	0.6875	0.6775	0.6375
Quarter ended December 31,	0.6875	0.6875	0.6475
Year ended December 31,	<u>\$ 2.7500</u>	<u>\$ 2.6900</u>	<u>\$ 2.5300</u>

The distribution on common units for the year ended December 31, 2019 includes the impact of the issuance of approximately 102 million units issued to public unitholders and approximately 161 million units issued to MPC in connection with the Merger. Due to the timing of the closing, distributions presented in the table above include second quarter 2019 distributions on MPLX common units issued to former ANDX unitholders in connection with the Merger. MPC waived \$12.5 million in quarterly distributions under the terms of ANDX's historical partnership agreement, which was instituted in 2017 and was to remain in effect through 2019, the original term of the waiver agreement. As such, the distributions on common units exclude \$12.5 million of waived distributions for the three months ended December 31, 2019 and \$37.5 million of waived distributions for the year ended December 31, 2019. Also included in the table above is \$21 million of distributions on the Series B preferred units subsequent to the Merger as well as \$21 million of distributions on the Series B units prior to the Merger and declared and paid by MPLX during the third quarter of 2019.

Capital Expenditures

Our operations are capital intensive, requiring investments to expand, upgrade, enhance or maintain existing operations and to meet environmental and operational regulations. Our capital requirements consist of maintenance capital expenditures and growth capital expenditures. 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, growth capital expenditures are those incurred for acquisitions or capital improvements that we expect will increase our operating capacity to increase volumes gathered, processed, transported or fractionated, decrease operating expenses within our facilities or increase operating income over the long term. Examples of growth capital expenditures include the acquisition of equipment or the construction costs and the development or acquisition of additional pipeline, processing or storage capacity. In general, growth capital includes costs that are expected to generate additional or new cash flow for MPLX.

Our capital expenditures for the past three years are shown in the table below:

<i>(In millions)</i>	2020	2019	2018
Capital expenditures ⁽¹⁾ :			
Growth capital expenditures	\$ 778	\$ 2,000	\$ 2,071
Growth capital reimbursements	(4)	(21)	(16)
Investments in unconsolidated affiliates	266	713	341
Return of capital	(123)	(18)	(16)
Contributions from noncontrolling interests	—	(95)	(11)
Capitalized interest	(39)	(51)	(37)
Total growth capital expenditures	878	2,528	2,332
Maintenance capital expenditures	161	262	175
Maintenance capital reimbursements	(46)	(53)	(8)
Total maintenance capital expenditures	115	209	167
Total growth and maintenance capital expenditures	993	2,737	2,499
Investments in unconsolidated affiliates ⁽²⁾	(266)	(713)	(341)
Return of capital ⁽²⁾	123	18	16
Contributions from noncontrolling interests ⁽³⁾	—	95	11
Growth and maintenance capital reimbursements ⁽⁴⁾	50	74	24
Decrease/(increase) in capital accruals	244	146	(135)
Capitalized interest	39	51	37
Additions to property, plant and equipment, net ⁽²⁾	<u>\$ 1,183</u>	<u>\$ 2,408</u>	<u>\$ 2,111</u>

(1) Includes capital expenditures of the Predecessor for all periods presented.

(2) Investments in unconsolidated affiliates, return of capital and additions to property, plant and equipment, net are shown as separate lines within investing activities in the Consolidated Statements of Cash Flows.

(3) Contributions from noncontrolling interests are shown as separate line within financing activities in the Consolidated Statements of Cash Flows.

(4) Growth and maintenance capital reimbursements are included in the Contributions from MPC line within financing activities in the Consolidated Statements of Cash Flows.

For 2021, we announced a growth and maintenance capital plan of \$800 million and \$165 million, respectively. Our capital plans are focused on investments in projects that deliver the highest returns as we continue to optimize our assets. The L&S growth capital plan includes investments in the Wink to Webster and Whistler pipelines, which are focused on crude oil and natural gas logistics systems to transport products from the Permian to the U.S. Gulf Coast and increase our export capabilities. This provides for additional flexibility and competitive advantages in how we operate our assets as these projects further enhance our L&S segment full value chain capture. The G&P segment growth capital plan includes the addition of approximately 400 MMcf/d of processing capacity at two gas processing plants, one in the Marcellus region, which is expected to be completed in 2021, and one in the Southwest region, which is expected to be completed in 2022. We continuously evaluate our capital plan and make changes as conditions warrant.

Contractual Cash Obligations

The table below provides aggregated information on our consolidated obligations to make future payments under existing contracts as of December 31, 2020:

<i>(In millions)</i>	Total	2021	2022-2023	2024-2025	Later Years
Bank revolving credit facility ⁽¹⁾	\$ 202	\$ 8	\$ 15	\$ 179	\$ —
Floating rate senior notes ⁽¹⁾	1,023	14	1,009	—	—
Long-term debt ⁽¹⁾⁽²⁾	30,608	1,554	3,541	4,163	21,350
Finance lease obligations	18	3	4	2	9
Operating leases ⁽³⁾	1,030	90	152	82	706
Contracts to acquire property, plant & equipment ⁽⁴⁾	156	97	59	—	—
Natural gas purchase obligations ⁽⁵⁾	13	7	6	—	—
Transportation and terminalling ⁽⁶⁾	1,065	103	271	270	421
Other long-term liabilities reflected on the Consolidated Balance Sheets:					
AROs ⁽⁷⁾	29	—	—	—	29
Other contracts ⁽⁸⁾⁽⁹⁾	2,982	107	155	134	2,586
Total contractual cash obligations	<u>\$ 37,126</u>	<u>\$ 1,983</u>	<u>\$ 5,212</u>	<u>\$ 4,830</u>	<u>\$ 25,101</u>

- (1) Amounts represent outstanding borrowings at December 31, 2020, plus any commitment and administrative fees and interest.
- (2) The 2021 column includes \$750 million of long-term debt due within one year related to our 5.25 percent Senior Notes due on January 15, 2025, which were redeemed on January 15, 2021. See Item 8. Financial Statements and Supplementary Data – Note 17 for further discussion.
- (3) Amounts relate primarily to facilities and equipment under leases, including ground leases, building space, office and field equipment, storage facilities and transportation equipment. See Item 8. Financial Statements and Supplementary Data – Note 22 for further discussion about our lease obligations.
- (4) Represents purchase orders and contracts related to the purchase or build out of property, plant and equipment.
- (5) Natural gas purchase obligations consist primarily of a purchase agreement with a producer in our Southern Appalachia Operations. The contract provides for the purchase of keep-whole volumes at a specific price and is a component of a broader regional arrangement. The contract price is designed to share a portion of the frac spread with the producer and as a result, the amounts reflected for the obligation exceed the cost of purchasing the keep-whole volumes at a market price. The contract is considered an embedded derivative (see Item 8. Financial Statements and Supplementary Data – Note 16 for the fair value of the frac spread sharing component). We use the estimated future frac spreads as of December 31, 2020 for calculating this obligation. The counterparty to the contract has the option to renew the gas purchase agreement and the related keep-whole processing agreement for two successive five-year terms after 2022, which is not included in the natural gas purchase obligations line item.
- (6) Represents transportation and terminalling agreements that obligate us to minimum volume, throughput or payment commitments over the terms of the agreements, which will range from four to 12 years. We expect to pass any minimum payment commitments through to producer customers. Minimum fees due under transportation agreements do not include potential fee increases as required by FERC.
- (7) Excludes estimated accretion expense of \$26 million. The total amount to be paid is approximately \$55 million.
- (8) Other contracts include various service agreements and easements including right of way obligations.
- (9) MPC incurs costs on our behalf related to reimbursable refining logistics projects under the Co-location Agreements, and we will reimburse MPC based on actual purchase obligations up to a certain dollar amount. The estimate of these payments due in 2021 are not included in the table above, as the amounts incurred during 2021 are billed to MPLX monthly, one month in arrears.

In addition to the obligations included in the table above, we have omnibus agreements and employee agreements with MPC. The omnibus agreements with MPC addresses our payment of a fixed annual fee to MPC for the provision of executive management services by certain executive officers of our general partner and our reimbursement to MPC for the provision of certain general and administrative services to us.

We also pay MPC additional amounts based on the costs actually incurred by MPC in providing other services, except for the portion of the amount attributable to engineering services, which is based on the amounts actually incurred by MPC and its affiliates plus six percent of such costs. In addition, we are obligated to reimburse MPC for most out-of-pocket costs and expenses incurred by MPC on our behalf.

MPLX has various employee agreements with MPC under which MPLX reimburses MPC for employee benefit expenses, along with the provision of operational and management services in support of both our L&S and G&P segments' operations.

We incurred \$1,647 million of costs under the omnibus and employee agreements for 2020, which is inclusive of restructuring expenses of \$37 million.

Off-Balance Sheet Arrangements

As of December 31, 2020, our off-balance sheet arrangements comprise those arrangements that may potentially impact our liquidity, capital resources and results of operations, even though such arrangements are not recorded as liabilities under U.S. GAAP. Our off-balance sheet arrangements are limited to indemnities and guarantees that are described in Item 8. Financial Statements and Supplementary Data – Note 23. Although these arrangements serve a variety of our business purposes, we are not dependent on them to maintain our liquidity and capital resources, and we are not aware of any circumstances that are reasonably likely to cause the off-balance sheet arrangements to have a material adverse effect on our liquidity and capital resources.

Effects of Inflation

Inflation did not have a material impact on our results of operations for the years ended December 31, 2020, 2019 or 2018. Although the impact of inflation has been insignificant in recent years, it is still a factor in the United States economy and may increase the cost to acquire, build or replace property, plant and equipment. It may also increase the costs of labor and supplies. To the extent permitted by competition, regulation and our existing agreements, we have and expect to continue to pass along all or a portion of increased costs to our customers in the form of higher fees.

TRANSACTIONS WITH RELATED PARTIES

As of December 31, 2020, MPC owned our general partner and an approximate 62.3 percent limited partner interest in us. We perform a variety of services for MPC related to the transportation of crude and refined petroleum products via pipeline, truck or marine as well as terminal services, storage services and fuels distribution and marketing services, among other. The services that we provide may be based on regulated tariff rates or on contracted rates. In addition, MPC performs certain services for us related to information technology, engineering, legal, accounting, treasury, human resources and other administrative services. We believe that transactions with related parties are conducted under terms comparable to those with unrelated parties. For further discussion of agreements and activity with MPC and related parties see Item 1. Business and Item 8. Financial Statements and Supplementary Data – Note 6.

Excluding revenues attributable to volumes shipped by MPC under joint tariffs with third parties that are treated as third-party revenues for accounting purposes, and excluding losses for impairment of equity method investments, MPC accounted for 55 percent, 53 percent and 48 percent of our total revenues and other income for 2020, 2019 and 2018, respectively. Of our total costs and expenses, excluding impairment expense, MPC accounted for 30 percent, 30 percent and 27 percent for 2020, 2019 and 2018, respectively.

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 hazardous, 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 CAA and other federal, state and local requirements for our various facilities. 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.

If these expenditures, as with all costs, are not ultimately reflected in the fees and tariff rates 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. Our environmental expenditures for each of the past three years were:

<i>(In millions, except %)</i>	2020	2019	2018
Capital	\$ 26	\$ 39	\$ 29
Percent of total capital expenditures	3 %	2 %	1 %
Compliance:			
Operating and maintenance	\$ 24	\$ 40	\$ 35
Remediation ⁽¹⁾	4	10	9
Total	\$ 28	\$ 50	\$ 44

(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.

Our environmental capital expenditures are expected to approximate \$18 million in 2021. Actual expenditures may vary as the number and scope of environmental projects are revised as a result of improved technology or changes in regulatory requirements and could increase if additional projects are identified or additional requirements are imposed.

CRITICAL ACCOUNTING 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, the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the respective reporting periods. Accounting estimates are considered to be critical if (i) 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 (ii) 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.

The policies and estimates discussed below are considered by management to be critical to an understanding of our financial statements because their application requires the most significant judgments from management in estimating matters for financial reporting that are inherently uncertain. See Item 8. Financial Statements and Supplementary Data – Note 2 for additional information on these policies and estimates, as well as a discussion of additional accounting policies and estimates.

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 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.

The fair value accounting standards do not prescribe which valuation technique should be used when measuring fair value and do not prioritize among the techniques. These standards establish a fair value hierarchy that prioritizes the inputs used in applying the various valuation techniques. Inputs broadly refer to the assumptions that market participants use to make pricing decisions, including assumptions about risk. Level 1 inputs are given the highest priority in the fair value hierarchy while Level 3 inputs are given the lowest priority. The three levels of the fair value hierarchy are as follows:

- Level 1 - Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets as of the measurement date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Observable market-based inputs or unobservable inputs that are corroborated by market data. These are inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the measurement date.
- Level 3 - Unobservable inputs that are not corroborated by market data and may be used with internally developed methodologies that result in management's best estimate of fair value.

Valuation techniques that maximize the use of observable inputs are favored. Assets and liabilities are classified in their entirety based on the lowest priority level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement of assets and liabilities within the levels of the fair value hierarchy. We use an income or market approach for recurring fair value measurements and endeavor to use the best information available. See Item 8. Financial Statements and Supplementary Data - Note 15 for disclosures regarding our fair value measurements.

Significant uses of fair value measurements include:

- assessment of impairment of long-lived assets, intangible assets, goodwill and equity method investments;
- assessment of values for assets in implicit leases;
- recorded values for assets acquired and liabilities assumed in connection with acquisitions; and
- recorded values of derivative instruments.

Impairment Assessments of Long-Lived Assets, Intangible Assets, Goodwill and Equity Method Investments

Fair value calculated for the purpose of testing our long-lived assets, intangible assets, goodwill and equity method investments 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 Operating Performance.* Our estimates of future operating performance are based on our analysis of various supply and demand factors, which include, among other things, industry-wide capacity, our planned utilization rate, end-user demand, capital expenditures and economic conditions as well as commodity prices. Such estimates are consistent with those used in our planning and capital investment reviews.
- *Future volumes.* Our estimates of future throughput of crude oil, natural gas, NGL and refined product volumes are based on internal forecasts and depend, in part, on assumptions about our customers' drilling activity which is inherently subjective and contingent upon a number of variable factors (including future or expected pricing considerations), many of which are difficult to forecast. Management considers these volume forecasts and other factors when developing our forecasted cash flows.
- *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.

Assumptions about the effects of the COVID-19 pandemic and the macroeconomic environment are inherently subjective and contingent upon the duration of the pandemic and its impact on the macroeconomic environment, which is difficult to forecast. 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 prices of or demand for commodities, a poor outlook for profitability, a significant reduction in pipeline throughput volumes, a significant reduction in natural gas or NGL volumes processed, other changes to contracts or changes in the regulatory environment in which the asset or equity method investment 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 based on the expected undiscounted future cash flow of an asset group. For purposes of impairment evaluation, long-lived assets must be grouped at the lowest level for which independent cash flows can be identified, which is at least at the segment level and in some cases for similar assets in the same geographic region where cash flows can be separately identified. If the sum of the undiscounted 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.

During the first quarter of 2020, we identified an impairment trigger relating to asset groups within our Western G&P reporting unit as a result of significant impacts to forecasted cash flows for these asset groups resulting from the first quarter events and circumstances as discussed in Item 8. Financial Statements and Supplementary Data – Note 1. The cash flows associated with these assets were significantly impacted by forecasted volume declines reflecting decreased forecasted producer customer production as a result of lower commodity prices. After assessing each asset group within the Western G&P reporting unit for impairment, only the East Texas G&P asset group had a carrying value in excess of the fair value of its underlying assets. As a result, an impairment of \$174 million of property, plant and equipment and \$177 million of intangibles was recorded to “Impairment expense” on the Consolidated Statements of Income for the first quarter of 2020. Fair value of our PP&E was determined using a combination of an income and cost approach. The income approach utilized significant assumptions including management’s best estimates of the expected future cash flows and the estimated useful life of the asset group. The cost approach utilized assumptions for the current replacement costs of similar assets adjusted for estimated depreciation and deterioration of the existing equipment and economic obsolescence. The fair value of the intangibles was determined based on applying the multi-period excess earnings method, which is an income approach. Key assumptions included management’s best estimates of the expected future cash flows from existing customers, customer attrition rates and the discount rate. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of our impairment analysis will prove to be an accurate prediction of the future. The fair value measurements for the asset group fair values represent Level 3 measurements.

Unlike long-lived assets, goodwill must be tested for impairment at least annually, and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Goodwill is tested for impairment at the reporting unit level. We have five reporting units, three of which have goodwill allocated to them. A goodwill impairment loss is measured as the amount by which a reporting unit’s carrying value exceeds its fair value, without exceeding the recorded amount of goodwill.

At December 31, 2020, MPLX had three reporting units with goodwill totaling approximately \$7.7 billion. For the annual impairment assessment as of November 30, 2020, management performed only a qualitative assessment for one reporting unit as we determined it was more likely than not that the fair value of the reporting unit exceeded the carrying value. A quantitative assessment was last performed on this reporting unit at March 31, 2020 which indicated fair value exceeded carrying value by approximately 270 percent. A quantitative assessment was performed for the remaining two reporting units, which resulted in the fair

value of the reporting units exceeding their carrying value by nine percent and 42 percent. The reporting unit whose fair value exceeded its carrying amount by nine percent, our Crude Gathering Reporting unit, had goodwill totaling \$1.1 billion at December 31, 2020. The excess fair value over carrying value for this reporting unit is consistent with prior assessments. An increase of one percentage point to the discount rate used to estimate the fair value of this reporting unit would not have resulted in goodwill impairment as of November 30, 2020.

See Item 8. Financial Statements and Supplementary Data - Note 1 for a description of the effects that the outbreak of COVID-19 and its development into a pandemic and the decline in commodity prices have had on our business. Due to these developments in the first quarter of 2020, we performed impairment assessments as discussed further below.

As a result of the events noted above, we performed an impairment assessment as of March 31, 2020, and as a result, MPLX recorded an impairment of \$1.8 billion in the first quarter of 2020 related to our Eastern G&P reporting unit within the G&P operating segment, which brought the amount of goodwill recorded within this reporting unit to zero. The impairment was primarily driven by updated guidance related to the slowing of drilling activity which has reduced production growth forecasts from our producer customers. The interim impairment assessment of the remaining reporting units with goodwill resulted in the fair value of the reporting units exceeding their carrying value by percentages ranging from approximately 8.5 percent to 270.0 percent. The reporting unit whose fair value exceeded its carrying amount by 8.5 percent, our Crude Gathering reporting unit, had goodwill totaling \$1.1 billion at March 31, 2020. The operations that make up this reporting unit were acquired through the Merger. MPC accounted for its October 1, 2018 acquisition of Andeavor (through which it acquired control of ANDX), using the acquisition method of accounting, which required Andeavor assets and liabilities to be recorded by MPC at the acquisition date fair value. The Merger was closed on July 30, 2019 and has been treated as a common control transaction, which required the recognition of assets acquired and liabilities assumed using MPC's historical carrying value. As such, given the short amount of time from when fair value was established to the date of the impairment test, the amount by which the fair value exceeded the carrying value within this reporting unit is not unexpected. An increase of one percentage point to the discount rate used to estimate the fair value of this reporting unit would not have resulted in goodwill impairment as of March 31, 2020. No other reporting units had had fair values exceeding carrying values of less than 20 percent.

Significant assumptions used to estimate the reporting units' fair value included estimates of future cash flows and market information for comparable assets. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the impairment tests will prove to be an accurate prediction of the future. See Item 8. Financial Statements and Supplementary Data - Note 14 for additional information relating to our reporting units and goodwill.

Equity method investments are assessed for impairment whenever factors indicate an other than temporary loss in value. Factors providing evidence of such a loss include the fair value of an investment that is less than its carrying value, absence of an ability to recover the carrying value or the investee's inability to generate income sufficient to justify our carrying value. During the first quarter of 2020, we assessed certain of our equity method investments for impairment as a result of a number of first quarter events and circumstances as discussed in Item 8. Financial Statements and Supplementary Data - Note 1. As a result, we recorded an other than temporary impairment for three joint ventures in which we have an interest. Impairment of these investments was \$1,264 million, of which \$1,251 million was related to MarkWest Utica EMG, L.L.C. and its investment in Ohio Gathering Company, L.L.C. The fair value of the investments was determined based upon applying the discounted cash flow method, which is an income approach. The discounted cash flow fair value estimate is based on known or knowable information at the interim measurement date. The significant assumptions that were used to develop the estimate of the fair value under the discounted cash flow method include management's best estimates of the expected future cash flows, including prices and volumes, the weighted average cost of capital and the long-term growth rate. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As such, the fair value of these equity method investments represents a Level 3 measurement. As a result, there can be no assurance that the estimates and assumptions made for purposes of the impairment test will prove to be an accurate prediction of the future. The impairment was recorded through "Income from equity method investments." The impairments were largely due to a reduction in forecasted volumes gathered and processed by the systems operated by the joint ventures. At December 31, 2020 we had \$4,036 million of equity method investments recorded on the Consolidated Balance Sheets.

An estimate of the sensitivity to net income resulting from impairment calculations is not practicable, given the numerous assumptions (e.g., pricing, 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.

See Item 8. Financial Statements and Supplementary Data - Note 5 for additional information on our equity method investments and Note 14 for additional information on our goodwill and intangibles.

Leases

In accounting for leases, MPLX may be required to analyze new or existing leases for lease classification. One of the key inputs into the lease classification analysis is the fair value of the leased assets. Significant assumptions used to estimate the leased assets' fair value included market information for comparable assets and cost estimates to replace the service capacity of an asset.

Acquisitions

In accounting for business combinations, acquired assets, assumed liabilities and contingent consideration are recorded based on estimated fair values as of the date of acquisition. The excess or shortfall of the purchase price when compared to the fair value of the net tangible and identifiable intangible assets acquired, if any, is recorded as goodwill or a bargain purchase gain, respectively. A significant amount of judgment is involved in estimating the individual fair values of property, plant and equipment, intangible assets, contingent consideration and other assets and liabilities. We use all available information to make these fair value determinations and, for certain acquisitions, engage third-party consultants for assistance.

The fair value of assets and liabilities, including contingent consideration, as of the acquisition date are often estimated using a combination of approaches, including the income approach, which requires us to project related future cash inflows and outflows and apply an appropriate discount rate; the cost approach, which requires estimates of replacement costs and depreciation and obsolescence estimates; and the market approach, which uses market data and adjusts for entity-specific differences. The estimates used in determining fair values are based on assumptions believed to be reasonable but which are inherently uncertain. Accordingly, actual results may differ from the projected results used to determine fair value.

See Item 8. Financial Statements and Supplementary Data - Note 4 for additional information on our acquisitions, which includes a discussion of common control transactions and the related impact of how such transactions are recorded. See Item 8. Financial Statements and Supplementary Data - Note 15 for additional information on fair value measurements.

Derivatives

We record all derivative instruments at fair value on the Consolidated Balance Sheets. To the extent that we have any, our crude oil and natural gas commodity derivatives are Level 2 financial instruments. Our NGL commodity derivatives and any option contracts are Level 3 financial instruments due to option volatilities and NGL prices that are interpolated and extrapolated due to inactive markets. Substantially all of our commodity derivative instruments are traded in OTC markets and are appropriately adjusted for non-performance risk.

We have a natural gas purchase commitment embedded in a keep-whole processing agreement with a producer customer in the Southern Appalachia region expiring in December 2022. The customer has the unilateral option to extend the agreements for two consecutive five-year terms through December 2032. For accounting purposes, the natural gas purchase commitment and term extending options have been aggregated into a single compound embedded derivative which is a Level 3 financial instrument and is appropriately adjusted for non-performance risk (the "Natural Gas Embedded Derivative"). The significant unobservable input to the valuation of the Natural Gas Embedded Derivative relates to commodity prices. Third-party forward price curves are not available after 2024, which requires us to extrapolate NGL and natural gas prices.

A ten percent difference in the estimated fair value of the Natural Gas Embedded Derivative at December 31, 2020 would have affected income before taxes by \$6.3 million for the year ended December 31, 2020. If the commodity prices for the Natural Gas Embedded Derivative were changed such

that the fractionation spread changed by approximately ten percent, the liability would change by approximately \$8.5 million as of December 31, 2020. Fair value estimation for all our derivative instruments is discussed in Item 8. Financial Statements and Supplementary Data - Note 15 and Note 16. Additional information about derivatives and their valuation may be found in Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

Variable Interest Entities

We evaluate all legal entities in which we hold an ownership or other pecuniary interest to determine if the entity is a VIE. Our interests in a VIE are referred to as variable interests. Variable interests can be contractual, ownership or other pecuniary interests in an entity that change with changes in the fair value of the VIE's assets. When we conclude that we hold an interest in a VIE, we must determine if we are the entity's primary beneficiary. A primary beneficiary is deemed to have a controlling financial interest in a VIE. This controlling financial interest is evidenced by both (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses that could potentially be significant to the VIE or the right to receive benefits that could potentially be significant to the VIE. We consolidate any VIE when we determine that we are the primary beneficiary. We must disclose the nature of any interests in a VIE that is not consolidated.

Significant judgment is exercised in determining that a legal entity is a VIE and in evaluating our interest in a VIE. We use primarily a qualitative analysis to determine if an entity is a VIE. We evaluate the entity's need for continuing financial support; the equity holder's lack of a controlling financial interest; and/or if an equity holder's voting interests are disproportionate to its obligation to absorb expected losses or receive residual returns. We evaluate our interests in a VIE to determine whether we are the primary beneficiary. We use a primarily qualitative analysis to determine if we are deemed to have a controlling financial interest in the VIE, either on a standalone basis or as part of a related party group. We continually monitor our interests in legal entities for changes in the design or activities of an entity and changes in our interests, including our status as the primary beneficiary to determine if the changes require us to revise our previous conclusions.

Changes in the design or nature of the activities of a VIE, or our involvement with a VIE, may require us to reconsider our conclusions on the entity's status as a VIE and/or our status as the primary beneficiary. Such reconsideration requires significant judgment and understanding of the organization. This could result in the deconsolidation or consolidation of the affected subsidiary, which would have a significant impact on our financial statements.

VIEs are discussed in Item 8. Financial Statements and Supplementary Data - Note 5.

Contingent Liabilities

We accrue contingent liabilities for legal actions, claims, litigation, environmental remediation, tax deficiencies related to operating taxes and third-party indemnities for specified tax matters when such contingencies are both probable and estimable. 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 selling, general and administrative expenses on the Consolidated 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.

For additional information on contingent liabilities, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Environmental Matters and Compliance Costs and Item 8. Financial Statements and Supplementary Data - Note 23.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks related to the volatility of commodity prices. We employ various strategies, including the potential use of commodity derivative instruments, to economically hedge the risks related to these price fluctuations. We are also exposed to market risks related to changes in interest rates. As of December 31, 2020, we did not have any open financial derivative instruments to economically hedge the risks related to interest rate fluctuations or commodity derivative instruments to economically hedge the risks related to the volatility of commodity prices; however, we continually monitor the market and our exposure and may enter into these arrangements in the future. While there is a risk related to changes in fair value of derivative instruments we may enter into; such risk is mitigated by price or rate changes related to the underlying commodity or financial transaction.

Commodity Price Risk

We may at times use a variety of commodity derivative instruments, including futures and options, as part of an overall program to economically hedge commodity price risk. A portion of our profitability is directly affected by prevailing commodity prices primarily as a result of purchasing and selling NGLs and natural gas at index-related prices. To the extent that commodity prices influence the level of drilling by our producer customers, such prices also indirectly affect profitability. We may enter into derivative contracts, which are primarily swaps traded on the OTC market as well as fixed price forward contracts. Our risk management policy does not allow us to enter into speculative positions with our derivative contracts. Execution of our hedge strategy and the continuous monitoring of commodity markets and our open derivative positions are carried out by our hedge committee, comprised of members of senior management.

To mitigate our cash flow exposure to fluctuations in the price of NGLs, we may use NGL derivative swap contracts. A small portion of our NGL price exposure may be managed by using crude oil contracts. To mitigate our cash flow exposure to fluctuations in the price of natural gas, we may use natural gas derivative swap contracts, taking into account the partial offset of our long and short natural gas positions resulting from normal operating activities.

We would be exposed to additional commodity risk in certain situations such as if producers under-deliver or over-deliver products or if processing facilities are operated in different recovery modes. In the event that we have derivative positions in excess of the product delivered or expected to be delivered, the excess derivative positions may be terminated.

Management conducts a standard credit review on counterparties to derivative contracts, and we have provided the counterparties with a guaranty as credit support for our obligations. We use standardized agreements that allow for offset of certain positive and negative exposures in the event of default or other terminating events, including bankruptcy.

Outstanding Derivative Contracts

We have a natural gas purchase commitment embedded in a keep-whole processing agreement with a producer customer in the Southern Appalachia region expiring in December 2022. The customer has the unilateral option to extend the agreement for two consecutive five-year terms through December 2032. For accounting purposes, the natural gas purchase commitment and the term extending options have been aggregated into a single compound embedded derivative. The probability of the customer exercising its options is determined based on assumptions about the customer's potential business strategy decision points that may exist at the time they would elect whether to renew the contract. The changes in fair value of this compound embedded derivative are based on the difference between the contractual and index pricing, and the probability of the producer customer exercising its option to extend. The changes in fair value are recorded in earnings through "Purchased product costs" on the Consolidated Statements of Income. As of December 31, 2020 and 2019, the estimated fair value of this contract was a liability of \$63 million and \$60 million, respectively.

Open Derivative Positions and Sensitivity Analysis

The estimated fair value of our Level 2 and 3 financial instruments are sensitive to the assumptions used in our pricing models. Sensitivity analysis of a ten percent difference in our estimated fair value of Level 2 and 3 commodity derivatives (excluding embedded derivatives) as of December 31, 2020 would not have affected income before income taxes for the year ended December 31, 2020, given we had no open commodity derivative contracts during the year. We evaluate our portfolio of commodity derivative instruments on an ongoing basis and add or revise strategies in anticipation of changes in market conditions and in risk profiles.

Interest Rate Risk

Sensitivity analysis of the effect of a hypothetical 100-basis-point change in interest rates on long-term debt, excluding finance leases, is provided in the following table. Fair value of cash and cash equivalents, receivables, accounts payable and accrued interest approximate carrying value and are relatively insensitive to changes in interest rates due to the short-term maturity of the instruments. Accordingly, these instruments are excluded from the table.

<i>(In millions)</i>	Fair Value as of December 31, 2019 ⁽¹⁾	Change in Fair Value ⁽²⁾	Change in Income before income taxes for the Year Ended December 31, 2019 ⁽³⁾
Long-term debt (including amounts due within one year)			
Fixed-rate	\$ 21,775	\$ 2,050	N/A
Variable-rate	\$ 1,176	\$ 17	26

(1) Fair value was based on market prices, where available, or current borrowing rates for financings with similar terms and maturities.

(2) Assumes a 100-basis-point decrease in the weighted average yield-to-maturity at December 31, 2020.

(3) Assumes a 100-basis-point change in interest rates. The change to net income was based on the weighted average balance of all outstanding variable-rate debt for the year ended December 31, 2020.

At December 31, 2020, our portfolio of long-term debt consisted of fixed-rate instruments and variable-rate instruments including our floating rate senior notes and our revolving credit facility. The fair value of our fixed-rate debt is relatively sensitive to interest rate fluctuations. Our sensitivity to interest rate declines and corresponding increases in the fair value of our debt portfolio unfavorably affects our results of operations and cash flows only when we elect to repurchase or otherwise retire fixed-rate debt at prices above carrying value. Interest rate fluctuations generally do not impact the fair value of borrowings under our bank revolving credit or loan facilities, but may affect our results of operations and cash flows. As of December 31, 2020, we did not have any financial derivative instruments to hedge the risks related to interest rate fluctuations; however, we continually monitor the market and our exposure and may enter into these agreements in the future.

Credit Risk

We are subject to risk of loss resulting from non-payment by our customers to whom we provide services, lease assets, or sell natural gas or NGLs. We believe that certain contracts would allow us to pass those losses through to our customers, thus reducing our risk, when we are selling NGLs and acting as our producer customers' agent. Our credit exposure related to these customers is represented by the value of our trade receivables or lease receivables. Where exposed to credit risk, we analyze the customer's financial condition prior to entering into a transaction or agreement, establish credit terms and monitor the appropriateness of these terms on an ongoing basis. In the event of a customer default, we may sustain a loss and our cash receipts could be negatively impacted.

We would also be subject to risk of loss resulting from non-payment or non-performance by the counterparties to our derivative contracts. Our credit exposure related to commodity derivative instruments is represented by the fair value of contracts with a net positive fair value at the reporting date. Outstanding instruments expose us to credit loss in the event of non-performance by the counterparties to the agreements. Should the creditworthiness of one or more of our counterparties decline, our ability to mitigate non-performance risk is limited to a counterparty agreeing to either a voluntary termination and subsequent cash settlement or a novation of the derivative contract to a third party. In the event of a counterparty default, we may sustain a loss and our cash receipts could be negatively impacted.

Item 8. Financial Statements and Supplementary Data

INDEX

	<u>Page</u>
<u>Management’s Responsibilities for Financial Statements</u>	97
<u>Management's Report on Internal Control over Financial Reporting</u>	97
<u>Report of Independent Registered Public Accounting Firm</u>	98
Audited Consolidated Financial Statements:	
<u>Consolidated Statements of Income</u>	101
<u>Consolidated Statements of Comprehensive Income</u>	102
<u>Consolidated Balance Sheets</u>	103
<u>Consolidated Statements of Cash Flows</u>	104
<u>Consolidated Statements of Equity</u>	105
<u>Notes to Consolidated Financial Statements</u>	106
<u>Select Quarterly Financial Data (Unaudited)</u>	158

Management’s Responsibilities for Financial Statements

The accompanying consolidated financial statements of MPLX LP and its subsidiaries (the “Partnership”) are the responsibility of management of the Partnership’s general partner, MPLX GP LLC, and have been prepared in conformity with accounting principles generally accepted in the United States of America. They necessarily include some amounts that are based on best judgments and estimates. The financial information displayed in other sections of this Annual Report on Form 10-K is consistent with these consolidated financial statements.

MPLX GP LLC seeks to assure the objectivity and integrity of the Partnership’s financial records by careful selection of its managers, by organizational arrangements that provide an appropriate division of responsibility and by communications programs aimed at assuring that its policies and methods are understood throughout the organization.

The MPLX GP LLC Board of Directors pursues its oversight role in the area of financial reporting and internal control over financial reporting through its Audit Committee. This committee, composed solely of independent directors, regularly meets (jointly and separately) with the independent registered public accounting firm, management and internal auditors to monitor the proper discharge by each of their responsibilities relative to internal accounting controls and the consolidated financial statements.

<u>/s/ Michael J. Hennigan</u>	<u>/s/ Pamela K.M. Beall</u>	<u>/s/ C. Kristopher Hagedorn</u>
<i>Michael J. Hennigan Chairman of the Board, President and Chief Executive Officer of MPLX GP LLC (the general partner of MPLX LP)</i>	<i>Pamela K.M. Beall Director, Executive Vice President and Chief Financial Officer of MPLX GP LLC (the general partner of MPLX LP)</i>	<i>C. Kristopher Hagedorn Vice President and Controller of MPLX GP LLC (the general partner of MPLX LP)</i>

Management’s Report on Internal Control over Financial Reporting

MPLX LP’s management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). An evaluation of the design and effectiveness of our internal control over financial reporting, based on the framework in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, was conducted under the supervision and with the participation of management, including our chief executive officer and chief financial officer. Based on the results of this evaluation, MPLX LP’s management concluded that its internal control over financial reporting was effective as of December 31, 2020.

The effectiveness of MPLX LP’s internal control over financial reporting as of December 31, 2020 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

<u>/s/ Michael J. Hennigan</u>	<u>/s/ Pamela K.M. Beall</u>
<i>Michael J. Hennigan Chairman of the Board, President and Chief Executive Officer of MPLX GP LLC (the general partner of MPLX LP)</i>	<i>Pamela K.M. Beall Director, Executive Vice President and Chief Financial Officer of MPLX GP LLC (the general partner of MPLX LP)</i>

Report of Independent Registered Public Accounting Firm

To the Partners of MPLX LP and the Board of Directors of MPLX GP LLC

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of MPLX LP and its subsidiaries (the “Company”) as of December 31, 2020 and 2019, and the related consolidated statements of income, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2020, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or

timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Goodwill Impairment Tests - Crude Gathering and Eastern Gathering and Processing Reporting Units

As described in Notes 1 and 14 to the consolidated financial statements, the Company's consolidated goodwill balance was \$7,657 million as of December 31, 2020, which includes goodwill associated with the Crude Gathering reporting unit of \$1.1 billion. As disclosed by management, the Company recorded an impairment charge of \$1,814 million in the first quarter of 2020 related to the Eastern Gathering and Processing reporting unit, which brought the amount of goodwill recorded within this reporting unit to zero. Management annually evaluates goodwill for impairment as of November 30, as well as whenever events or changes in circumstances indicate it is more likely than not that the fair value of a reporting unit with goodwill is less than its carrying amount. During the first quarter of 2020, management performed an interim impairment assessment as a result of the overall deterioration in the economy and the environment in which MPLX and its customers operate, as well as a sustained decrease in the MPLX unit price. The fair value of each reporting unit is determined based on applying both a discounted cash flow method, or income approach, as well as a market approach. The significant assumptions that were used to develop the estimates of the fair values under the discounted cash flow method included management's best estimates of the discount rate, as well as estimates of future cash flows, which are impacted primarily by producer customers' development plans, which impact future volumes and capital requirements.

The principal considerations for our determination that performing procedures relating to the goodwill impairment tests of the Company's Crude Gathering and Eastern Gathering and Processing reporting units is a critical audit matter are the significant judgment by management when estimating the fair value of the reporting units, which led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumption related to future volumes.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment tests, including controls over the estimation of the fair value of the Crude Gathering and Eastern Gathering and Processing reporting units. These procedures also included, among others, testing management's process for developing the fair value estimates; evaluating the appropriateness of the income and market approaches used; testing the completeness and accuracy of underlying data used by management in the approaches; and evaluating the reasonableness of the significant assumption related to future volumes. Professionals with specialized skill and knowledge were utilized to assist in evaluating the appropriateness of the Company's income and market approaches. Evaluating the assumption related to future volumes involved (i) considering whether the assumption used was reasonable considering past performance of each reporting unit, producer customers' historical and future production volumes, and industry outlook reports, and (ii) considering whether the assumption was consistent with evidence obtained in other areas of the audit.

Equity Method Investment Impairment Test - MarkWest Utica EMG, L.L.C.

As described in Notes 1 and 5 to the consolidated financial statements, the Company's consolidated equity method investment balance was \$4,036 million as of December 31, 2020, which included a balance of \$698 million related to MarkWest Utica EMG, L.L.C. During the first quarter of 2020, the Company recorded an impairment charge of \$1,251 million related to MarkWest Utica EMG, L.L.C. As disclosed by

management, equity method investments are assessed for impairment whenever factors indicate an other than temporary loss in value. The overall deterioration in the economy and the environment in which MPLX and its customers operate were considered triggering events, and management performed an impairment test in the first quarter of 2020, in which there was a reduction in forecasted volumes processed by the systems operated by MarkWest Utica EMG, L.L.C. The fair value of the investment is determined using a discounted cash flow method, an income approach. Significant assumptions used to estimate the fair value include management's best estimates of the expected future cash flows, including prices and volumes, the weighted average cost of capital and the long-term growth rate.

The principal considerations for our determination that performing procedures relating to the impairment test of the Company's equity method investment in MarkWest Utica EMG, L.L.C. is a critical audit matter are the significant judgment by management when estimating the fair value of the investment, which led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumption related to future volumes.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's equity method investment impairment test, including controls over the estimation of the fair value of the investment in MarkWest Utica EMG, L.L.C. These procedures also included, among others, testing management's process for developing the fair value estimate; evaluating the appropriateness of the discounted cash flow method; testing the completeness and accuracy of underlying data used by management in the method; and evaluating the reasonableness of the significant assumption related to future volumes. Evaluating the assumption related to future volumes involved (i) considering whether the assumption used was reasonable considering past performance of MarkWest Utica EMG, L.L.C., producer customers' historical and future production volumes, and industry outlook reports, and (ii) considering whether the assumption was consistent with evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP
Toledo, Ohio
February 26, 2021

We have served as the Company's auditor since 2012.

MPLX LP
Consolidated Statements of Income

(In millions, except per unit data)

	2020	2019	2018
Revenues and other income:			
Service revenue	\$ 2,397	\$ 2,498	\$ 1,856
Service revenue - related parties	3,580	3,455	2,404
Service revenue - product related	155	140	220
Rental income	398	388	352
Rental income - related parties	952	1,196	846
Product sales	636	806	887
Product sales - related parties	128	142	87
(Loss)/income from equity method investments	(936)	290	247
Other income	5	12	7
Other income - related parties	254	114	99
Total revenues and other income	<u>7,569</u>	<u>9,041</u>	<u>7,005</u>
Costs and expenses:			
Cost of revenues (excludes items below)	1,326	1,489	1,096
Purchased product costs	539	686	824
Rental cost of sales	135	141	135
Rental cost of sales - related parties	160	165	31
Purchases - related parties	1,116	1,231	925
Depreciation and amortization	1,377	1,254	867
Impairment expense	2,165	1,197	—
General and administrative expenses	378	388	316
Restructuring expenses	37	—	—
Other taxes	125	113	83
Total costs and expenses	<u>7,358</u>	<u>6,664</u>	<u>4,277</u>
Income from operations	211	2,377	2,728
Related party interest and other financial costs	5	11	5
Interest expense (net of amounts capitalized of \$39 million, \$51 million and \$37 million, respectively)	829	851	590
Other financial costs	62	53	119
(Loss)/income before income taxes	(685)	1,462	2,014
Provision for income taxes	2	—	8
Net (loss)/income	(687)	1,462	2,006
Less: Net income attributable to noncontrolling interests	33	28	16
Less: Net income attributable to Predecessor	—	401	172
Net (loss)/income attributable to MPLX LP	(720)	1,033	1,818
Less: Series A preferred unit distributions	81	81	75
Less: Series B preferred unit distributions	41	17	—
Limited partners' interest in net (loss)/income attributable to MPLX LP	<u>\$ (842)</u>	<u>\$ 935</u>	<u>\$ 1,743</u>
Per Unit Data (See Note 7)			
Net (loss)/income attributable to MPLX LP per limited partner unit:			
Common - basic	\$ (0.80)	\$ 1.00	\$ 2.29
Common - diluted	\$ (0.80)	\$ 1.00	\$ 2.29
Weighted average limited partner units outstanding:			
Common - basic	1,051	906	761
Common - diluted	1,051	907	761

The accompanying notes are an integral part of these consolidated financial statements.

MPLX LP
Consolidated Statements of Comprehensive Income

<i>(In millions)</i>	2020	2019	2018
Net (loss)/income	\$ (687)	\$ 1,462	\$ 2,006
Other comprehensive (loss)/income, net of tax:			
Remeasurements of pension and other postretirement benefits related to equity method investments, net of tax	—	1	(2)
Comprehensive (loss)/income	(687)	1,463	2,004
Less comprehensive income attributable to:			
Noncontrolling interests	33	28	16
Income attributable to Predecessor	—	401	172
Comprehensive (loss)/income attributable to MPLX LP	\$ (720)	\$ 1,034	\$ 1,816

The accompanying notes are an integral part of these consolidated financial statements.

MPLX LP
Consolidated Balance Sheets

<i>(In millions)</i>	December 31,	
	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 15	\$ 15
Receivables, net	452	593
Current assets - related parties	677	656
Inventories	118	110
Other current assets	65	110
Assets held for sale	188	—
Total current assets	1,515	1,484
Equity method investments	4,036	5,275
Property, plant and equipment, net	21,218	22,145
Intangibles, net	959	1,270
Goodwill	7,657	9,536
Right of use assets, net	309	365
Noncurrent assets - related parties	672	303
Other noncurrent assets	48	52
Total assets	36,414	40,430
Liabilities		
Current liabilities:		
Accounts payable	152	242
Accrued liabilities	194	187
Current liabilities - related parties	356	1,008
Accrued property, plant and equipment	84	283
Long-term debt due within one year	764	9
Accrued interest payable	222	210
Operating lease liabilities	63	66
Other current liabilities	150	127
Liabilities held for sale	101	—
Total current liabilities	2,086	2,132
Long-term deferred revenue	314	217
Long-term liabilities - related parties	283	290
Long-term debt	19,375	19,704
Deferred income taxes	12	12
Long-term operating lease liabilities	244	302
Deferred credits and other liabilities	115	192
Total liabilities	22,429	22,849
Commitments and contingencies (see Note 23)		
Series A preferred units	968	968
Equity		
Common unitholders - public (391 million and 392 million units issued and outstanding)	9,384	10,800
Common unitholder - MPC (647 million and 666 million units issued and outstanding)	2,792	4,968
Series B preferred units (.6 million and .6 million units issued and outstanding)	611	611
Accumulated other comprehensive loss	(15)	(15)
Total MPLX LP partners' capital	12,772	16,364
Noncontrolling interests	245	249
Total equity	13,017	16,613
Total liabilities, preferred units and equity	\$ 36,414	\$ 40,430

The accompanying notes are an integral part of these consolidated financial statements.

MPLX LP
Consolidated Statements of Cash Flows

<i>(In millions)</i>	2020	2019	2018
(Decrease)/increase in cash, cash equivalents and restricted cash			
Operating activities:			
Net (loss)/income	\$ (687)	\$ 1,462	\$ 2,006
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:			
Amortization of deferred financing costs	61	42	55
Depreciation and amortization	1,377	1,254	867
Impairment expense	2,165	1,197	—
Deferred income taxes	(1)	(2)	8
Asset retirement expenditures	—	(1)	(7)
Loss/(Gain) on disposal of assets	4	(6)	3
Loss/(income) from equity method investments	936	(290)	(247)
Distributions from unconsolidated affiliates	459	525	412
Changes in:			
Current receivables	62	17	(104)
Inventories	(12)	(9)	(5)
Fair value of derivatives	3	2	(10)
Current accounts payable and accrued liabilities	36	(59)	88
Current assets/current liabilities - related parties	8	(163)	(61)
Right of use assets/operating lease liabilities	(5)	4	—
Deferred revenue	112	100	61
All other, net	3	9	5
Net cash provided by operating activities	<u>4,521</u>	<u>4,082</u>	<u>3,071</u>
Investing activities:			
Additions to property, plant and equipment	(1,183)	(2,408)	(2,111)
Acquisitions, net of cash acquired	—	6	(451)
Disposal of assets	56	30	8
Investments in unconsolidated affiliates	(266)	(713)	(341)
Distributions from unconsolidated affiliates - return of capital	123	18	16
All other, net	8	4	1
Net cash used in investing activities	<u>(1,262)</u>	<u>(3,063)</u>	<u>(2,878)</u>
Financing activities:			
Long-term debt - borrowings	6,810	9,174	13,476
- repayments	(6,414)	(7,924)	(6,946)
Related party debt - borrowings	6,264	9,313	3,962
- repayments	(6,858)	(8,719)	(4,347)
Debt issuance costs	(25)	(20)	(76)
Unit repurchases	(33)	—	—
Distributions to Series A preferred unitholders	(81)	(81)	(71)
Distributions to Series B preferred unitholders	(41)	(21)	—
Distributions to MPC for acquisitions	—	—	(4,111)
Distributions to unitholders and general partner	(2,884)	(2,435)	(1,819)
Distributions to common and Series B preferred unitholders from Predecessor	—	(502)	(239)
Distributions to noncontrolling interests	(37)	(30)	(17)
Contributions from MPC	50	74	41
Contributions from noncontrolling interests	—	95	11
All other, net	(10)	(13)	19
Net cash used in financing activities	<u>(3,259)</u>	<u>(1,089)</u>	<u>(117)</u>
Net (decrease)/increase in cash, cash equivalents and restricted cash	<u>—</u>	<u>(70)</u>	<u>76</u>
Cash, cash equivalents and restricted cash at beginning of period	<u>15</u>	<u>85</u>	<u>9</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 15</u>	<u>\$ 15</u>	<u>\$ 85</u>

The accompanying notes are an integral part of these consolidated financial statements.

MPLX LP
Consolidated Statements of Equity

<i>(In millions)</i>	Partnership				Accumulated Other Comprehensive Loss	Non- controlling Interests	Equity of Predecessor	Total
	Common Unit-holder Public	Common Unit-holder MPC	Series B Preferred Unit-holders	General Partner MPC				
Balance at December 31, 2017	\$ 8,379	\$ 2,099	\$ —	\$ (637)	\$ (14)	\$ 146	\$ —	\$ 9,973
Net income (excludes amounts attributable to Series A preferred units)	667	1,076	—	—	—	16	172	1,931
Allocation of MPC's net investment at acquisition	—	5,172	—	(4,126)	—	—	(1,046)	—
Conversion of GP economic interests	—	(7,926)	—	7,926	—	—	—	—
Distributions to:								
MPC for acquisition	—	(936)	—	(3,164)	—	—	—	(4,100)
Unitholders and general partner	(722)	(1,097)	—	—	—	—	(239)	(2,058)
Noncontrolling interests	—	—	—	—	—	(17)	—	(17)
Contributions from:								
MPC	—	—	—	—	—	—	11,980	11,980
Noncontrolling interests	—	—	—	—	—	11	—	11
Other	12	—	—	1	(2)	—	—	11
Balance at December 31, 2018	8,336	(1,612)	—	—	(16)	156	10,867	17,731
Net income (excludes amounts attributable to Series A preferred units)	340	595	17	—	—	28	401	1,381
Allocation of MPC's net investment at acquisition	2,983	7,199	615	—	—	—	(10,797)	—
Conversion of Series A preferred units	36	—	—	—	—	—	—	36
Distributions to:								
Unitholders and general partner	(907)	(1,529)	(21)	—	—	—	(502)	(2,959)
Noncontrolling interests	—	—	—	—	—	(30)	—	(30)
Contributions from:								
MPC	—	315	—	—	—	—	31	346
Noncontrolling interests	—	—	—	—	—	95	—	95
Other	12	—	—	—	1	—	—	13
Balance at December 31, 2019	10,800	4,968	611	—	(15)	249	—	16,613
Net income (excludes amounts attributable to Series A preferred units)	(307)	(535)	41	—	—	33	—	(768)
Unit repurchases	(33)	—	—	—	—	—	—	(33)
Distributions to:								
Unitholders and general partner	(1,082)	(1,799)	(41)	—	—	—	—	(2,922)
Noncontrolling interests	—	—	—	—	—	(37)	—	(37)
Contributions from:								
MPC	—	261	—	—	—	—	—	261
Wholesale Exchange	—	(102)	—	—	—	—	—	(102)
Other	6	(1)	—	—	—	—	—	5
Balance at Balance at December 31, 2020	<u>\$ 9,384</u>	<u>\$ 2,792</u>	<u>\$ 611</u>	<u>\$ —</u>	<u>\$ (15)</u>	<u>\$ 245</u>	<u>\$ —</u>	<u>\$ 13,017</u>

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

1. Description of the Business and Basis of Presentation

Description of the Business – MPLX LP is a diversified, large-cap master limited partnership formed by Marathon Petroleum Corporation (“MPC”) that owns and operates midstream energy infrastructure and logistics assets, and provides fuels distribution services. References in this report to “MPLX LP,” “MPLX,” “the Partnership,” “we,” “ours,” “us,” or like terms refer to MPLX LP and its subsidiaries. References to “MPC” refer collectively to Marathon Petroleum Corporation as our sponsor and its subsidiaries, other than the Partnership. We are engaged in the transportation, storage and distribution of crude oil, asphalt and refined petroleum products; the gathering, processing and transportation of natural gas; and the gathering, transportation, fractionation, storage and marketing of NGLs. MPLX’s principal executive office is located in Findlay, Ohio. MPLX was formed on March 27, 2012 as a Delaware limited partnership and completed its initial public offering on October 31, 2012.

MPLX’s business consists of two segments based on the nature of services it offers: Logistics and Storage (“L&S”), which relates primarily to crude oil, asphalt and refined petroleum products; and Gathering and Processing (“G&P”), which relates primarily to natural gas and NGLs. See Note 10 for additional information regarding the operations and results of these segments.

On July 31, 2020, MPLX completed the exchange of Western Refining Wholesale, LLC (WRW”) to Western Refining Southwest, Inc. (now known as Western Refining Southwest LLC) (“WRSW”), a wholly owned subsidiary of MPC, in exchange for the redemption of 18,582,088 MPLX common units held by WRSW (the “Wholesale Exchange”). See Note 4 for additional information regarding the Wholesale Exchange. These financial statements include the results of WRSW through July 31, 2020.

On July 30, 2019, MPLX completed its acquisition by merger (the “Merger”) of Andeavor Logistics LP (“ANDX”). At the effective time of the Merger, each common unit held by ANDX’s public unitholders was converted into the right to receive 1.135 MPLX common units. ANDX common units held by certain affiliates of MPC were converted into the right to receive 1.0328 MPLX common units. See Note 4 for additional information regarding the Merger.

Impairments – The outbreak of COVID-19 and its development into a pandemic in March 2020 resulted in significant economic disruption globally. Actions taken by various governmental authorities, individuals and companies around the world to prevent the spread of COVID-19 through social distancing have restricted travel, many business operations, public gatherings and the overall level of individual movement and in-person interaction across the globe. Although there have been some signs of economic improvement, these events significantly reduced global economic activity and resulted in a decline in the demand for the midstream services we provide beginning with the first quarter of 2020. Macroeconomic conditions and global geopolitical events have also resulted in significant price volatility related to those aforementioned products.

During the first quarter of 2020, the overall deterioration in the economy and the environment in which MPLX and its customers operate, as well as a sustained decrease in unit price, were considered triggering events resulting in impairments of the carrying value of certain assets. We recognized impairments related to goodwill, certain equity method investments and certain long-lived assets (including intangibles), within our G&P segment. Many of our producer customers refined and updated production forecasts in response to the current environment, which impacted their current and expected future demand for our services, including the future utilization of our assets. Additionally, certain of our contracts have commodity price exposure, including NGL prices, which have experienced increased volatility as noted above. The table below provides information related to the impairments recognized during the first quarter of 2020 as well as the corresponding footnote where additional information can be found. No additional events or circumstances arose during the remainder of the year which would indicate the need for any additional impairment beyond those recognized during the first quarter.

<i>(In millions)</i>	Impairment	Footnote Reference
Goodwill	\$ 1,814	14
Equity method investments	1,264	5
Intangibles, net	177	14
Property, plant and equipment, net	174	13
Total impairments	<u>\$ 3,429</u>	

Basis of Presentation – The accompanying consolidated financial statements of MPLX have been prepared in accordance with GAAP. The consolidated financial statements include all majority-owned and controlled subsidiaries. For non-wholly-owned consolidated subsidiaries, the interests owned by third parties have been recorded as “Noncontrolling interests” on the accompanying Consolidated Balance Sheets. Intercompany investments, accounts and transactions have been eliminated. MPLX’s investments in which MPLX exercises significant influence but does not control and does not have a controlling financial interest are accounted for using the equity method. MPLX’s investments in a VIE in which MPLX exercises significant influence but does not control and is not the primary beneficiary are also accounted for using the equity method.

In relation to the Merger described above and in Note 4, ANDX’s assets, liabilities and results of operations prior to the Merger are collectively included in what we refer to as the “Predecessor” from October 1, 2018, which was the date that MPC acquired Andeavor. MPLX’s acquisition of ANDX is considered a transfer between entities under common control due to MPC’s relationship with ANDX prior to the Merger. As an entity under common control with MPC, MPLX recorded the assets acquired and liabilities assumed on its consolidated balance sheets at MPC’s historical carrying value. For the acquiring entity, transfers of businesses between entities under common control require prior periods to be retrospectively adjusted for those dates that the entity was under common control. Accordingly, the accompanying financial statements and related notes of MPLX LP have been retrospectively adjusted to include the historical results of ANDX beginning October 1, 2018.

Certain prior period financial statement amounts have been reclassified to conform to current period presentation.

2. Summary of Principal Accounting Policies

Use of Estimates – The preparation of financial statements in accordance with GAAP requires management 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 consolidated financial statements and the reported amounts of revenues and expenses during the respective reporting periods. Actual results could differ materially from those estimates. Estimates are subject to uncertainties due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change and affect items such as valuing identified intangible assets; determining the fair value of derivative instruments; evaluating impairments of long-lived assets, goodwill and equity investments; establishing estimated useful lives for long-lived assets; acquisition accounting; recognizing share-based compensation expense; estimating revenues, expense accruals and capital expenditures; valuing AROs; and determining liabilities, if any, for environmental and legal contingencies.

Revenue Recognition – Revenue is measured based on consideration specified in a contract with a customer. MPLX recognizes revenue when it satisfies a performance obligation by transferring control over a product or providing services to a customer.

MPLX enters into a variety of contract types in order to generate “Product sales” and “Service revenue.” MPLX provides services under the following types of arrangements:

- *Fee-based arrangements* – Under fee-based arrangements, MPLX receives a fee or fees for one or more of the following services: gathering, processing and transportation of natural gas; gathering, transportation, fractionation, exchange and storage of NGLs; and transportation, storage and distribution of crude oil, refined products and other hydrocarbon-based products. The revenue MPLX earns from these arrangements is generally directly related to the volume of natural gas,

NGLs, refined products or crude oil that is handled by or flows through MPLX's systems and facilities and is not normally directly dependent on commodity prices. In certain cases, MPLX's arrangements provide for minimum annual payments or fixed demand charges.

Fee-based arrangements are reported as "Service revenue" on the Consolidated Statements of Income. Revenue is recognized over time as services are performed. In certain instances when specifically stated in the contract terms, MPLX purchases product after fee-based services have been provided. Revenue from the sale of products purchased after services are provided is reported as "Product sales" on the Consolidated Statements of Income and recognized on a gross basis, as MPLX takes control of the product and is the principal in the transaction.

- *Percent-of-proceeds arrangements* – Under percent-of-proceeds arrangements, MPLX: gathers and processes natural gas on behalf of producers; sells the resulting residue gas, condensate and NGLs at market prices; and remits to producers an agreed-upon percentage of the proceeds. In other cases, instead of remitting cash payments to the producer, MPLX delivers an agreed-upon percentage of the residue gas and NGLs to the producer (take-in-kind arrangements) and sells the volumes MPLX retains to third parties or related parties. Revenue is recognized on a net basis when MPLX acts as an agent and does not have control of the gross amount of gas and/or NGLs prior to it being sold. Percent-of-proceeds revenue is reported as "Service revenue - product related" on the Consolidated Statements of Income.
- *Keep-whole arrangements* – Under keep-whole arrangements, MPLX gathers natural gas from the producer, processes the natural gas and sells the resulting condensate and NGLs to third parties at market prices. Because the extraction of the condensate and NGLs from the natural gas during processing reduces the Btu content of the natural gas, MPLX must either purchase natural gas at market prices for return to producers or make cash payment to the producers equal to the value of the energy content of this natural gas. Certain keep-whole arrangements also have provisions that require MPLX to share a percentage of the keep-whole profits with the producers based on the oil to gas ratio or the NGL to gas ratio. "Service revenue - product related" is recorded based on the value of the NGLs received on the date the services are performed. Natural gas purchased to return to the producer and shared NGL profits are recorded as a reduction of "Service revenue - product related" on the Consolidated Statements of Income on the date the services are performed. Sales of NGLs under these arrangements are reported as "Product sales" on the Consolidated Statements of Income and are reported on a gross basis as MPLX is the principal in the arrangement and controls the product prior to sale. The sale of the NGLs may occur shortly after services are performed at the tailgate of the plant, or after a period of time as determined by MPLX.
- *Purchase arrangements* – Under purchase arrangements, MPLX purchases natural gas at either the wellhead or the tailgate of a plant. MPLX then gathers and delivers the natural gas to pipelines where MPLX may resell the natural gas. Wellhead purchase arrangements represent an arrangement with a supplier and are recorded in "Purchased product costs." Often, MPLX earns fees for services performed prior to taking control of the product in these arrangements and "Service revenue" is recorded for these fees. Revenue generated from the sale of product obtained in tailgate purchase arrangements is reported as "Product sales" on the Consolidated Statements of Income and is recognized on a gross basis as MPLX purchases and takes control of the product prior to sale and is the principal in the transaction.

In many cases, MPLX provides services under contracts that contain a combination of more than one of the arrangements described above. When fees are charged (in addition to product received) under percent-of-proceeds arrangements, keep-whole arrangements or purchase arrangements, MPLX records such fees as "Service revenue" on the Consolidated Statements of Income. The terms of MPLX's contracts vary based on gas quality conditions, the competitive environment when the contracts are signed and customer requirements. Performance obligations are determined based on the specific terms of the arrangements, economics of the geographical regions, and the services offered and whether they are deemed distinct. MPLX allocates the consideration earned between the performance obligations based on the stand-alone selling price when multiple performance obligations are identified.

Revenue from MPLX's service arrangements will generally be recognized over time as the performance obligation is satisfied as services are provided. MPLX has elected to use the output measure of progress to recognize revenue based on the units delivered, processed or transported. The transaction price has fixed components related to minimum volume commitments and variable components which are primarily dependent on volumes. Variable consideration will generally not be estimated at contract inception as the transaction price is specifically allocable to the services provided each period. In instances in which tiered

pricing structures do not reflect our efforts to perform, MPLX will estimate variable consideration at contract inception. “Product sales” will be recognized at a point in time when control of the product transfers to the customer.

Minimum volume commitments may create contract liabilities or deferred credits if current period payments can be used for future services. Breakage is estimated and recognized into service revenue in instances where it is probable the customer will not use the credit in future periods.

Amounts billed to customers for shipping and handling, electricity, and other costs to perform services are included in “Service revenue” on the Consolidated Statements of Income. Shipping and handling costs associated with product sales are included in “Purchased product costs” on the Consolidated Statements of Income. Facility expenses, costs of revenues and depreciation represent those expenses related to operating our various facilities and are necessary to provide both “Product sales” and “Service revenue.”

Customers usually pay monthly based on the products purchased or services performed that month. Taxes collected from customers and remitted to the appropriate taxing authority are excluded from revenue.

Based on the terms of certain natural gas gathering, transportation and processing agreements, MPLX is considered to be the lessor under several implicit operating lease arrangements in accordance with GAAP. Revenue and costs related to the portion of the revenue earned under these contracts considered to be implicit leases are recorded as “Rental income” and “Rental cost of sales,” respectively, on the Consolidated Statements of Income.

Revenue and Expense Accruals – MPLX routinely makes accruals based on estimates for both revenues and expenses due to the timing of compiling billing information, receiving certain third-party information and reconciling MPLX’s records with those of third parties. The delayed information from third parties includes, among other things, actual volumes purchased, transported or sold, adjustments to inventory and invoices for purchases, actual natural gas and NGL deliveries and other operating expenses. MPLX makes accruals to reflect estimates for these items based on its internal records and information from third parties. Estimated accruals are adjusted when actual information is received from third parties and MPLX’s internal records have been reconciled.

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand and on deposit and investments in highly liquid debt instruments with initial maturities of three months or less.

Restricted Cash – Restricted cash consists of cash and investments that must be maintained as collateral for letters of credit issued to certain third-party producer customers. The balances will be outstanding until certain capital projects are completed and the third party releases the restriction. Restricted cash also consists of cash advances to be used for the operation and maintenance of an operated pipeline system. Restricted cash is included in “Other current assets” on the Consolidated Balance Sheets.

Receivables – Receivables primarily consist of customer accounts receivable, which are recorded at the invoiced amount and generally do not bear interest. Allowances for doubtful accounts are generally recorded when it becomes probable that the receivable will not be collected and are recorded to bad debt expense. We review the allowance quarterly with past-due balances over 90 days and other higher-risk amounts being reviewed individually for collectability. Balances that remain outstanding after reasonable collection efforts have been unsuccessful are written off through a charge to the valuation allowance and a credit to accounts receivable.

Leases – As part of the adoption of ASU No. 2016-02, Leases (“ASC 842”), we elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed us to grandfather the historical accounting conclusions until a reassessment event is present. We also elected the practical expedient to not recognize short-term leases on the balance sheet, the practical expedient related to right of way permits and land easements which allows us to carry forward our accounting treatment for those existing agreements, and the practical expedient to combine lease and non-lease components for the majority of our underlying classes of assets except for our third-party contractor service and equipment agreements and boat and barge equipment agreements in which we are the lessee. We did not elect the practical expedient to combine lease and non-lease components for arrangements in which we are the lessor. In instances where the practical expedient was not elected, lease and non-lease consideration is allocated based on relative standalone selling price.

Right of use (“ROU”) assets represent our right to use an underlying asset in which we obtain substantially all of the economic benefits and the right to direct the use of the asset during the lease term. Lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. We recognize ROU assets and lease liabilities on the balance sheet for leases with a lease term of greater than one year. Payments that are not fixed at the commencement of the lease are considered variable and are excluded from the ROU asset and lease liability calculations. In the measurement of our ROU assets and lease liabilities, the fixed lease payments in the agreement are discounted using a secured incremental borrowing rate for a term similar to the duration of the lease, as our leases do not provide implicit rates. Operating lease expense is recognized on a straight-line basis over the lease term.

As a lessor under ASC 842, MPLX may be required to re-classify existing operating leases to sales-type leases upon modification and related reassessment of the leases. See Note 22 for further information regarding our ongoing evaluation of the impacts of lease reassessments as modifications occur. The net investment in a sales-type lease is recorded within “Current assets - related parties” and “Noncurrent assets - related parties” on the Consolidated Balance Sheets and is comprised of the present value of the sum of the future minimum lease payments representing the value of the lease receivable and the unguaranteed residual value of the leased assets. Management assesses the net investment in sales-type leases for recoverability quarterly.

Inventories – Inventories consist primarily of natural gas, propane, other NGLs and materials and supplies to be used in operations. Natural gas, propane, and other NGLs are valued at the lower of cost or market value. Materials and supplies are stated at the lower of cost or market value. Cost for materials and supplies are determined primarily using the weighted-average cost method.

Imbalances – Within our pipelines and storage assets, we experience volume gains and losses due to pressure and temperature changes, evaporation and variances in meter readings and other measurement methods. Until settled, positive imbalances are recorded as other current assets and negative imbalances are recorded as accounts payable. Positive and negative product imbalances are settled in cash, settled by physical delivery of gas from a different source, or tracked and settled in the future.

Property, Plant and Equipment – Property, plant and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets. Expenditures that extend the useful lives of assets are capitalized. Such assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected undiscounted future cash flows from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment assessment is performed and the excess of the book value over the fair value is recorded as an impairment loss.

When items of property, plant and equipment are sold or otherwise disposed of, any gains or losses are reported on the Consolidated Statements of Income. Gains on the disposal of property, plant and equipment are recognized when they occur, which is generally at the time of closing. If a loss on disposal is expected, such losses are recognized when the assets are classified as held for sale.

Interest costs for the construction or development of long-lived assets are capitalized and amortized over the related asset’s estimated useful life.

Goodwill and Intangibles – Goodwill represents the excess of the purchase price over the estimated fair value of the net assets acquired in the acquisition of a business. Goodwill is not amortized, but rather is tested for impairment annually and when events or changes in circumstances indicate that the fair value of a reporting unit with goodwill has been reduced below carrying value. The impairment test requires allocating goodwill and other assets and liabilities to reporting units. The fair value of each reporting unit is determined using an income and/or market approach which is compared to the carrying value of the reporting unit. The fair value under the income approach is calculated using the expected present value of future cash flows method. Significant assumptions used in the cash flow forecasts include future operating performance, future volumes, discount rates, and future capital requirements. If the fair value of the reporting unit is less than the carrying value, including goodwill, the excess, if any, of the book value over

the fair value of the reporting unit up to the amount of goodwill recorded is charged to net income as an impairment expense.

Amortization of intangibles with definite lives is calculated using the straight-line method which is reflective of the benefit pattern in which the estimated economic benefit is expected to be received over the estimated useful life of the intangible asset. Intangibles subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the intangible may not be recoverable. If the sum of the expected undiscounted future cash flows related to the asset is less than the carrying amount of the asset, an impairment loss is recognized based on the fair value of the asset. Intangibles not subject to amortization are tested for impairment annually and when circumstances indicate that the fair value is less than the carrying amount of the intangible. If the fair value is less than the carrying value, an impairment is recorded for the difference.

Total goodwill at December 31, 2020 was \$7.7 billion and no impairment was recorded as a result of our November 30, 2020 annual goodwill impairment analysis. As a result of MPLX's interim goodwill impairment analysis at March 31, 2020 and annual goodwill impairment analysis at November 30, 2019, we recorded impairment charges of approximately \$1.8 billion and \$1.2 billion, respectively. See Note 14 for further details.

Other Taxes – Other taxes primarily include real estate taxes.

Environmental Costs – Environmental expenditures are capitalized if the costs mitigate or prevent future contamination or if the costs improve environmental safety or efficiency of the existing assets. MPLX recognizes remediation costs and penalties when the responsibility to remediate is probable and the amount of associated costs can be reasonably estimated. The timing of remediation accruals coincides with completion of a feasibility study or the commitment to a formal plan of action. Remediation liabilities are accrued based on estimates of known environmental exposure and are discounted when the estimated amounts are reasonably fixed and determinable. If recoveries of remediation costs from third parties are probable, a receivable is recorded and is discounted when the estimated amount is reasonably fixed and determinable.

Asset Retirement Obligations – An ARO is a legal obligation associated with the retirement of tangible long-lived assets that generally result from the acquisition, construction, development or normal operation of the asset. AROs are recorded at fair value in the period in which they are incurred, if a reasonable estimate of fair value can be made, and added to the carrying amount of the associated asset. This additional carrying amount is then depreciated over the life of the asset. The liability is determined using a credit adjusted risk free interest rate and increases due to the passage of time based on the time value of money until the obligation is settled. MPLX recognizes a liability of a conditional ARO as soon as the fair value of the liability can be reasonably estimated. A conditional ARO is defined as an unconditional legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. AROs have not been recognized for certain assets because the fair value cannot be reasonably estimated since the settlement dates of the obligations are indeterminate. Such obligations will be recognized in the period when sufficient information becomes available to estimate a range of potential settlement dates.

Investment in Unconsolidated Affiliates – Equity investments in which MPLX exercises significant influence, but does not control and is not the primary beneficiary, are accounted for using the equity method and are reported in “Equity method investments” on the accompanying Consolidated Balance Sheets. This includes entities in which we hold majority ownership but the minority shareholders have substantive participating rights. Differences in the basis of the investments and the separate net asset values of the investees, if any, are amortized into net income over the remaining useful lives of the underlying assets and liabilities, except for the excess related to goodwill.

MPLX believes the equity method is an appropriate means for it to recognize increases or decreases measured by GAAP in the economic resources underlying the investments. Regular evaluation of these investments is appropriate to evaluate any potential need for impairment. MPLX uses evidence of a loss in value to identify if an investment has an other than a temporary decline. During the first quarter of 2020, MPLX recorded an other than temporary impairment for three joint ventures totaling \$1,264 million, of which \$1,251 million was related to MarkWest Utica EMG and its investment in Ohio Gathering Company, L.L.C. The impairments were recorded through “Income from equity method investments”. The

impairments were largely due to a reduction in forecasted volumes gathered and processed by the systems operated by the joint ventures.

Deferred Financing Costs – Deferred financing costs are an asset for credit facility costs and netted against debt for senior notes. These costs are amortized over the contractual term of the related obligations using the effective interest method or, in certain circumstances, accelerated if the obligation is refinanced.

Derivative Instruments – MPLX may use commodity derivatives to economically hedge a portion of its exposure to commodity price risk. All derivative instruments (including derivatives embedded in other contracts) are recorded at fair value. Certain commodity derivatives are reflected on the consolidated balance sheets on a net basis by counterparty as they are governed by master netting arrangements. MPLX discloses the fair value of all derivative instruments under the captions “Other noncurrent assets,” “Other current liabilities” and “Deferred credits and other liabilities” on the Consolidated Balance Sheets. Changes in the fair value of derivative instruments are reported on the Consolidated Statements of Income in accounts related to the item whose value or cash flows are being managed. All derivative instruments are marked to market through “Product sales,” “Purchased product costs,” or “Cost of revenues” on the Consolidated Statements of Income. Revenue gains and losses relate to contracts utilized to manage the cash flow for the sale of a product, typically NGLs. Purchased product costs gains and losses relate to contracts utilized to manage the cost of natural gas purchases, typically related to keep-whole arrangements. Cost of revenues gains and losses relate to a contract utilized to manage electricity costs. Changes in risk management for unrealized activities are reported as an adjustment to net income in computing cash flow from operating activities on the accompanying Consolidated Statements of Cash Flows.

During the years ended December 31, 2020, 2019 and 2018, MPLX did not elect hedge accounting for any derivatives. MPLX has elected the normal purchases and normal sales designation for certain contracts related to the physical purchase of electric power and the sale of some commodities.

Fair Value of Financial Instruments – Management believes the carrying amount of financial instruments, including cash and cash equivalents, receivables, receivables from related parties, other current assets, accounts payable, accounts payable to related parties and accrued liabilities approximate fair value because of the short-term maturity of these instruments. The recorded value of the amounts outstanding under the bank revolving credit facility, if any, approximate fair value due to the variable interest rate that approximates current market rates (see Note 15). Derivative instruments are recorded at fair value, based on available market information (see Note 16).

Fair Value Measurement – Financial assets and liabilities recorded at fair value in the Consolidated Balance Sheets are categorized based upon the fair value hierarchy established by GAAP, which classifies the inputs used to measure fair value into Level 1, Level 2 or Level 3. A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The methods and assumptions utilized may produce a fair value that may not be realized in future periods upon settlement. Furthermore, while MPLX believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. For further discussion, see Note 15.

Equity-Based Compensation Arrangements – MPLX issues phantom units under its share-based compensation plan as described further in Note 21. A phantom unit entitles the grantee a right to receive a common unit upon the issuance of the phantom unit. The fair value of phantom unit awards granted to employees and non-employee directors is based on the fair market value of MPLX LP common units on the date of grant. The fair value of the units awarded is amortized into earnings using a straight-line amortization schedule over the period of service corresponding with the vesting period. For phantom units that vest immediately and are not forfeitable, equity-based compensation expense is recognized at the time of grant.

Performance units paying out in cash are accounted for as liability awards and recorded at fair value with a mark-to-market adjustment made each quarter. The performance units paying out in units are accounted for as equity awards. Equity-classified performance units with a market condition use a Monte Carlo valuation model to calculate a grant date fair value of market conditions. Equity-classified performance units with a

performance condition are valued based on the grant date fair value of the payout deemed most probable to occur and is adjusted as the expectation for payout changes.

To satisfy common unit awards, MPLX may issue new common units, acquire common units in the open market or use common units already owned by the general partner.

Income Taxes – MPLX is not a taxable entity for United States federal income tax purposes or for the majority of the states that impose an income tax. Taxes on MPLX's net income generally are borne by its partners through the allocation of taxable income. MPLX's taxable income or loss, which may vary substantially from the net income or loss reported on the Consolidated Statements of Income, is includable in the federal income tax returns of each partner. MPLX and certain legal entities are, however, taxable entities under certain state jurisdictions.

MPLX accounts for income taxes under the asset and liability method. Deferred income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, capital loss carryforwards and net operating loss and credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of any tax rate change on deferred taxes is recognized as tax expense/ (benefit) from continuing operations in the period that includes the enactment date of the tax rate change. Realizability of deferred tax assets is assessed and, if not more likely than not, a valuation allowance is recorded to reflect the deferred tax assets at net realizable value as determined by management. All deferred tax balances are classified as long-term in the accompanying Consolidated Balance Sheets. All changes in the tax bases of assets and liabilities are allocated among operations and items charged or credited directly to equity.

Distributions – In preparing the Consolidated Statements of Equity, net income attributable to MPLX LP is allocated to Series A and Series B preferred unitholders based on a fixed distribution schedule, as discussed in Notes 8 and 9, and subsequently allocated to the general partner and limited partner unitholders. Distributions, although earned, are not accrued as a liability until declared. The allocation of net income attributable to MPLX LP for purposes of calculating net income per limited partner unit is described below.

Net Income Per Limited Partner Unit – MPLX uses the two-class method when calculating the net income per unit applicable to limited partners, because there is more than one class of participating security. The classes of participating securities include common units, Series A and Series B preferred units and certain equity-based compensation awards.

Net income attributable to MPLX LP is allocated to the unitholders differently for preparation of the Consolidated Statements of Equity and the calculation of net income per limited partner unit. In preparing the Consolidated Statements of Equity, net income attributable to MPLX LP is allocated to Series A and Series B preferred unitholders based on a fixed distribution schedule and subsequently allocated to remaining unitholders in accordance with their respective ownership percentages. The allocation of net income attributable to MPLX LP for purposes of calculating net income per limited partner unit is described in Note 7.

In preparing net income per limited partner units, during periods in which a net loss attributable to MPLX is reported or periods in which the total distributions exceed the reported net income attributable to MPLX's unitholders, the amount allocable to certain equity-based compensation awards is based on actual distributions to the equity-based compensation awards. Diluted earnings per unit is calculated by dividing net income attributable to MPLX's common unitholders, after deducting amounts allocable to other participating securities, by the weighted average number of common units and potential common units outstanding during the period. Potential common units are excluded from the calculation of diluted earnings per unit during periods in which net income attributable to MPLX's unitholders, after deducting amounts that are allocable to the outstanding equity-based compensation awards and preferred units, is a loss, as the impact would be anti-dilutive.

Business Combinations – MPLX recognizes and measures the assets acquired and liabilities assumed in a business combination based on their estimated fair values at the acquisition date, with any remaining difference recorded as goodwill or gain from a bargain purchase. Depending on the nature of the transaction, management may engage an independent valuation specialist to assist with the determination of

fair value of the assets acquired, liabilities assumed, noncontrolling interests, if any, and goodwill, based on recognized business valuation methodologies. If the initial accounting for the business combination is incomplete by the end of the reporting period in which the acquisition occurs, an estimate will be recorded. Subsequent to the acquisition, and not later than one year from the acquisition date, MPLX will record any material adjustments to the initial estimate based on new information obtained that would have existed as of the acquisition date. An adjustment that arises from information obtained that did not exist as of the date of the acquisition will be recorded in the period of the adjustment. An income, market or cost valuation method may be utilized to estimate the fair value of the assets acquired, liabilities assumed, and noncontrolling interests, if any, in a business combination. The income valuation method represents the present value of future cash flows over the life of the asset using: (i) discrete financial forecasts, which rely on management's estimates of volumes, certain commodity prices, revenue and operating expenses; (ii) long-term growth rates; and (iii) appropriate discount rates. The market valuation method uses prices paid for a reasonably similar asset by other purchasers in the market, with adjustments relating to any differences between the assets. The cost valuation method is based on the replacement cost of a comparable asset at prices at the time of the acquisition reduced for depreciation of the asset. Acquisition-related costs are expensed as incurred in connection with each business combination.

Acquisitions in which the company or business being acquired by MPLX had an existing relationship with MPC may result in the transaction being considered a transfer between entities under common control. In this situations, MPLX records the assets acquired and liabilities assumed on its consolidated balance sheets at MPC's historical carrying value. For the acquiring entity, transfers of businesses between entities under common control require prior periods to be retrospectively adjusted for those dates that the entity was under common control. See Note 4 for more information about the acquisitions.

3. Accounting Standards

Recently Adopted

ASU 2016-13, Credit Losses - Measurement of Credit Losses on Financial Instruments

Effective January 1, 2020, we adopted ASU 2016-13 using the modified retrospective transition method. This ASU requires entities to consider a broader range of information to estimate expected credit losses, which may result in earlier recognition of losses. The ASU requires the company to utilize an expected loss methodology in place of the incurred loss methodology for financial instruments, including trade receivables, and off-balance sheet credit exposures. Adoption of the standard did not have a material impact on our financial statements.

We are exposed to credit losses, primarily as a result of the midstream services that we provide. We assess each customer's ability to pay through our credit review process, which considers various factors such as external credit ratings; a review of financial statements to determine liquidity, leverage, trends and business specific risks; market information; pay history and our business strategy. We monitor our ongoing credit exposure through timely review of customer payment activity. At December 31, 2020, we reported \$452 million of third-party accounts receivable, net of allowances of \$1 million

We also adopted the following ASUs during 2020, which did not have a material impact to our financial statements or financial statement disclosures:

ASU	Topic	Effective Date
2018-13	Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement	January 1, 2020
2020-04	Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting	April 1, 2020

4. Acquisitions and Dispositions

Javelina Held-for-Sale

On December 23, 2020, MarkWest Energy Operating Company, L.L.C., (“MarkWest Energy”) a wholly owned subsidiary of MPLX, entered into an Equity Purchase Agreement with a third party under which MarkWest Energy has agreed to sell all of MarkWest Energy’s equity interests in MarkWest Javelina Company L.L.C., MarkWest Javelina Pipeline Company L.L.C., and MarkWest Gas Services L.L.C. (collectively, “Javelina”). This agreement includes adjustments for working capital as well as an earnout provision based on the performance of the assets. This sale was closed on February 12, 2021. Javelina’s assets and liabilities to be sold are shown on the Consolidated Balance Sheet as “Assets held for sale” and “Liabilities held for sale”, respectively, for the year ended December 31, 2020. Javelina is currently reported within the G&P segment.

Wholesale Exchange

On July 31, 2020, MPLX entered into a Redemption Agreement (the “Redemption Agreement”) with WRSW, a wholly owned subsidiary of MPC, pursuant to which MPLX agreed to transfer to WRSW all of the outstanding membership interests in WRW in exchange for the redemption of MPLX common units held by WRSW. The transaction effects the transfer to MPC of the Western wholesale distribution business that MPLX acquired as a result of its acquisition of ANDX as described below. Per the terms of the Redemption Agreement, MPLX redeemed 18,582,088 common units (the “Redeemed Units”) held by WRSW on July 31, 2020. The number of Redeemed Units was calculated by dividing WRW’s aggregate valuation of \$340 million by the simple average of the volume weighted average NYSE prices of an MPLX common unit for the ten trading days ending at market close on July 27, 2020. MPLX canceled the Redeemed Units immediately following the Wholesale Exchange. The carrying value of the net assets of WRW transferred to MPC was approximately \$90 million as of July 31, 2020, resulting in \$250 million being recorded to “Common Unit-holder MPC” within the Consolidated Statements of Equity, netted against the fair value of the redeemed units. Included within the \$90 million carrying value of the WRW net assets was approximately \$65 million of goodwill.

Acquisition of Andeavor Logistics LP

On May 7, 2019, ANDX, Tesoro Logistics GP, LLC, then the general partner of ANDX, MPLX, MPLX GP LLC, the general partner of MPLX (“MPLX GP”), and MPLX MAX LLC, a wholly owned subsidiary of MPLX (“Merger Sub”), entered into an Agreement and Plan of Merger (the “Merger Agreement”) that provided for, among other things, the merger of Merger Sub with and into ANDX. On July 30, 2019, the Merger was completed, and ANDX survived the Merger as a wholly owned subsidiary of MPLX. At the effective time of the Merger, each common unit held by ANDX’s public unitholders was converted into the right to receive 1.135 MPLX common units. ANDX common units held by certain affiliates of MPC were converted into the right to receive 1.0328 MPLX common units. See Note 8 for information on common units issued in connection with the Merger as well as Series B preferred units.

As a result of the Merger, the ANDX Special Limited Partner Interest outstanding immediately prior to the effective time of the Merger was converted into a right for WRSW, as the holder of all such interest, to receive a substantially equivalent special limited partner interest in MPLX (the “MPLX Special Limited Partner Interest”). By virtue of the conversion, the ANDX Special Limited Partner Interest was cancelled and ceased to exist as of the effective time of the Merger. For information on ANDX’s preferred units, please see Note 8.

The assets of ANDX consist of a network of owned and operated crude oil, refined product and natural gas pipelines; crude oil and water gathering systems; refining logistics assets; terminals with crude oil and refined products storage capacity; rail facilities; marine terminals including storage; bulk petroleum distribution facilities; a trucking fleet; and natural gas processing and fractionation complexes. The assets are located in the western and inland regions of the United States and complement MPLX’s existing business and assets.

MPC accounted for its October 1, 2018 acquisition of Andeavor (through which it acquired control of ANDX) using the acquisition method of accounting, which required Andeavor assets and liabilities to be recorded by MPC at the acquisition date fair value. The Merger was closed on July 30, 2019, and the results

of ANDX have been incorporated into the results of MPLX as of October 1, 2018, which is the date that common control was established. As a result of MPC's relationship with both MPLX and ANDX, the Merger has been treated as a common control transaction, which requires the recasting of MPLX's historical results and the recognition of assets acquired and liabilities assumed using MPC's historical carrying value. The fair value of assets acquired and liabilities assumed shown below represents MPC's historical carrying values as of October 1, 2018.

<i>(In millions)</i>	As Originally Reported	Adjustments ⁽¹⁾	As Adjusted
Cash and cash equivalents	\$ 83	\$ (53)	\$ 30
Receivables, net	241	259	500
Inventories	21	—	21
Other current assets ⁽²⁾	59	(7)	52
Equity method investments	731	(89)	642
Property, plant and equipment, net	6,709	(427)	6,282
Intangibles, net ⁽³⁾	960	74	1,034
Other noncurrent assets ⁽⁴⁾	31	(8)	23
Total assets acquired	<u>8,835</u>	<u>(251)</u>	<u>8,584</u>
Accounts payable	198	265	463
Other current liabilities ⁽⁵⁾	188	(41)	147
Long-term debt	4,916	—	4,916
Deferred credits and other long-term liabilities ⁽⁶⁾	75	1	76
Total liabilities assumed	<u>5,377</u>	<u>225</u>	<u>5,602</u>
Net assets acquired excluding goodwill	<u>3,458</u>	<u>(476)</u>	<u>2,982</u>
Goodwill	<u>7,428</u>	<u>724</u>	<u>8,152</u>
Total purchase price	<u>\$ 10,886</u>	<u>\$ 248</u>	<u>\$ 11,134</u>

- (1) Inclusive of activity recorded subsequent to the acquisition of ANDX on July 30, 2019, a portion of which was recorded as a non-cash contribution from MPC.
- (2) Includes both related party and third party other current assets.
- (3) Includes approximately \$4 million of favorable lease assets. In connection with the implementation of ASC 842, this balance was reclassified to "Right of use assets" on the Consolidated Balance Sheets during 2019.
- (4) Includes both related party and third party other noncurrent assets as well as right of use assets associated with leases.
- (5) Includes accrued liabilities, operating lease liabilities, long-term debt due within one year, as well as related party and third party other current liabilities.
- (6) Includes deferred revenue and deferred income taxes, as well as related party and third party other noncurrent liabilities.

Details of our valuation methodology and significant inputs for fair value measurements are included by asset class below. The fair value measurements for equity method investments; property, plant and equipment; intangible assets and long-term debt are based on significant inputs that are not observable in the market and, therefore, represent Level 3 measurements.

Goodwill

The purchase consideration allocation resulted in the recognition of \$8.2 billion in goodwill, which has been allocated between the L&S segment and the G&P segment at \$7.2 billion and \$1.0 billion, respectively. See Note 14 for further information related to goodwill.

Inventory

The fair value of inventory was recorded at cost as of October 1, 2018, as these items are related to spare parts as well as materials and supplies and approximate fair value.

Equity Method Investments

The fair value of the equity method investments was \$642 million, which was determined based on applying income and market approaches. The income approach relied on the discounted cash flow method and the market approach relied on a market multiple approach considering historical and projected financial results. Discount rates for the discounted cash flow models were based on capital structures for similar market participants and included various risk premiums that account for risks associated with the specific investments.

Property, Plant and Equipment

The fair value of property, plant and equipment was \$6.3 billion, which was based primarily on the cost approach. Key assumptions in the cost approach include determining the replacement cost by evaluating recent purchases of similar assets or published data, and adjusting replacement cost for economic and functional obsolescence, location, normal useful lives, and capacity (if applicable).

Acquired Intangible Assets

The fair value of the acquired identifiable intangible assets was \$1.0 billion, which represents the value of various customer contracts and relationships and other intangible assets. The fair value of customer contracts and relationships was \$950 million, which was valued by applying the multi-period excess earnings method, which is an income approach. Key assumptions in the income approach include the underlying contract cash flow estimates, remaining contract term, probability of renewal, growth rates and discount rates. The intangible assets are all finite lived and will be amortized over two to 10 years.

Debt

The fair value of the ANDX notes was measured using a market approach, based upon the average of quotes for the acquired debt from major financial institutions and a third-party valuation service. Additionally, approximately \$1.1 billion of borrowings under revolving credit agreements approximated fair value. The ANDX revolving credit facilities with total capacity of \$2.1 billion were terminated upon closing of the Merger and were repaid with borrowings under the MPLX revolving credit facility.

Acquisition Costs

We recognized \$14 million in acquisition costs during 2019, which are reflected in general and administrative expenses.

ANDX Revenue and Net Income

For the year ended December 31, 2019, we recognized \$2,400 million of revenues and other income related to ANDX and \$266 million of net loss related to ANDX, which was impacted by the goodwill impairment discussed in Note 14. For the year ended December 31, 2018, we recognized \$580 million of revenues and other income related to ANDX and \$172 million of net income related to ANDX.

Pro Forma Financial Information

The following unaudited pro forma information combines the historical operations of MPLX and ANDX, giving effect to the Merger as if it had been consummated on January 1, 2018, the beginning of the earliest period presented.

(In millions)

	2019	2018
Total revenues and other income	\$ 9,041	\$ 8,666
Net income attributable to MPLX LP	\$ 1,434	\$ 2,446

The pro forma information includes adjustments to align accounting policies, which include adjustments for capitalization of assets and treatment of planned major maintenance costs. The pro forma information also includes adjustments related to: eliminating transactions between MPLX and ANDX, which previously would have been recorded as transactions between related parties; basis differences on equity method investments as a result of recognition of MPC's investments in ANDX's equity method investments; depreciation and amortization expense to reflect the increased fair value of property, plant and equipment and increased amortization expense related to identifiable intangible assets, as well as adjustments to interest expense for the amortization of fair value adjustments over the remaining term of ANDX's outstanding debt, reversal of ANDX's historical amortization of debt issuance costs and debt discounts and to adjust for the difference in the weighted average interest rate between MPLX's revolving credit facility and ANDX's revolving credit facilities.

Mt. Airy Terminal

On September 26, 2018, MPLX acquired an eastern U.S. Gulf Coast export terminal (the "Mt. Airy Terminal") from Pin Oak Holdings, LLC for total consideration of \$451 million. At the time of the acquisition, the terminal included tanks with 4 million barrels of third-party leased storage capacity and a dock with 120 mbpd of capacity. The Mt. Airy Terminal is located on the Mississippi River between New Orleans and Baton Rouge, is in close proximity to several Gulf Coast refineries including MPC's Garyville

Refinery and is near numerous rail lines and pipelines. The Mt. Airy Terminal is accounted for within the L&S segment. In the first quarter of 2019, an adjustment to the initial purchase price was made for approximately \$5 million related to the final settlement of the acquisition, which was paid in the first six months of 2019 as shown on the statement of cash flow. This reduced the total purchase price to \$446 million and resulted in \$336 million of property, plant and equipment, \$121 million of goodwill and the remainder being attributable to net liabilities assumed.

The amount of revenue and income from operations associated with the acquisition of the Mt. Airy Terminal included on the Consolidated Statement of Income since the September 26, 2018 acquisition date was not material to the financial statements. Assuming the acquisition had occurred on January 1, 2018, the consolidated pro forma results would not have been materially different from the reported results.

Refining Logistics and Fuels Distribution Acquisition

On February 1, 2018, MPC and MPLX LP closed on an agreement for the dropdown of refining logistics assets and fuels distribution services to MPLX LP. MPC contributed these assets and services in exchange for \$4.1 billion in cash and a fixed number of MPLX LP common units and general partner units of 111,611,111 and 2,277,778, respectively. The fair value of the common and general partner units issued as of the acquisition date was \$4.3 billion based on the closing common unit price as of February 1, 2018, as recorded on the Consolidated Statements of Equity, for a total purchase price of \$8.4 billion. The equity issued consisted of: (i) 85,610,278 common units to MPLX GP, (ii) 18,176,666 common units to MPLX Logistics Holdings LLC and (iii) 7,824,167 common units to MPLX Holdings Inc. MPLX also issued 2,277,778 general partner units to MPLX GP in order to maintain its two general partner interest (“GP Interest”) in MPLX. MPC agreed to waive approximately one-third of the first quarter 2018 distributions on the common units issued in connection with this transaction. As a result of this waiver, MPC did not receive \$23.7 million of the distributions that would have otherwise accrued on such common units with respect to the first quarter 2018. Immediately following this transaction, the GP Interest was converted into a non-economic general partner interest as discussed in Note 8.

MPLX recorded this transaction on a historical basis as required for transactions between entities under common control. No effect was given to the prior periods as these entities were not considered businesses prior to the February 1, 2018 dropdown. In connection with the dropdown, approximately \$830 million of net property, plant and equipment was recorded in addition to \$85 million and \$130 million of goodwill allocated to MPLX Refining Logistics LLC (“Refining Logistics”) and MPLX Fuels Distribution LLC (“Fuels Distribution”), respectively. Both the Refining Logistics assets and the Fuels Distribution services are accounted for within the L&S segment.

As of the transaction date, the Refining Logistics assets included 619 tanks with approximately 56 million barrels of storage capacity (crude, finished products and intermediates), 32 rail and truck racks, 18 docks, and gasoline blenders. These assets generate revenue through storage services agreements with MPC. Refining Logistics provides certain services to MPC related to the receipt, storage, throughput, custody and delivery of petroleum products in and through certain storage and logistical facilities and assets associated with MPC’s refineries.

Fuels Distribution, which is a wholly owned subsidiary of MPLXT, generates revenue through a Fuels Distribution Services Agreement with MPC. Fuels Distribution is structured to provide a broad range of scheduling and marketing services as MPC’s agent.

The amounts of revenue and income from operations associated with these investments included on the Consolidated Statements of Income, since the February 1, 2018 acquisition date, were as follows:

<i>(In millions)</i>	Twelve Months Ended December 31, 2018
Revenues and other income	\$ 1,359
Income from operations	\$ 874

5. Investments and Noncontrolling Interests

The following table presents MPLX's equity method investments at the dates indicated:

<i>(In millions, except ownership percentages)</i>	Ownership as of	Carrying value at	
	December 31,	December 31,	
	2020	2020	2019
L&S			
MarEn Bakken Company LLC ⁽¹⁾	25%	\$ 465	\$ 481
Illinois Extension Pipeline Company, L.L.C.	35%	254	265
LOOP LLC	41%	252	238
Andeavor Logistics Rio Pipeline LLC ⁽²⁾⁽³⁾	67%	194	202
Minnesota Pipe Line Company, LLC ⁽²⁾	17%	188	190
Whistler Pipeline LLC ⁽³⁾	38%	185	134
W2W Holdings LLC ⁽³⁾⁽⁴⁾	50%	72	—
Wink to Webster Pipeline LLC ⁽³⁾⁽⁴⁾	15%	—	126
Explorer Pipeline Company	25%	72	83
Other ⁽²⁾⁽³⁾		103	55
Total L&S		1,785	1,774
G&P			
MarkWest Utica EMG, L.L.C. ⁽³⁾	57%	698	1,984
Sherwood Midstream LLC ⁽³⁾	50%	557	537
MarkWest EMG Jefferson Dry Gas Gathering Company, L.L.C. ⁽³⁾	67%	307	302
Rendezvous Gas Services, L.L.C. ⁽²⁾⁽³⁾	78%	159	170
Sherwood Midstream Holdings LLC ⁽³⁾	51%	148	157
Centrahoma Processing LLC	40%	145	153
Other ⁽²⁾⁽³⁾		237	198
Total G&P		2,251	3,501
Total		\$ 4,036	\$ 5,275

- (1) The investment in MarEn Bakken Company LLC includes our 9.19 percent indirect interest in a joint venture that owns and operates the Dakota Access Pipeline and Energy Transfer Crude Oil Pipeline projects, collectively referred to as the Bakken Pipeline system or DAPL.
- (2) These investments as well as certain investments included within "Other" for both L&S and G&P are investments acquired as part of the Merger. The December 31, 2019 balance reflects all purchase accounting adjustments identified by MPC as part of its acquisition of Andeavor.
- (3) Investments deemed to be VIEs. Some investments included within "Other" have also been deemed to be VIEs.
- (4) During the year ended December 31, 2020, we contributed our ownership in Wink to Webster Pipeline LLC to W2W Holdings LLC.

For those entities that have been deemed to be VIEs, neither MPLX nor any of its subsidiaries have been deemed to be the primary beneficiary due to voting rights on significant matters. While we have the ability to exercise influence through participation in the management committees which make all significant decisions, we have equal influence over each committee as a joint interest partner and all significant decisions require the consent of the other investors without regard to economic interest and as such we have determined that these entities should not be consolidated and apply the equity method of accounting with respect to our investments in each entity.

Sherwood Midstream LLC ("Sherwood Midstream") has been deemed the primary beneficiary of Sherwood Midstream Holdings LLC ("Sherwood Midstream Holdings") due to its controlling financial interest through its authority to manage the joint venture. As a result, Sherwood Midstream consolidates Sherwood Midstream Holdings. Therefore, MPLX also reports its portion of Sherwood Midstream Holdings' net assets as a component of its investment in Sherwood Midstream. As of December 31, 2020, MPLX had a 24.5 percent indirect ownership interest in Sherwood Midstream Holdings through Sherwood Midstream.

MPLX's maximum exposure to loss as a result of its involvement with equity method investments includes its equity investment, any additional capital contribution commitments and any operating expenses incurred by the subsidiary operator in excess of its compensation received for the performance of the operating services. MPLX did not provide any financial support to equity method investments that it was not contractually obligated to provide during the years ended December 31, 2020, 2019 and 2018.

During the first quarter of 2020, we recorded an other than temporary impairment for three joint ventures in which we have an interest as discussed in Note 1. Impairment of these investments was \$1,264 million, of which \$1,251 million was related to MarkWest Utica EMG, L.L.C. and its investment in Ohio Gathering Company, L.L.C. The fair value of the investments was determined based upon applying the discounted cash flow method, which is an income approach. The discounted cash flow fair value estimate is based on known or knowable information at the interim measurement date. The significant assumptions that were used to develop the estimate of the fair value under the discounted cash flow method include management's best estimates of the expected future cash flows, including prices and volumes, the weighted average cost of capital and the long-term growth rate. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As such, the fair value of these equity method investments represents a Level 3 measurement. As a result, there can be no assurance that the estimates and assumptions made for purposes of the impairment test will prove to be an accurate prediction of the future. The impairment was recorded through "Income from equity method investments." The impairments were largely due to a reduction in forecasted volumes gathered and processed by the systems operated by the joint ventures. There were no additional impairments recorded during the remainder of 2020.

During the fourth quarter of 2019, two joint ventures in which we have an interest recorded impairments, which impacted the amount of income from equity method investments during the period by approximately \$28 million and took the carrying value of one of the investments to zero. For the other joint venture, we had a basis difference recorded which was being amortized over the life of the underlying assets. As a result of the impairment recorded by the joint venture, we assessed our investment, including the related basis difference, for impairment and recorded an additional \$14 million of impairment during the quarter related to our basis difference. The fair value of the investment was determined based upon applying the discounted cash flow method, which is an income approach. The discounted cash flow fair value estimate is based on known or knowable information at the interim measurement date. The significant assumptions that were used to develop the estimate of the fair value under the discounted cash flow method include management's best estimates of the expected future results using a probability-weighted average set of cash flow forecasts and the discount rate. The impairment of the basis difference was also recorded through "Income from equity method investments" for a total impact during the quarter of approximately \$42 million. The impairments were largely due to a reduction in forecasted volumes of the joint ventures.

Summarized financial information for MPLX's equity method investments for the years ended December 31, 2020, 2019 and 2018 is as follows:

<i>(In millions)</i>	December 31, 2020		
	Other VIEs	Non-VIEs	Total
Revenues and other income	\$ 298	\$ 1,208	\$ 1,506
Costs and expenses	414	531	945
(Loss)/income from operations	(116)	677	561
Net (loss)/income	(175)	615	440
(Loss)/income from equity method investments ⁽²⁾	\$ (1,100)	\$ 164	\$ (936)

<i>(In millions)</i>	December 31, 2019 ⁽¹⁾		
	Other VIEs	Non-VIEs	Total
Revenues and other income	\$ 650	\$ 1,417	\$ 2,067
Costs and expenses	375	568	943
Income from operations	275	849	1,124
Net income	215	752	967
Income from equity method investments ⁽²⁾	\$ 103	\$ 187	\$ 290

<i>(In millions)</i>	December 31, 2018 ⁽¹⁾		
	Other VIEs	Non-VIEs	Total
Revenues and other income	\$ 484	\$ 1,421	\$ 1,905
Costs and expenses	286	738	1,024
Income from operations	198	683	881
Net income	197	606	803
Income from equity method investments ⁽²⁾	\$ 67	\$ 180	\$ 247

(1) The financial information for equity method investments for 2019 includes financial information of equity method investments acquired as part of the Merger. The financial information for equity method investments for 2018 includes financial information of equity method investments acquired as part of the Merger for the last three months of 2018. See Note 1 for additional information.

(2) "Income from equity method investments" includes the impact of any basis differential amortization or accretion. The 2020 and 2019 amounts include impairment of \$1,264 million and \$42 million, respectively.

Summarized balance sheet information for MPLX's equity method investments as of December 31, 2020 and 2019 is as follows:

<i>(In millions)</i>	December 31, 2020		
	Other VIEs	Non-VIEs	Total
Current assets	\$ 530	\$ 318	\$ 848
Noncurrent assets	6,889	4,997	11,886
Current liabilities	323	187	510
Noncurrent liabilities	\$ 1,904	\$ 830	\$ 2,734

<i>(In millions)</i>	December 31, 2019		
	Other VIEs	Non-VIEs	Total
Current assets	\$ 534	\$ 330	\$ 864
Noncurrent assets	5,862	5,134	10,996
Current liabilities	192	245	437
Noncurrent liabilities	\$ 305	\$ 822	\$ 1,127

As of December 31, 2020, the underlying net assets of MPLX's investees in the G&P segment exceeded the carrying value of its equity method investments by approximately \$57 million. At December 31, 2019, the carrying value of MPLX's equity method investments in the G&P segment exceeded the underlying net assets of its investees by approximately \$1.0 billion. As of December 31, 2020 and 2019, the carrying value of MPLX's equity method investments in the L&S segment exceeded the underlying net assets of its investees by \$331 million and \$329 million, respectively.

At December 31, 2020 and 2019, the G&P basis difference was being amortized into net income over the remaining estimated useful lives of the underlying net assets, except for \$31 million and \$498 million of excess related to goodwill, respectively. At December 31, 2020 and 2019, the L&S basis difference was being amortized into net income over the remaining estimated useful lives of the underlying net assets, except for \$167 million of excess related to goodwill, respectively.

6. Related Party Agreements and Transactions

MPLX engages in transactions with both MPC and certain of its equity method investments as part of its normal business; however, transactions with MPC make up the majority of MPLX's related party transactions. Transactions with related parties are further described below.

MPLX has various long-term, fee-based commercial agreements with MPC. Under these agreements, MPLX provides transportation, terminal, fuels distribution, marketing, storage, management, operational and other services to MPC. MPC has committed to provide MPLX with minimum quarterly throughput volumes on crude oil and refined products and other fees for storage capacity; operating and management fees; as well as reimbursements for certain direct and indirect costs. MPC has also committed to provide a fixed fee for 100 percent of available capacity for boats, barges and third-party chartered equipment under the marine transportation service agreement. In addition, MPLX has obligations to MPC for services

provided to MPLX by MPC under omnibus and employee services type agreements as well as other various agreements as discussed below.

The commercial agreements with MPC include:

- MPLX has a fuels distribution agreement with MPC under which MPC pays MPLX a tiered monthly volume-based fee for marketing and selling MPC's products. This agreement is subject to a minimum quarterly volume and has an initial term of 10 years, subject to a 5-year renewal period under terms to be renegotiated at that time.
- MPLX has various pipeline transportation agreements under which MPC pays MPLX fees for transporting crude and refined products on MPLX's pipeline systems. These agreements are subject to minimum throughput volumes under which MPC will pay MPLX deficiency payments for any period in which they do not ship the minimum committed volume. These deficiency payments can be applied as credits to future periods in which MPC ships volumes in excess of the minimum volume, subject to a limited period of time. These agreements are subject to various terms and renewal periods.
- MPLX has a marine transportation agreement with an initial term of 6 years under which MPC pays MPLX fees for providing marine transportation of crude oil, feedstock and refined petroleum products, and related services. This agreement is subject to two automatic renewal periods of 5 years each.
- MPLX has various trucking transportation services agreements with terms ranging from month-to-month to 10 years, under which MPC pays MPLX fees for gathering barrels and providing trucking, dispatch, delivery and data services. Most of these agreements are subject to minimum volume commitments and have various terms regarding carry-forward of deficiency payments as credits towards excess volumes shipped in future periods. These agreements are subject to various terms and renewal periods.
- MPLX has numerous storage services agreements governing storage services at various types of facilities including terminals, pipeline tank farms, caverns and refineries, under which MPC pays MPLX per-barrel fees for providing storage services. Some of these agreements provide MPC with exclusive access to storage at certain locations, such as storage located at MPC's refineries or storage in certain caverns. Under these agreements, MPC pays MPLX a per-barrel fee for such storage capacity, regardless of whether MPC fully utilizes the available capacity. Many of the refinery storage agreements also contain provisions for logistical services to be provided by MPLX, for which MPC pays monthly fees. These agreements are subject to various terms and renewal periods.
- MPLX has a 10-year terminal services agreement governing certain terminals under which MPC pays MPLX fees for terminal storage for refined petroleum products. Under this agreement MPC pays MPLX agreed upon fees relating to MPC product deliveries as well as any viscosity surcharges, loading, handling, transfers or other related charges. This agreement is subject to minimum volume throughput commitments under which MPC pays a deficiency payment for any period in which they do not meet the minimum committed volume. The terminal services agreement with MPC includes automatic renewal terms ranging from one to five years. MPLX also has numerous additional terminal services agreements governing terminals acquired through the Merger. Under these agreements, MPC pays MPLX agreed upon fees relating to various terminal activities including throughput, blending, on and offloading and additives. Many of these agreements contain various minimum commitments for some or all of these activities. Some of these agreements allow for deficiency payments to be applied as credits to future periods with excess throughput volumes. These agreements have terms ranging from one to 10 years with varying renewal terms.
- MPLX has a year to year keep-whole commodity agreement with MPC under which MPC pays us a processing fee for NGLs related to keep-whole agreements and delivers shrink gas to the producers on our behalf. We pay MPC a marketing fee in exchange for assuming the commodity risk. The pricing structure under this agreement provides for a base volume subject to a base rate and incremental volumes subject to variable rates which are calculated with reference to certain of our costs incurred as processor of the volumes. The pricing for both the base and incremental volumes are subject to revision each year.

In many cases, agreements are location-based hybrid agreements, containing provisions relating to multiple of the types of agreements and services described above.

Operating Agreements

MPLX operates various pipelines owned by MPC under operating services agreements. Under these operating services agreements, MPLX receives an operating fee for operating the assets and is reimbursed for all direct and indirect costs associated with operating the assets. Most of these agreements are indexed for inflation. These agreements range from one to five years in length and automatically renew unless terminated by either party.

Co-location Services Agreements

MPLX is party to co-location services agreements with MPC's refineries, under which MPC provides management, operational and other services to the subsidiaries of Refining Logistics. Refining Logistics pays MPC monthly fixed fees and direct reimbursements for such services calculated as set forth in the agreements. These agreements have initial terms of 50 years.

Ground Lease Agreements

MPLX is party to ground lease agreements with certain of MPC's refineries under which MPLX is the lessor of certain sections of property which contain facilities owned by Refining Logistics and are within the premises of MPC's refineries. Refining Logistics pays MPC monthly fixed fees under these ground leases. These agreements have initial terms of 50 years.

Marine Services Agreements with MPC

MPLX has a management services agreement and a loss control agreement with MPC under which it provides management and loss control services to assist MPC in the oversight and management of the marine business. MPLX receives fixed annual fees for providing the required services, which are subject to predetermined annual escalation rates. These agreements are subject to an initial terms of five years and automatically renew for one additional five-year renewal period unless terminated by either party.

Omnibus Agreements

MPLX has omnibus agreements with MPC that address MPLX's payment of fixed annual fees to MPC for the provision of executive management services by certain executive officers of the general partner and MPLX's reimbursement of MPC for the provision of certain general and administrative services to it. They also provide for MPC's indemnification to MPLX for certain matters, including environmental, title and tax matters; as well as our indemnification of MPC for certain matters under these agreements.

Employee Services Agreements

MPLX has various employee services agreements and secondment agreements with MPC under which MPLX reimburses MPC for employee benefit expenses, along with the provision of operational and management services in support of both our L&S and G&P segments' operations.

Loan Agreement

MPLX is party to a loan agreement with MPC Investment (the "MPC Loan Agreement"). Under the terms of the agreement, MPC Investment extends loans to MPLX on a revolving basis as requested by MPLX and as agreed to by MPC Investment. On April 27, 2018, MPLX and MPC Investment entered into an amendment to the MPC Loan Agreement to increase the borrowing capacity under the MPC Loan Agreement from \$500 million to \$1 billion. In connection with the Merger, on July 31, 2019, MPLX and MPC Investment entered into a second amendment to the MPC Loan Agreement to increase the borrowing capacity under the MPC Loan Agreement to \$1.5 billion in aggregate principal amount of all loans outstanding at any one time. The loan agreement is scheduled to expire, and borrowings under the loan agreement are scheduled to mature and become due and payable on July 31, 2024, provided that MPC Investment may demand payment of all or any portion of the outstanding principal amount of the loan, together with all accrued and unpaid interest and other amounts (if any), at any time prior to the maturity

date. Borrowings under the MPC Loan Agreement prior to July 31, 2019 bore interest at LIBOR plus 1.50 percent, while borrowings as of and after July 31, 2019 will bear interest at the one-month LIBOR plus 1.25 percent or such lower rate as would be applicable to such loans under the MPLX Credit Agreement as discussed in Note 17. Activity on the MPC Loan Agreement was as follows:

<i>(In millions, except %)</i>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Borrowings	\$ 6,264	\$ 8,540
Average interest rate of borrowings	2.278 %	3.441 %
Repayments	\$ 6,858	\$ 7,946
Outstanding balance at end of period	\$ —	\$ 594

Prior to the Merger, ANDX was also party to a loan agreement with MPC (“ANDX-MPC Loan Agreement”). This facility was entered into on December 21, 2018, with a borrowing capacity of \$500 million. In connection with the Merger, on July 31, 2019, MPLX repaid the entire outstanding balance and terminated the ANDX-MPC Loan Agreement. There was no activity on the ANDX-MPC Loan Agreement in 2018. Activity on the agreement during 2019 prior to the Merger was as follows:

<i>(In millions, except %)</i>	<u>December 31, 2019</u>
Borrowings	\$ 773
Average interest rate of borrowings	4.249 %
Repayments	\$ 773
Outstanding balance at end of period	\$ —

Related Party Revenue

Related party sales to MPC consist of crude oil and refined products pipeline and trucking transportation services based on tariff/contracted rates; storage, terminal and fuels distribution services based on contracted rates; and marine transportation services. Related party sales to MPC also consist of revenue related to volume deficiency credits.

MPLX also has operating agreements with MPC under which it receives a fee for operating MPC’s retained pipeline assets and a fixed annual fee for providing oversight and management services required to run the marine business. MPLX also receives management fee revenue for engineering, construction and administrative services for operating certain of its equity method investments.

Revenue received from related parties included on the Consolidated Statements of Income was as follows:

<i>(In millions)</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service revenue			
MPC	\$ 3,578	\$ 3,455	\$ 2,404
Other	2	—	—
Total Service revenue - related parties	<u>3,580</u>	<u>3,455</u>	<u>2,404</u>
Rental income			
MPC	952	1,196	846
Product sales ⁽¹⁾			
MPC	128	140	87
Other	—	2	—
Total Product sales - related parties	<u>128</u>	<u>142</u>	<u>87</u>
Other income			
MPC	192	47	41
Other	62	67	58
Total Other income - related parties	<u>\$ 254</u>	<u>\$ 114</u>	<u>\$ 99</u>

- (1) There were additional product sales to MPC that net to zero within the consolidated financial statements as the transactions are recorded net due to the terms of the agreements under which such product was sold. For 2020, 2019 and 2018, these sales totaled \$462 million, \$1,120 million and \$607 million, respectively.

Related Party Expenses

MPC provides executive management services and certain general and administrative services to MPLX under the terms of our omnibus agreements. Omnibus charges included in “Rental cost of sales - related parties” primarily relate to services that support MPLX’s rental operations and maintenance of assets available for rent. Omnibus charges included in “Purchases - related parties” primarily relate to services that support MPLX’s operations and maintenance activities, as well as compensation expenses. Omnibus charges included in “General and administrative expenses” primarily relate to services that support MPLX’s executive management, accounting and human resources activities. MPLX also obtains employee services from MPC under employee services agreements (“ESA charges”). ESA charges for personnel directly involved in or supporting operations and maintenance activities related to rental services are classified as “Rental cost of sales - related parties.” ESA charges for personnel directly involved in or supporting operations and maintenance activities related to other services are classified as “Purchases - related parties.” ESA charges for personnel involved in executive management, accounting and human resources activities are classified as “General and administrative expenses.” In addition to these agreements, MPLX purchases products from MPC, makes payments to MPC in its capacity as general contractor to MPLX, and has certain rent and lease agreements with MPC.

MPC has also been advancing certain strategic priorities to lay a foundation for long-term success, including plans to optimize its assets and structurally lower costs in 2021 and beyond, which included an involuntary workforce reduction plan. The workforce reduction plan, together with employee reductions resulting from MPC's indefinite idling of its Martinez, California and Gallup, New Mexico refineries, affected approximately 2,050 employees. All of the employees that conduct MPLX’s business are directly employed by affiliates of MPC, and certain of those employees were affected by MPC’s workforce reductions. During 2020, MPLX reimbursed MPC for \$37 million related to severance and employee benefits related expenses that MPC recorded in connection with its workforce reductions. These costs are shown on the Consolidated Statements of Income as “Restructuring expenses.”

Expenses incurred from MPC under the omnibus and employee services agreements as well as other purchases from MPC included on the Consolidated Statements of Income are as follows:

<i>(In millions)</i>	2020	2019	2018
Rental cost of sales - related parties	\$ 160	\$ 165	\$ 31
Purchases - related parties			
MPC	1,099	1,210	919
Other	17	21	6
Total Purchases - related parties	1,116	1,231	925
General and administrative expenses			
MPC	254	243	199
Restructuring expenses			
MPC	\$ 37	\$ —	\$ —

Some charges incurred under the omnibus and employee service agreements are related to engineering services and are associated with assets under construction. These charges are added to “Property, plant and equipment, net” on the Consolidated Balance Sheets. For 2020, 2019 and 2018, these charges totaled \$97 million, \$169 million and \$152 million, respectively.

Related Party Assets and Liabilities

<i>(In millions)</i>	December 31,	
	2020	2019
Current assets - related parties		
Receivables - MPC	\$ 615	\$ 621
Receivables - Other	27	22
Prepaid - MPC	4	9
Other - MPC	1	—
Lease Receivables - MPC	30	4
Total	<u>677</u>	<u>656</u>
Noncurrent assets - related parties		
Long-term receivables - MPC	32	21
Right of use assets - MPC	231	232
Long-term lease receivables - MPC	386	43
Unguaranteed residual asset - MPC	23	7
Total	<u>672</u>	<u>303</u>
Current liabilities - related parties		
Payables - MPC	215	911
Payables - Other	43	37
Operating lease liabilities - MPC	1	1
Deferred revenue - Minimum volume deficiencies - MPC	66	42
Deferred revenue - Project reimbursements - MPC	30	16
Deferred revenue - Project reimbursements - Other	1	1
Total	<u>356</u>	<u>1,008</u>
Long-term liabilities - related parties		
Long-term operating lease liabilities - MPC	229	230
Long-term deferred revenue - Project reimbursements - MPC	47	53
Long-term deferred revenue - Project reimbursements - Other	7	7
Total	<u>\$ 283</u>	<u>\$ 290</u>

7. Net Income/(Loss) Per Limited Partner Unit

Net income/(loss) per unit applicable to common limited partner units is computed by dividing net income/(loss) attributable to MPLX LP less income/(loss) allocated to participating securities by the weighted average number of common units outstanding. Additional MPLX common units and MPLX Series B preferred units were issued on July 30, 2019 as a result of the merger with ANDX as discussed in Note 4. Distributions declared on these newly issued common and Series B preferred units are a reduction to income available to MPLX common unit holders due to their participation in distributions of income.

Classes of participating securities for 2020, 2019 and 2018 include:

	2020	2019	2018
Common Units	✓	✓	✓
Equity-based compensation awards	✓	✓	✓
Series A preferred units	✓	✓	✓
Series B preferred units	✓	✓	

The Merger was a transfer between entities under common control as discussed in Note 4. As entities under common control with MPC, prior periods were retrospectively adjusted to furnish comparative information. Accordingly, the prior period earnings have been allocated to the general partner and do not affect the net

income/(loss) per unit calculation. The earnings for the entities acquired under common control will be included in the net income/(loss) per unit calculation prospectively as described above.

In 2020, 2019 and 2018, MPLX had dilutive potential common units consisting of certain equity-based compensation awards. Potential common units omitted from the diluted earnings per unit calculation for the years ended December 31, 2020, 2019 and 2018 were less than 1 million.

<i>(In millions)</i>	2020	2019	2018
Net (loss)/income attributable to MPLX LP	\$ (720)	\$ 1,033	\$ 1,818
Less: Distributions declared on Series A preferred units ⁽¹⁾	81	81	75
Distributions declared on Series B preferred units ⁽¹⁾	41	42	—
Limited partners' distributions declared on MPLX common units (including common units of general partner) ⁽¹⁾⁽²⁾	2,872	2,635	1,985
Undistributed net loss attributable to MPLX LP	<u>\$ (3,714)</u>	<u>\$ (1,725)</u>	<u>\$ (242)</u>

(1) See Note 8 for distribution information.

(2) Distributions on common units exclude \$37.5 million of waived distributions for the year ended December 31, 2019, with respect to units held by MPC and its affiliates.

<i>(In millions, except per unit data)</i>	2020			
	Limited Partners' Common Units	Series A Preferred Units	Series B Preferred Units	Total
Basic and diluted net (loss)/income attributable to MPLX LP per unit:				
Net (loss)/income attributable to MPLX LP:				
Distributions declared	\$ 2,872	\$ 81	\$ 41	\$ 2,994
Undistributed net loss attributable to MPLX LP	(3,714)	—	—	(3,714)
Net (loss)/income attributable to MPLX LP ⁽¹⁾	<u>\$ (842)</u>	<u>\$ 81</u>	<u>\$ 41</u>	<u>\$ (720)</u>
Weighted average units outstanding:				
Basic	1,051			1,051
Diluted	1,051			1,051
Net loss attributable to MPLX LP per limited partner unit:				
Basic	\$ (0.80)			
Diluted	\$ (0.80)			

2019

	Limited Partners' Common Units	Series A Preferred Units	Series B Preferred Units	Total
<i>(In millions, except per unit data)</i>				
Basic and diluted net income attributable to MPLX LP per unit:				
Net income attributable to MPLX LP:				
Distributions declared	\$ 2,635	\$ 81	\$ 42	\$ 2,758
Undistributed net loss attributable to MPLX LP	(1,725)	—	—	(1,725)
Net income attributable to MPLX LP ⁽¹⁾	\$ 910	\$ 81	\$ 42	\$ 1,033
Weighted average units outstanding:				
Basic ⁽²⁾	906			906
Diluted ⁽²⁾	907			907
Net income attributable to MPLX LP per limited partner unit:				
Basic	\$ 1.00			
Diluted	\$ 1.00			

2018

	Limited Partners' Common Units	Series A Preferred Units	Total
<i>(In millions, except per unit data)</i>			
Basic and diluted net income attributable to MPLX LP per unit:			
Net income attributable to MPLX LP:			
Distribution declared	\$ 1,985	\$ 75	\$ 2,060
Undistributed net loss attributable to MPLX LP	(242)	—	(242)
Net income attributable to MPLX LP ⁽¹⁾	\$ 1,743	\$ 75	\$ 1,818
Weighted average units outstanding:			
Basic	761		761
Diluted	761		761
Net income attributable to MPLX LP per limited partner unit:			
Basic	\$ 2.29		
Diluted	\$ 2.29		

- (1) Allocation of net income/(loss) attributable to MPLX LP assumes all earnings for the period had been distributed based on the distribution priorities applicable to the period.
- (2) The Series B preferred units and the MPLX common units issued in connection with the Merger were not outstanding during the entire year. See Notes 4 and 8 for additional information about the treatment of these units.

8. Equity

Units Outstanding

MPLX had 1,038,777,978 common units outstanding as of December 31, 2020. Of that number, 647,415,452 were owned by MPC, which also owns the non-economic GP Interest as described below. MPLX had 600,000 Series B preferred units outstanding as of December 31, 2020. The sections below describe activities and events which impacted our unit balances throughout the year.

Unit Repurchase Program

On November 2, 2020, MPLX announced the board authorization of a unit repurchase program for the repurchase of up to \$1 billion of MPLX's outstanding common units held by the public. MPLX may utilize

various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, tender offers, accelerated unit repurchases or open market solicitations for units, some of which may be effected through Rule 10b5-1 plans. The timing and amount of repurchases will depend upon several factors, including market and business conditions, and repurchases may be initiated, suspended or discontinued at any time. The repurchase authorization has no expiration date. During the year ended December 31, 2020, 1,473,843 public common units were repurchased at an average cost per unit of \$22.29 per unit. Total cash paid for units repurchased during the year was \$33 million with \$967 million remaining available under the program for future repurchases as of December 31, 2020. As of December 31, 2020, we had agreements to acquire 99,406 additional common units for \$2 million, which settled in early January 2021.

Wholesale Exchange and Merger

In connection with the Wholesale Exchange as discussed in Note 4, 18,582,088 units were redeemed by MPC in exchange for all of the outstanding membership interests in WRW. These units were cancelled by MPLX immediately following the transaction.

In connection with the Merger and as discussed in Note 4, each common unit held by ANDX's public unitholders was converted into the right to receive 1.135 MPLX common units while ANDX common units held by certain affiliates of MPC were converted into the right to receive 1.0328 MPLX common units. This resulted in the issuance of MPLX common units of approximately 102 million units to public unitholders and approximately 161 million units to MPC in connection with MPLX's acquisition of ANDX on July 30, 2019.

Series A Redeemable Preferred Unit Conversions - During 2019, certain holders of Series A preferred units exercised their rights to convert their Series A preferred units into approximately 1.2 million common units as discussed in Note 9.

ATM Program – On March 13, 2018, MPLX entered into a Third Amended and Restated Distribution Agreement, which provided for the at-the-market issuances of common units having an aggregate offering price of up to approximately \$1.7 billion, in amounts, at prices and on terms determined by market conditions and other factors at the time of the offerings (such continuous offering program, or at-the-market program is referred to as the “ATM Program”). At December 31, 2020, the ATM Program remains in effect, although MPLX has not issued any units under this program during 2020, 2019 or 2018.

The table below summarizes the changes in the number of units outstanding for the years ended December 31, 2018, 2019, and 2020:

<i>(In units)</i>	Common	General Partner ⁽¹⁾	Total
Balance at December 31, 2017	407,130,020	8,308,773	415,438,793
Unit-based compensation awards	348,387	140	348,527
Contribution of Refining Logistics and Fuels Distribution (See Note 4)	111,611,111	2,277,778	113,888,889
Conversion of GP economic interests	275,000,000	(10,586,691)	264,413,309
Balance at December 31, 2018	794,089,518	—	794,089,518
Unit-based compensation awards	288,031	—	288,031
Issuance of units in connection with the Merger (See Note 4)	262,829,592	—	262,829,592
Conversion of Series A preferred units	1,148,330	—	1,148,330
Balance at December 31, 2019	1,058,355,471	—	1,058,355,471
Unit-based compensation awards	478,438	—	478,438
Wholesale Exchange	(18,582,088)	—	(18,582,088)
Units redeemed in unit repurchase program	(1,473,843)	—	(1,473,843)
Balance at December 31, 2020	<u>1,038,777,978</u>	<u>—</u>	<u>1,038,777,978</u>

(1) Changes to the number of general partner units outstanding, other than changes due to contributions made to MPC for the acquisition of Refining Logistics and Fuels Distribution, are the result of cash contributions made by the general partner in order to maintain its two GP Interest.

Series B Preferred Units - Prior to the Merger, ANDX issued 600,000 units of 6.875 percent Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Units representing limited partner interests of ANDX at a price to the public of \$1,000 per unit. Upon completion of the Merger, the ANDX preferred units converted to preferred units of MPLX representing substantially equivalent limited partnership interests in MPLX. The Series B preferred units are pari passu with the Series A preferred units with respect to distribution rights and rights upon liquidation. Distributions on the Series B preferred units are payable semi-annually in arrears on the 15th day, or the first business day thereafter, of February and August of each year up to and including February 15, 2023. After February 15, 2023, the holders of Series B preferred units are entitled to receive cumulative, quarterly distributions payable in arrears on the 15th day of February, May, August and November of each year, or the first business day thereafter, based on a floating annual rate equal to the three-month LIBOR plus 4.652 percent.

The changes in the Series B preferred unit balance from the Merger through December 31, 2020 are summarized below and are included in the Consolidated Balance Sheets and Consolidated Statements of Equity within “Equity of Predecessor” for the period prior to the Merger and within “Series B preferred units” for the period following the Merger. The Series B preferred units are recorded at fair value as of July 30, 2019.

<i>(In millions)</i>	2020	2019
Balance at beginning of period	\$ 611	\$ —
Balance acquired at Merger		615
Net income allocated	41	17
Distributions received by Series B preferred unitholders	(41)	(21)
Balance at end of period	<u>\$ 611</u>	<u>\$ 611</u>

Issuance of Additional Securities – The Partnership Agreement authorizes MPLX to issue an unlimited number of additional securities for the consideration and on the terms and conditions determined by the general partner without the approval of the unitholders.

Net Income Allocation – In preparing the Consolidated Statements of Equity, net income attributable to MPLX LP is allocated to Series A and Series B preferred unitholders first and subsequently allocated to the limited partner unitholders in accordance with their respective ownership percentages.

Cash Distributions – The Partnership Agreement sets forth the calculation to be used to determine the amount and priority of cash distributions that the common unitholders and preferred unitholders will receive. On January 28, 2021, MPLX declared a quarterly cash distribution, based on the results of the fourth quarter of 2020, totaling \$714 million, or \$0.6875 per common unit. This rate was also received by Series A preferred unitholders. These distributions were paid on February 12, 2021 to unitholders of record on February 8, 2021. Distributions for the fourth quarter of 2019 were \$0.6875 per common unit while distributions for the twelve months ended December 31, 2020 and 2019 were \$2.7500 and \$2.6900 per common unit, respectively.

Additionally, in accordance with the distribution rights discussed above, MPLX made a cash distribution to holders of the Series B preferred unitholders on February 16, 2021 for approximately \$21 million.

The allocation of total quarterly cash distributions to general, limited, and preferred unitholders is as follows for the years ended December 31, 2020, 2019 and 2018. MPLX’s distributions are declared subsequent to quarter end; therefore, the following table represents total cash distributions applicable to the period in which the distributions were earned.

<i>(In millions)</i>	2020	2019	2018
Limited partners' distributions:			
Common unitholders, includes common units of general partner	\$ 2,872	\$ 2,635	\$ 1,985
Series A preferred unit distributions	81	81	75
Series B preferred unit distribution	41	42	—
Total cash distributions declared	<u>\$ 2,994</u>	<u>\$ 2,758</u>	<u>\$ 2,060</u>

The distribution on common units for the year ended December 31, 2019 includes the impact of the issuance of approximately 102 million units issued to public unitholders and approximately 161 million units issued to MPC in connection with the Merger. Due to the timing of the closing, distributions presented in the table above include second quarter distributions on MPLX common units issued to former ANDX unitholders in connection with the Merger. The distributions on common units exclude \$12.5 million of waived distributions for the three months ended December 31, 2019 and \$37.5 million of waived distributions for the year ended December 31, 2019. This waiver was instituted in 2017 under the terms of ANDX's historical partnership agreement with Andeavor. The waiver is no longer applicable after 2019 based on the original term in the waiver agreement. Also included in the table above is \$21 million of distributions earned by the Series B preferred units for 2019 as well as \$21 million of distributions earned on the Series B units prior to the Merger and declared and paid by MPLX during the third quarter of 2019.

9. Series A Preferred Units

Private Placement of Preferred Units – On May 13, 2016, MPLX completed the private placement of approximately 30.8 million 6.5 percent Series A Convertible preferred units for a cash purchase price of \$32.50 per unit. The aggregate net proceeds of approximately \$984 million from the sale of the Series A preferred units were used for capital expenditures, repayment of debt and general business purposes.

Preferred Unit Distribution Rights - The Series A preferred units rank senior to all common units and pari passu with all Series B preferred units with respect to distributions and rights upon liquidation. The holders of the Series A preferred units received cumulative quarterly distributions equal to \$0.528125 per unit for each quarter prior to the second quarter of 2018. Beginning with the second quarter of 2018, the holders of the Series A preferred units are entitled to receive, when and if declared by the board, a quarterly distribution equal to the greater of \$0.528125 per unit or the amount of distributions they would have received on an as converted basis. On January 28, 2021, MPLX declared a quarterly cash distribution of \$0.6875 per common unit for the fourth quarter of 2020. Holders of the Series A preferred units will receive the common unit rate in lieu of the lower \$0.528125 base amount.

The holders may convert their Series A preferred units into common units at any time, in full or in part, subject to minimum conversion amounts and conditions. After the fourth anniversary of the issuance date, MPLX may convert the Series A preferred units into common units at any time, in whole or in part, subject to certain minimum conversion amounts and conditions, if the closing price of MPLX common units is greater than \$48.75 for the 20-day trading period immediately preceding the conversion notice date. The conversion rate for the Series A preferred units shall be the quotient of (a) the sum of (i) \$32.50, plus (ii) any unpaid cash distributions on the applicable preferred unit, divided by (b) \$32.50, subject to adjustment for unit distributions, unit splits and similar transactions. The holders of the Series A preferred units are entitled to vote on an as-converted basis with the common unitholders and have certain other class voting rights with respect to any amendment to the MPLX partnership agreement that would adversely affect any rights, preferences or privileges of the preferred units. In addition, upon certain events involving a change of control, the holders of preferred units may elect, among other potential elections, to convert their Series A preferred units to common units at the then applicable change of control conversion rate.

On September 20, 2019, certain holders exercised their right to convert a total of 1.2 million Series A preferred units into common units. As a result of the transaction, approximately 29.6 million Series A preferred units remain outstanding as of December 31, 2020 and 2019.

The changes in the redeemable preferred balance for 2020 and 2019 are summarized below:

<i>(In millions)</i>	2020	2019
Balance at beginning of period	\$ 968	\$ 1,004
Net income allocated	81	81
Distributions received by preferred unitholders	(81)	(81)
Conversion of preferred units to common units	—	(36)
Balance at end of period	<u>\$ 968</u>	<u>\$ 968</u>

The Series A preferred units are considered redeemable securities under GAAP due to the existence of redemption provisions upon a deemed liquidation event, which is outside MPLX's control. Therefore, they are presented as temporary equity in the mezzanine section of the Consolidated Balance Sheets. The Series A preferred units have been recorded at their issuance date fair value, net of issuance costs. Income allocations increase the carrying value and declared distributions decrease the carrying value of the Series A preferred units. As the Series A preferred units are not currently redeemable and not probable of becoming redeemable, adjustment to the initial carrying amount is not necessary and would only be required if it becomes probable that the Series A preferred units would become redeemable.

10. Segment Information

MPLX's chief operating decision maker is the chief executive officer ("CEO") of its general partner. The CEO reviews MPLX's discrete financial information, makes operating decisions, assesses financial performance and allocates resources on a type of service basis. MPLX has two reportable segments: L&S and G&P. Each of these segments is organized and managed based upon the nature of the products and services it offers.

- L&S – transports, stores, distributes and markets crude oil, asphalt, refined petroleum products and water. Also includes an inland marine business, terminals, rail facilities, storage caverns and refining logistics.
- G&P – gathers, processes and transports natural gas; gathers, transports, fractionates, stores and markets NGLs.

Our CEO evaluates the performance of our segments using Segment Adjusted EBITDA. Amounts included in net income and excluded from Segment Adjusted EBITDA include: (i) depreciation and amortization; (ii) provision/(benefit) for income taxes; (iii) amortization of deferred financing costs; (iv) extinguishment of debt; (v) non-cash equity-based compensation; (vi) impairment expense; (vii) net interest and other financial costs; (viii) income/(loss) from equity method investments; (ix) distributions and adjustments related to equity method investments; (x) unrealized derivative gains/(losses); (xi) acquisition costs; (xii) noncontrolling interests; and (xiii) other adjustments as deemed necessary. These items are either: (i) believed to be non-recurring in nature; (ii) not believed to be allocable or controlled by the segment; or (iii) are not tied to the operational performance of the segment.

The tables below present information about revenues and other income, capital expenditures and investments in unconsolidated affiliates for the years ended December 31, 2020, 2019 and 2018 as well as total assets for our reportable segments as of December 31, 2020 and 2019:

<i>(In millions)</i>	2020	2019	2018
L&S			
Service revenue	\$ 3,889	\$ 3,765	\$ 2,575
Rental income	985	1,235	856
Product related revenue	51	91	23
Income from equity method investments	154	200	171
Other income	206	61	47
Total segment revenues and other income ⁽¹⁾	5,285	5,352	3,672
Segment Adjusted EBITDA ⁽²⁾	3,488	2,748	2,057
Restructuring expenses	29	—	—
Capital expenditures ⁽³⁾	498	1,060	708
Investments in unconsolidated affiliates	141	289	3
G&P			
Service revenue	2,088	2,188	1,685
Rental income	365	349	342
Product related revenue	868	997	1,171
(Loss)/income from equity method investments	(1,090)	90	76
Other income	53	65	59
Total segment revenues and other income ⁽¹⁾	2,284	3,689	3,333
Segment Adjusted EBITDA ⁽²⁾	1,723	1,586	1,418
Restructuring expenses	8	—	—
Capital expenditures ⁽³⁾	441	1,203	1,545
Investments in unconsolidated affiliates	\$ 125	\$ 424	\$ 338

(1) Within the total segment revenues and other income amounts presented above, third party revenues for the L&S segment were \$567 million, \$660 million and \$371 million for 2020, 2019 and 2018, respectively. Third party revenues for the G&P segment were \$2,088 million, \$3,474 million and \$3,198 million for 2020, 2019 and 2018, respectively.

(2) See below for the reconciliation from Segment Adjusted EBITDA to “Net income.”

(3) Capital expenditures do not include adjustments for asset retirement expenditures.

<i>(In millions)</i>	December 31,	
	2020	2019
Segment Assets		
Cash and cash equivalents	\$ 15	\$ 15
L&S	20,938	20,810
G&P	15,461	19,605
Total assets	\$ 36,414	\$ 40,430

The table below provides a reconciliation between “Net income” and Segment Adjusted EBITDA.

<i>(In millions)</i>	2020	2019	2018
Reconciliation to Net (loss)/income:			
L&S Segment Adjusted EBITDA	\$ 3,488	\$ 2,748	\$ 2,057
G&P Segment Adjusted EBITDA	1,723	1,586	1,418
Total reportable segments	5,211	4,334	3,475
Depreciation and amortization ⁽¹⁾	(1,377)	(1,254)	(867)
Provision for income taxes	(2)	—	(8)
Amortization of deferred financing costs	(61)	(42)	(55)
Gain/(loss) on extinguishment of debt	19	—	(46)
Non-cash equity-based compensation	(14)	(22)	(23)
Impairment expense	(2,165)	(1,197)	—
Net interest and other financial costs	(854)	(873)	(613)
(Loss)/income from equity method investments	(936)	290	247
Distributions/adjustments related to equity method investments	(499)	(562)	(458)
Unrealized derivative (losses)/gains ⁽²⁾	(3)	1	5
Acquisition costs	—	(14)	(4)
Restructuring expenses	(37)	—	—
Other	(6)	(1)	—
Adjusted EBITDA attributable to noncontrolling interests	37	32	18
Adjusted EBITDA attributable to Predecessor ⁽³⁾	—	770	335
Net (loss)/income	<u>\$ (687)</u>	<u>\$ 1,462</u>	<u>\$ 2,006</u>

- (1) Depreciation and amortization attributable to L&S was \$633 million, \$503 million and \$308 million for the years ended 2020, 2019 and 2018, respectively. Depreciation and amortization attributable to G&P was \$744 million, \$751 million and \$559 million for 2020, 2019 and 2018, respectively.
- (2) MPLX makes a distinction between realized or unrealized gains and losses on derivatives. During the period when a derivative contract is outstanding, changes in the fair value of the derivative are recorded as an unrealized gain or loss. When a derivative contract matures or is settled, the previously recorded unrealized gain or loss is reversed and the realized gain or loss of the contract is recorded.
- (3) The Adjusted EBITDA adjustments related to Predecessor are excluded from Adjusted EBITDA attributable to MPLX LP prior to the acquisition date.

11. Major Customers and Concentration of Credit Risk

The table below shows, by segment, the percentage of operating revenues as well as total revenues and other income with MPC which is our most significant customer and our largest concentration of credit risk.

	2020 ⁽¹⁾	2019 ⁽¹⁾	2018 ⁽¹⁾
Operating revenues ⁽²⁾			
L&S	92 %	91 %	94 %
G&P	4 %	4 %	3 %
Total	56 %	56 %	50 %
Total revenues and other income ⁽³⁾			
L&S	89 %	88 %	90 %
G&P	4 %	4 %	2 %
Total	55 %	53 %	48 %

- (1) The percent calculations exclude revenues attributable to volumes shipped by MPC under joint tariffs with third parties, which are treated as third-party revenue for accounting purposes.
- (2) Operating revenues consist of service revenue, service revenue - product related, rental income and product sales.
- (3) The percent calculations exclude losses attributable to the impairment of equity method investments.

MPLX has a concentration of trade receivables due from customers in the same industry: MPC, integrated oil companies, independent refining companies and other pipeline companies. These concentrations of customers may impact MPLX's overall exposure to credit risk as they may be similarly affected by changes in economic, regulatory and other factors. MPLX manages its exposure to credit risk through credit analysis, credit limit approvals and monitoring procedures; and for certain transactions, it may request letters of credit, prepayments or guarantees.

12. Inventories

Inventories consist of the following:

<i>(In millions)</i>	December 31,	
	2020	2019
NGLs	\$ 5	\$ 5
Line fill	13	10
Spare parts, materials and supplies	100	95
Total inventories	<u>\$ 118</u>	<u>\$ 110</u>

13. Property, Plant and Equipment

Property, plant and equipment with associated accumulated depreciation is shown below:

<i>(In millions)</i>	Estimated Useful Lives	December 31,	
		2020	2019
L&S			
Pipelines	2-51 years	\$ 6,026	\$ 5,572
Refining logistics	13-40 years	2,333	2,870
Terminals	4-40 years	1,643	1,109
Marine	15-20 years	965	906
Land, building and other	1-61 years	1,584	1,817
Construction-in progress		262	660
Total L&S property, plant and equipment		<u>12,813</u>	<u>12,934</u>
G&P			
Gathering and transportation	5-40 years	7,547	7,159
Processing and fractionation	10-40 years	5,721	5,545
Land, building and other	3-40 years	507	484
Construction-in-progress		287	745
Total G&P property, plant and equipment		<u>14,062</u>	<u>13,933</u>
Total property, plant and equipment		<u>26,875</u>	<u>26,867</u>
Less accumulated depreciation ⁽¹⁾		<u>5,657</u>	<u>4,722</u>
Property, plant and equipment, net		<u>\$ 21,218</u>	<u>\$ 22,145</u>

(1) The December 31, 2020 balance includes property, plant and equipment impairment charges recorded during the first quarter of 2020 as discussed below.

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 based on the expected undiscounted future cash flow of an asset group. For purposes of impairment evaluation, long-lived assets must be grouped at the lowest level for which independent cash flows can be identified, which is at least at the segment level and in some cases for similar assets in the same geographic region where cash flows can be separately identified. If the sum of the undiscounted 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.

During the first quarter of 2020, we identified an impairment trigger relating to asset groups within our Western G&P reporting unit as a result of significant impacts to forecasted cash flows for these asset

groups resulting from the first quarter events and circumstances as discussed in Note 1. The cash flows associated with these assets were significantly impacted by volume declines reflecting decreased forecasted producer customer production as a result of lower commodity prices. After assessing each asset group within the Western G&P reporting unit for impairment, only the East Texas G&P asset group resulted in the fair value of the underlying assets being less than the carrying value. As a result, an impairment of \$174 million was recorded to “Impairment expense” on the Consolidated Statements of Income. Fair value of the assets was determined using a combination of an income and cost approach. The income approach utilized significant assumptions including management’s best estimates of the expected future cash flows, the estimated useful life of the asset group and discount rate. The cost approach utilized assumptions for the current replacement costs of similar assets adjusted for estimated depreciation and deterioration of the existing equipment and economic obsolescence. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of our impairment analysis will prove to be an accurate prediction of the future. The fair value measurements for the asset group fair values represent Level 3 measurements.

14. Goodwill and Intangibles

Goodwill

MPLX annually evaluates goodwill for impairment as of November 30, as well as whenever events or changes in circumstances indicate it is more likely than not that the fair value of a reporting unit with goodwill is less than its carrying amount.

Our reporting units are one level below our operating segments and are determined based on the way in which segment management operates and reviews each operating segment. We have five reporting units, three of which have goodwill allocated to them. For the annual impairment assessment as of November 30, 2020, management performed only a qualitative assessment for one reporting unit as we determined it was more likely than not that the fair value of the reporting unit exceeded the carrying value. The fair value of the two remaining reporting units for which a quantitative assessment was performed was determined based on applying both a discounted cash flow or income approach as well as a market approach which resulted in the fair value of the reporting units exceeding their carrying value by nine percent and 42 percent. The reporting unit whose fair value exceeded its carrying amount by nine percent, our Crude Gathering Reporting unit, had goodwill totaling \$1.1 billion at December 31, 2020. The excess fair value over carrying value for this reporting unit is consistent with prior assessments. The discounted cash flow fair value estimate is based on known or knowable information at the measurement date. The significant assumptions that were used to develop the estimates of the fair values under the discounted cash flow method included management’s best estimates of the discount rate of 7.8 percent as well as estimates of future cash flows, which are impacted primarily by producer customers’ development plans, which impact future volumes and capital requirements. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the interim goodwill impairment test will prove to be an accurate prediction of the future. The fair value measurements for the individual reporting units represent Level 3 measurements.

During the first quarter of 2020, we determined that an interim impairment analysis of the goodwill recorded was necessary based on consideration of a number of first quarter events and circumstances as discussed in Note 1. Our producer customers in our Eastern G&P region reduced production forecasts and drilling activity in response to the global economic downturn. Additionally, a decline in NGL prices impacted our future revenue forecast. After performing our evaluations related to the interim impairment of goodwill during the first quarter of 2020, we recorded an impairment of \$1,814 million within the Eastern G&P reporting unit, which was recorded to “Impairment expense” on the Consolidated Statements of Income. The impairment was primarily driven by additional guidance related to the slowing of drilling activity, which reduced production growth forecasts from our producer customers. The interim impairment assessment of the remaining reporting units with goodwill resulted in the fair value of the reporting units exceeding their carrying value. The fair value of our reporting units was determined based on applying both a discounted cash flow or income approach as well as a market approach. The discounted cash flow fair value estimate is based on known or knowable information at the measurement date. The significant assumptions that were used to develop the estimates of the fair values under the discounted cash flow method included management’s best estimates of the discount rate, which ranged from 9.5 percent to 11.5

percent, as well as estimates of future cash flows, which are impacted primarily by producer customers' development plans, which impact future volumes and capital requirements.

After performing our evaluations related to the impairment of goodwill during the fiscal year ended December 31, 2019, we recorded an impairment of \$1,197 million within the Western G&P reporting unit. The remainder of the reporting units' fair values were in excess of their carrying values. The impairment was primarily driven by updated guidance related to the slowing of drilling activity, which has reduced production growth forecasts from our producer customers. This resulted in goodwill totaling approximately \$9.5 billion as of December 31, 2019.

The changes in carrying amount of goodwill were as follows for the periods presented:

<i>(In millions)</i>	L&S	G&P	Total
Gross goodwill as of December 31, 2018	\$ 7,234	\$ 2,912	\$ 10,146
Accumulated impairment losses	—	(130)	(130)
Balance as of December 31, 2018	7,234	2,782	10,016
Impairment losses	—	(1,197)	(1,197)
Acquisitions ⁽¹⁾	488	229	717
Balance as of December 31, 2019	7,722	1,814	9,536
Impairment losses	—	(1,814)	(1,814)
Wholesale Exchange (Note 4)	(65)	—	(65)
Balance as of December 31, 2020	<u>7,657</u>	<u>—</u>	<u>7,657</u>
Gross goodwill as of December 31, 2020	7,657	3,141	10,798
Accumulated impairment losses	—	(3,141)	(3,141)
Balance as of December 31, 2020	<u>\$ 7,657</u>	<u>\$ —</u>	<u>\$ 7,657</u>

(1) Acquisitions in 2019 are inclusive of measurement period adjustments related to the Merger and Mt. Airy Terminal acquisition.

Intangible Assets

During the first quarter of 2020, we also determined that an impairment analysis of intangibles within our Western G&P reporting unit was necessary. See Note 13 for additional information regarding our assessment around the Western G&P reporting unit, and more specifically our East Texas G&P asset group. The fair value of the intangibles in our East Texas G&P asset group were determined based on applying the multi-period excess earnings method, which is an income approach. Key assumptions included management's best estimates of the expected future cash flows from existing customers, customer attrition rates and the discount rate. After performing our evaluations related to the impairment of intangible assets associated with our East Texas G&P asset group during the first quarter of 2020, we recorded an impairment of \$177 million to "Impairment expense" on the Consolidated Statements of Income related to our customer relationships.

MPLX's intangible assets are comprised of customer contracts and relationships. The weighted average amortization period for intangible assets acquired during 2019 was approximately nine years. Gross intangible assets with accumulated amortization as of December 31, 2020 and 2019 is shown below:

<i>(In millions)</i>	Useful Life	December 31, 2020			December 31, 2019		
		Gross	Accumulated Amortization ⁽¹⁾⁽²⁾	Net	Gross	Accumulated Amortization ⁽¹⁾	Net
L&S	6 - 8 years	\$ 283	\$ (81)	\$ 202	\$ 283	\$ (45)	\$ 238
G&P	6 - 25 years	1,288	(531)	757	1,288	(256)	1,032
		<u>\$ 1,571</u>	<u>\$ (612)</u>	<u>\$ 959</u>	<u>\$ 1,571</u>	<u>\$ (301)</u>	<u>\$ 1,270</u>

(1) Amortization expense attributable to the G&P segment for the years ended December 31, 2020 and 2019 was \$98 million and \$127 million, respectively. Amortization expense attributable to the L&S segment for the year ended December 31, 2020 and 2019 was \$36 million and \$31 million, respectively.

(2) Impairment charge of \$177 million is included within the G&P accumulated amortization.

Estimated future amortization expense related to the intangible assets at December 31, 2020 is as follows:

<i>(In millions)</i>	
2021	\$ 127
2022	127
2023	127
2024	127
2025	113
Thereafter	338
Total	<u>\$ 959</u>

15. Fair Value Measurements

Fair Values – Recurring

Fair value measurements and disclosures relate primarily to MPLX's derivative positions as discussed in Note 16. The following table presents the financial instruments carried at fair value on a recurring basis as of December 31, 2020 and 2019 by fair value hierarchy level. MPLX has elected to offset the fair value amounts recognized for multiple derivative contracts executed with the same counterparty.

<i>(In millions)</i>	December 31,			
	2020		2019	
	Assets	Liabilities	Assets	Liabilities
<i>Significant unobservable inputs (Level 3)</i>				
Embedded derivatives in commodity contracts	\$ —	\$ (63)	\$ —	\$ (60)
Total carrying value on Consolidated Balance Sheets	<u>\$ —</u>	<u>\$ (63)</u>	<u>\$ —</u>	<u>\$ (60)</u>

Level 3 instruments include an embedded derivative in commodity contracts. The embedded derivative liability relates to a natural gas purchase commitment embedded in a keep-whole processing agreement. The fair value calculation for these Level 3 instruments used significant unobservable inputs including: (1) NGL prices interpolated and extrapolated due to inactive markets ranging from \$0.47 to \$1.09 per gallon with a weighted average of \$0.59 per gallon and (2) the probability of renewal of 100 percent for the first and second five-year term of the gas purchase commitment and related keep-whole processing agreement, respectively. Increases or decreases in the fractionation spread result in an increase or decrease in the fair value of the embedded derivative liability, respectively. Beyond the embedded derivative discussed above, we had no outstanding commodity contracts as of December 31, 2020 or December 31, 2019.

Changes in Level 3 Fair Value Measurements

The following table is a reconciliation of the net beginning and ending balances recorded for net assets and liabilities classified as Level 3 in the fair value hierarchy.

	2020		2019	
	Commodity Derivative Contracts (net)	Embedded Derivatives in Commodity Contracts (net)	Commodity Derivative Contracts (net)	Embedded Derivatives in Commodity Contracts (net)
<i>(In millions)</i>				
Fair value at beginning of period	\$ —	\$ (60)	\$ —	\$ (61)
Total losses (realized and unrealized) included in earnings ⁽¹⁾	—	(9)	—	(5)
Settlements	—	6	—	6
Fair value at end of period	—	(63)	—	(60)
The amount of total losses for the period included in earnings attributable to the change in unrealized gains or losses relating to liabilities still held at end of period	\$ —	\$ (4)	\$ —	\$ (5)

- (1) Gains and losses on commodity derivatives classified as Level 3 are recorded in “Product sales” on the Consolidated Statements of Income. Gains and losses on derivatives embedded in commodity contracts are recorded in “Purchased product costs” and “Cost of revenues” on the Consolidated Statements of Income.

Fair Values – Reported

MPLX’s primary financial instruments are cash and cash equivalents, receivables, receivables from related parties, lease receivables from related parties, accounts payable, payables to related parties and long-term debt. MPLX’s fair value assessment incorporates a variety of considerations, including (1) the duration of the instruments, (2) MPC’s investment-grade credit rating and (3) the historical incurrence of and expected future insignificance of bad debt expense, which includes an evaluation of counterparty credit risk. MPLX believes the carrying values of its current assets and liabilities approximate fair value. The recorded value of the amounts outstanding under the bank revolving credit facility, if any, approximates fair value due to the variable interest rate that approximates current market rates. Derivative instruments are recorded at fair value, based on available market information (see Note 16).

The fair value of MPLX’s long-term debt is estimated based on recent market non-binding indicative quotes.

	December 31,			
	2020		2019	
	Fair Value	Carrying Value	Fair Value	Carrying Value
<i>(In millions)</i>				
Long-term debt (including amounts due within one year)	\$ 22,951	\$ 20,244	\$ 21,054	\$ 19,800

16. Derivative Financial Instruments

As of December 31, 2020, MPLX had no outstanding commodity contracts.

Embedded Derivative - MPLX has a natural gas purchase commitment embedded in a keep-whole processing agreement with a producer customer in the Southern Appalachia region expiring in December 2022. The customer has the unilateral option to extend the agreement for two consecutive five-year terms through December 2032. For accounting purposes, the natural gas purchase commitment and term extending options have been aggregated into a single compound embedded derivative. The probability of the customer exercising its options is determined based on assumptions about the customer’s potential business strategy decision points that may exist at the time they would elect whether to renew the contract. The changes in fair value of this compound embedded derivative are based on the difference between the contractual and index pricing, the probability of the producer customer exercising its option to extend and the estimated favorability of these contracts compared to current market conditions. The changes in fair value are recorded in earnings through “Purchased product costs” on the Consolidated Statements of

Income. As of December 31, 2020 and 2019, the estimated fair value of this contract was a liability of \$63 million and \$60 million, respectively.

Certain derivative positions are subject to master netting agreements; therefore, MPLX has elected to offset derivative assets and liabilities that are legally permissible to be offset. As of December 31, 2020 and 2019, there were no derivative assets or liabilities that were offset on the Consolidated Balance Sheets. The impact of MPLX's derivative instruments on its Consolidated Balance Sheets is summarized below:

<i>(In millions)</i>	December 31,			
	2020		2019	
Derivative contracts not designated as hedging instruments and their balance sheet location	Asset	Liability	Asset	Liability
Commodity contracts ⁽¹⁾				
Other current assets /Other current liabilities	\$ —	\$ (7)	\$ —	\$ (5)
Other noncurrent assets /Deferred credits and other liabilities	—	(56)	—	(55)
Total	<u>\$ —</u>	<u>\$ (63)</u>	<u>\$ —</u>	<u>\$ (60)</u>

(1) Includes embedded derivatives in commodity contracts as discussed above.

For further information regarding the fair value measurement of derivative instruments, including the effect of master netting arrangements or collateral, see Note 15. See Note 2 for a discussion of derivatives MPLX may use and the reasons for them.

The impact of MPLX's derivative contracts not designated as hedging instruments and the location of gains and losses recognized on the Consolidated Statements of Income is summarized below:

<i>(In millions)</i>	2020	2019	2018
Product sales			
Realized gains	\$ —	\$ —	\$ 4
Unrealized gains	—	—	2
Total derivative gains related to product sales	<u>—</u>	<u>—</u>	<u>6</u>
Purchased product costs			
Realized losses	(6)	(6)	(12)
Unrealized (losses)/gains	(3)	1	3
Total derivative loss related to purchased product costs	<u>(9)</u>	<u>(5)</u>	<u>(9)</u>
Total derivative losses	<u>\$ (9)</u>	<u>\$ (5)</u>	<u>\$ (3)</u>

17. Debt

MPLX's outstanding borrowings at December 31, 2020 and 2019 consisted of the following:

<i>(In millions)</i>	December 31,	
	2020	2019
MPLX LP:		
Bank revolving credit facility due July 30, 2024	\$ 175	\$ —
Term loan facility due September 26, 2021	—	1,000
Floating rate senior notes due September 9, 2021	—	1,000
Floating rate senior notes due September 9, 2022	1,000	1,000
6.250% senior notes due October 15, 2022	—	266
3.500% senior notes due December 1, 2022	486	486
3.375% senior notes due March 15, 2023	500	500
4.500% senior notes due July 15, 2023	989	989
6.375% senior notes due May 1, 2024	—	381
4.875% senior notes due December 1, 2024	1,149	1,149
5.250% senior notes due January 15, 2025	708	708
4.000% senior notes due February 15, 2025	500	500
4.875% senior notes due June 1, 2025	1,189	1,189
1.750% senior notes due March 1, 2026	1,500	—
4.125% senior notes due March 1, 2027	1,250	1,250
4.250% senior notes due December 1, 2027	732	732
4.000% senior notes due March 15, 2028	1,250	1,250
4.800% senior notes due February 15, 2029	750	750
2.650% senior notes due August 15, 2030	1,500	—
4.500% senior notes due April 15, 2038	1,750	1,750
5.200% senior notes due March 1, 2047	1,000	1,000
5.200% senior notes due December 1, 2047	487	487
4.700% senior notes due April 15, 2048	1,500	1,500
5.500% senior notes due February 15, 2049	1,500	1,500
4.900% senior notes due April 15, 2058	500	500
Consolidated subsidiaries:		
MarkWest - 4.500% - 4.875% senior notes, due 2023-2025	23	23
ANDX - 3.500% - 5.250% senior notes, due 2022-2047	87	190
Financing lease obligations ⁽¹⁾	11	19
Total	20,536	20,119
Unamortized debt issuance costs	(116)	(106)
Unamortized discount/premium	(281)	(300)
Amounts due within one year	(764)	(9)
Total long-term debt due after one year	\$ 19,375	\$ 19,704

(1) See Note 22 for lease information.

The following table shows five years of scheduled debt payments, including payments on finance lease obligations:

<i>(In millions)</i>	
2021	\$ 753
2022	1,502
2023	1,502
2024	1,326
2025	\$ 1,701

Credit Agreements

MPLX Credit Agreement

Effective July 30, 2019, in connection with the closing of the Merger, MPLX amended and restated its existing revolving credit facility (the “MPLX Credit Agreement”) to, among other things, increase borrowing capacity to up to \$3.5 billion, extend its term from July 2022 to July 2024, increase the letter of credit issuing capacity to \$300 million and increase the swingline capacity to \$150 million. The financial covenants and the interest rate terms contained in the new credit agreement are substantially the same as those contained in the previous bank revolving credit facility.

The borrowing capacity under the MPLX Credit Agreement may be increased by up to an additional \$1 billion, subject to certain conditions, including the consent of lenders whose commitments would increase. In addition, the maturity date may be extended, for up to two additional one year periods, subject to, among other conditions, the approval of lenders holding the majority of the commitments then outstanding, provided that the commitments of any non-consenting lenders will terminate on the then-effective maturity date. Borrowings under the MPLX Credit Agreement bear interest at either the Adjusted LIBOR or the Alternate Base Rate (as defined in the MPLX Credit Agreement), at our election, plus a specified margin. MPLX is charged various fees and expenses in connection with the agreement, including administrative agent fees, commitment fees on the unused portion of the facility and fees with respect to issued and outstanding letters of credit. The applicable margins to the benchmark interest rates and certain fees fluctuate based on the credit ratings in effect from time to time on MPLX’s long-term debt.

The MPLX Credit Agreement contains certain representations and warranties, affirmative and restrictive covenants and events of default that MPLX considers to be usual and customary for an agreement of this type, including a financial covenant that requires MPLX to maintain a ratio of Consolidated Total Debt as of the end of each fiscal quarter to Consolidated EBITDA (both as defined in the MPLX Credit Agreement) for the prior four fiscal quarters of no greater than 5.0 to 1.0 (or 5.5 to 1.0 for up to two fiscal quarters following certain acquisitions). Consolidated EBITDA is subject to adjustments for certain acquisitions and dispositions completed and capital projects undertaken during the relevant period. Other covenants restrict MPLX and/or certain of its subsidiaries from incurring debt, creating liens on our assets and entering into transactions with affiliates. As of December 31, 2020, MPLX was in compliance with the covenants contained in the MPLX Credit Agreement.

During the year ended December 31, 2020, MPLX borrowed \$3,815 million under the MPLX Credit Agreement, at a weighted average interest rate of 1.490 percent, and repaid \$3,640 million of these borrowings. At December 31, 2020, MPLX had \$175 million outstanding borrowings under the new facility and less than \$1 million in letters of credit outstanding under this facility, resulting in total availability of \$3,325 million, or approximately 95.0 percent of the borrowing capacity.

During the year ended December 31, 2019, MPLX borrowed \$5,310 million under the MPLX Credit Agreement, at a weighted average interest rate of 3.547 percent, and repaid \$5,310 million of these borrowings. At December 31, 2019, MPLX had no outstanding borrowings and less than \$1 million in letters of credit outstanding under this facility, resulting in total availability of \$3.5 billion, or almost 100 percent of the borrowing capacity.

ANDX Credit Facilities

Prior to the Merger, ANDX had revolving credit facilities (the “ANDX credit facilities”) totaling \$2.1 billion in borrowing capacity, which were set to mature January 29, 2021. The ANDX credit facilities were terminated upon closing of the Merger and repaid with borrowings under the MPLX revolving credit facility. During the year ended December 31, 2019, there were borrowings of \$864 million under the ANDX credit facilities, at an average interest rate of 4.129 percent, and repayments of \$2.1 billion.

Term Loan Agreement

On September 26, 2019, MPLX entered into a Term Loan Agreement, which provides for a committed term loan facility for up to an aggregate of \$1.0 billion. Borrowings under the Term Loan Agreement bear interest, at MPLX’s election, at either (i) the Adjusted LIBO Rate (as defined in the Term Loan Agreement)

plus a margin ranging from 75.0 basis points to 100.0 basis points per annum, depending on MPLX's credit ratings, or (ii) the Alternate Base Rate (as defined in the Term Loan Agreement). The proceeds from borrowings under the Term Loan Agreement are to be used to fund the repayment of MPLX's existing indebtedness and/or for general business purposes. On August 18, 2020 MPLX fully repaid the \$1.0 billion of outstanding borrowings on the Term Loan Agreement, which resulted in the recognition of \$1 million of unamortized issuance costs, which is included on the Consolidated Statements of Income as "Other financial costs."

Floating Rate Senior Notes

On September 9, 2019, MPLX issued \$2.0 billion aggregate principal amount of floating rate senior notes in a public offering, consisting of \$1.0 billion aggregate principal amount of notes due September 2021 and \$1.0 billion aggregate principal amount of notes due September 2022 (collectively, the "Floating Rate Senior Notes"). The Floating Rate Senior Notes were offered at a price to the public of 100 percent of par. The Floating Rate Senior Notes are callable, in whole or in part, at par plus accrued and unpaid interest at any time on or after September 10, 2020. The net proceeds were used to repay MPLX's existing indebtedness and/or for general business purposes. Interest on the Floating Rate Senior Notes is payable quarterly in March, June, September and December, commencing on December 9, 2019. The interest rate applicable to the floating rate senior notes due September 2021 is LIBOR plus 0.9 percent per annum. The interest rate applicable to the floating rate senior notes due September 2022 is LIBOR plus 1.1 percent per annum.

On September 14, 2020, MPLX redeemed, at par value, all of the \$1.0 billion aggregate principal amount of notes due September 2021, which resulted in the recognition of \$3 million of unamortized issuance costs, which is included on the Consolidated Statements of Income as "Other financial costs."

Fixed Rate Senior Notes

Interest on each series of MPLX LP, MarkWest and ANDX senior notes is payable semi-annually in arrears, according to the table below.

Senior Notes	Interest payable semi-annually in arrears
3.500% senior notes due December 1, 2022	June 1 st and December 1 st
3.375% senior notes due March 15, 2023	March 15 th and September 15 th
4.500% senior notes due July 15, 2023	January 15 th and July 15 th
4.875% senior notes due December 1, 2024	June 1 st and December 1 st
5.250% senior notes due January 15, 2025	January 15 th and July 15 th
4.000% senior notes due February 15, 2025	February 15 th and August 15 th
4.875% senior notes due June 1, 2025	June 1 st and December 1 st
1.750% senior notes due March 1, 2026	March 1 st and September 1 st
4.125% senior notes due March 1, 2027	March 1 st and September 1 st
4.250% senior notes due December 1, 2027	June 1 st and December 1 st
4.000% senior notes due March 15, 2028	March 15 th and September 15 th
4.800% senior notes due February 15, 2029	February 15 th and August 15 th
2.650% senior notes due August 15, 2030	February 15 th and August 15 th
4.500% senior notes due April 15, 2038	April 15 th and October 15 th
5.200% senior notes due March 1, 2047	March 1 st and September 1 st
5.200% senior notes due December 1, 2047	June 1 st and December 1 st
4.700% senior notes due April 15, 2048	April 15 th and October 15 th
5.500% senior notes due February 15, 2049	February 15 th and August 15 th
4.900% senior notes due April 15, 2058	April 15 th and October 15 th

On December 29, 2020, MPLX announced the redemption of all the \$750 million outstanding aggregate principal amount of 5.250 percent senior notes due January 15, 2025, including approximately \$42 million aggregate principal amount of senior notes issued by Andeavor Logistics LP. These amounts are included

on the Consolidated Balance Sheet as “Long-term debt due within one year”. The notes were redeemed on January 15, 2021 at a price equal to 102.625 percent of the principal amount.

On August 18, 2020, MPLX issued \$3.0 billion aggregate principal amount of senior notes in a public offering, consisting of \$1.5 billion aggregate principal amount of 1.750 percent senior notes due March 2026 and \$1.5 billion aggregate principal amount of 2.650 percent senior notes due August 2030 (collectively, the “August 2020 New Senior Notes”). The August 2020 New Senior Notes were offered at a price to the public of 99.785 percent and 99.913 percent of par, respectively. Interest on each series of notes in the August 2020 New Senior Notes is payable semi-annually in arrears, commencing on March 1, 2021 for the senior notes due March 2026 and commencing on February 15, 2021 for the senior notes due August 2030. The net proceeds were used to repay the \$1.0 billion of outstanding borrowings under the MPLX Term Loan Agreement; to repay the \$1.0 billion aggregate principal amount of floating rate notes due September 2021; to redeem all of the \$450 million aggregate principal amount of 6.375 percent senior notes due May 2024, \$69 million of which was issued by ANDX; and to redeem all of the \$300 million aggregate principal amount of 6.250 percent senior notes due October 2022, of which \$34 million was issued by ANDX. Proceeds were also used to reduce amounts outstanding under the MPLX Credit Agreement at the time.

The 6.375 percent senior notes due May 2024 were redeemed at 103.2 percent of the aggregate principal amount, which resulted in a payment of \$14 million related to the note premium offset by the immediate recognition of \$18 million of unamortized debt premium/discount and issuance costs, both of which are included on the Consolidated Statements of Income as “Other financial costs.” The 6.250 percent senior notes due October 2022 were redeemed at par, and resulted in the immediate recognition of \$4 million of unamortized debt premium and issuance costs, which is included on the Consolidated Statements of Income as “Other financial costs.”

In connection with the Merger, MPLX assumed ANDX’s outstanding senior notes, which had an aggregate principal amount of \$3.75 billion, interest rates ranging from 3.5 percent to 6.375 percent and maturity dates ranging from 2019 to 2047. On September 23, 2019, \$3.06 billion aggregate principal amount of ANDX’s outstanding senior notes were exchanged for an aggregate principal amount of \$3.06 billion unsecured senior notes (the “Exchange Notes”) issued by MPLX in an exchange offer and consent solicitation undertaken by MPLX, leaving \$690 million aggregate principal of outstanding senior notes issued by ANDX. Of this, \$500 million aggregate principal amount was related to ANDX 5.5 percent senior notes due 2019. The aggregate principal amount of \$500 million and accrued interest of \$13.75 million was paid on October 15, 2019 using net proceeds from the Floating Rate Senior Notes and borrowings under the Term Loan Agreement discussed above and includes interest through the payoff date.

The Exchange Notes consist of \$266 million in aggregate principal amount of 6.25 percent senior notes due October 2022, \$486 million in aggregate principal amount of 3.5 percent senior notes due December 2022, \$381 million in aggregate principal amount of 6.375 percent senior notes due May 2024, \$708 million in aggregate principal amount of 5.25 percent senior notes due January 2025, \$732 million in aggregate principal amount of 4.25 percent senior notes due December 2027 and \$487 million in aggregate principal amount of 5.2 percent senior notes due December 2047. Interest on each series of Exchange Notes is payable semi-annually in arrears according to the table above.

18. Revenue

Disaggregation of Revenue

The following table represents a disaggregation of revenue for each reportable segment for the years ended December 31, 2020 and 2019:

	2020		
	L&S	G&P	Total
<i>(In millions)</i>			
Revenues and other income:			
Service revenue	\$ 333	\$ 2,064	\$ 2,397
Service revenue - related parties	3,556	24	3,580
Service revenue - product related	—	155	155
Product sales ⁽¹⁾	39	597	636
Product sales - related parties	12	116	128
Total revenues from contracts with customers	<u>\$ 3,940</u>	<u>\$ 2,956</u>	<u>6,896</u>
Non-ASC 606 revenue ⁽²⁾			673
Total revenues and other income			<u>\$ 7,569</u>

	2019		
	L&S	G&P	Total
<i>(In millions)</i>			
Revenues and other income:			
Service revenue	\$ 346	\$ 2,152	\$ 2,498
Service revenue - related parties	3,419	36	3,455
Service revenue - product related	—	140	140
Product sales ⁽¹⁾	65	741	806
Product sales - related parties	26	116	142
Total revenues from contracts with customers	<u>\$ 3,856</u>	<u>\$ 3,185</u>	<u>7,041</u>
Non-ASC 606 revenue ⁽²⁾			2,000
Total revenues and other income			<u>\$ 9,041</u>

	2018		
	L&S	G&P	Total
<i>(In millions)</i>			
Revenues and other income:			
Service revenue	\$ 174	\$ 1,682	\$ 1,856
Service revenue - related parties	2,401	3	2,404
Service revenue - product related	—	220	220
Product sales ⁽¹⁾	12	870	882
Product sales - related parties	11	76	87
Total revenues from contracts with customers	<u>\$ 2,598</u>	<u>\$ 2,851</u>	<u>5,449</u>
Non-ASC 606 revenue ⁽²⁾			1,556
Total revenues and other income			<u>\$ 7,005</u>

(1) G&P “Product sales” for the year ended December 31, 2018 was adjusted in the table above by \$5 million related to derivative gains and mark-to-market adjustments. There were no adjustments for the years ended December 31, 2020 and 2019.

(2) Non-ASC 606 Revenue includes rental income, income from equity method investments, derivative gains and losses, mark-to-market adjustments, and other income.

Contract Balances

Contract assets typically relate to aid in construction agreements where the revenue recognized and MPLX’s rights to consideration for work completed exceeds the amount billed to the customer. Contract assets are included in “Other current assets” and “Other noncurrent assets” on the Consolidated Balance Sheets.

Contract liabilities, which we refer to as “Deferred revenue” and “Long-term deferred revenue,” typically relate to advance payments for aid in construction agreements and deferred customer credits associated with makeup rights and minimum volume commitments. Related to minimum volume commitments,

breakage is estimated and recognized into service revenue in instances where it is probable the customer will not use the credit in future periods. We classify contract liabilities as current or long-term based on the timing of when we expect to recognize revenue.

“Receivables, net” primarily relate to our commodity sales. Portions of the “Receivables, net” balance are attributed to the sale of commodity product controlled by MPLX prior to sale while a significant portion of the balance relates to the sale of commodity product on behalf of our producer customers. The sales and related “Receivables, net” are commingled and excluded from the table below. MPLX remits the net sales price back to our producer customers upon completion of the sale. Each period end, certain amounts within accounts payable relate to our payments to producer customers. Such amounts are not deemed material at period end as a result of when we settle with each producer.

The table below reflects the changes in our contract balances for the years ended December 31, 2020 and 2019:

<i>(In millions)</i>	Balance at December 31, 2019 ⁽¹⁾	Additions/ (Deletions)	Revenue Recognized ⁽²⁾	Balance at December 31, 2020
Contract assets	\$ 39	\$ 3	\$ (2)	\$ 40
Long-term contract asset	—	2	—	2
Deferred revenue	23	22	(8)	37
Deferred revenue - related parties	53	121	(83)	91
Long-term deferred revenue	90	29	—	119
Long-term deferred revenue - related parties	55	(7)	—	48
Long-term contract liability	\$ —	\$ 6	\$ —	\$ 6

<i>(In millions)</i>	Balance at December 31, 2018 ⁽¹⁾	Additions/ (Deletions)	Revenue Recognized ⁽²⁾	Balance at December 31, 2019
Contract assets	\$ 36	\$ 5	\$ (2)	\$ 39
Deferred revenue	13	17	(7)	23
Deferred revenue - related parties	65	55	(67)	53
Long-term deferred revenue	56	34	—	90
Long-term deferred revenue - related parties	\$ 52	\$ 3	\$ —	\$ 55

(1) Balance represents ASC 606 portion of each respective line item.

(2) No significant revenue was recognized related to past performance obligations for the years ended December 31, 2020 and 2019.

Remaining Performance Obligations

The table below includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period.

As of December 31, 2020, the amounts allocated to contract assets and contract liabilities on the Consolidated Balance Sheets are \$293 million and are reflected in the amounts below. This will be recognized as revenue as the obligations are satisfied, which is expected to occur over the next 23 years. Further, MPLX does not disclose variable consideration due to volume variability in the table below.

<i>(In millions)</i>	
2021	\$ 1,891
2022	1,822
2023	1,666
2024	1,540
2025 and thereafter	4,555
Total revenue on remaining performance obligations ⁽¹⁾⁽²⁾⁽³⁾	<u>\$ 11,474</u>

- (1) All fixed consideration from contracts with customers is included in the amounts presented above. Variable consideration that is constrained or not required to be estimated as it reflects our efforts to perform is excluded.
- (2) Arrangements deemed implicit leases are included in "Rental income" and are excluded from this table.
- (3) Only minimum volume commitments that are deemed fixed are included in the table above. MPLX has various minimum volume commitments in processing arrangements that vary based on the actual Btu content of the gas received. These amounts are deemed variable consideration and are excluded from the table above.

We do not disclose information on the future performance obligations for any contract with an original expected duration of one year or less.

19. Supplemental Cash Flow Information

<i>(In millions)</i>	2020	2019	2018
Net cash provided by operating activities included:			
Interest paid (net of amounts capitalized)	\$ 821	\$ 835	\$ 568
Income taxes paid	2	1	1
Cash paid for amounts included in the measurement of lease liabilities			
Payments on operating leases	87	85	—
Interest payment under finance lease obligations	1	1	—
Net cash provided by financing activities included			
Principal payments under finance lease obligations	9	5	—
Non-cash investing and financing activities:			
Net transfers of property, plant and equipment from materials and supplies inventories	—	2	2
MPLX terminal lease classification change	—	21	—
ROU assets obtained in exchange for new operating lease obligations	17	26	—
ROU assets obtained in exchange for new finance lease obligations	1	4	—
Fair value of common units redeemed for Wholesale Exchange	340	—	—
Contribution - common units issued ⁽¹⁾	\$ —	\$ 7,722	\$ 4,236

- (1) For 2018, includes limited and general partner units issued to MPC as consideration in the acquisition of Refining Logistics and Fuels Distribution. For 2019, includes limited partner units issued to MPC and public unitholders as consideration in the Merger. See Note 4.

The Consolidated Statements of Cash Flows exclude changes to the Consolidated Balance Sheets that did not affect cash. The following is the change of additions to property, plant and equipment related to capital accruals:

<i>(In millions)</i>	2020	2019	2018
(Decrease)/increase in capital accruals	\$ (244)	\$ (146)	\$ 135

20. Accumulated Other Comprehensive Loss

MPLX records an accumulated other comprehensive loss on the Consolidated Balance Sheets relating to pension and other post-retirement benefits provided by LOOP and Explorer to their employees. MPLX is not a sponsor of these benefit plans.

The following table shows the changes in "Accumulated other comprehensive loss" by component during the period December 31, 2018 through December 31, 2020:

<i>(In millions)</i>	Pension Benefits	Other Post-Retirement Benefits	Total
Balance at December 31, 2018 ⁽¹⁾	\$ (14)	\$ (2)	\$ (16)
Other comprehensive income - remeasurements ⁽²⁾	—	1	1
Balance as of December 31, 2019 ⁽¹⁾	(14)	(1)	(15)
Other comprehensive income/(loss) - remeasurements ⁽²⁾	1	(1)	—
Balance as of December 31, 2020 ⁽¹⁾	<u>\$ (13)</u>	<u>\$ (2)</u>	<u>\$ (15)</u>

- (1) These components of “Accumulated other comprehensive loss” are included in the computation of net periodic benefit cost by LOOP and Explorer and are therefore included on the Consolidated Statements of Income under the caption “Income/(loss) from equity method investments.”
- (2) Components of other comprehensive loss - remeasurements relate to actuarial gains and losses as well as amortization of prior service costs. MPLX records an adjustment to “Comprehensive income” in accordance with its ownership interest in LOOP and Explorer.

21. Equity-Based Compensation

Description of the Plan

Effective March 15, 2018, the MPLX LP 2012 Incentive Compensation Plan (“MPLX 2012 Plan”) was replaced by the MPLX LP 2018 Incentive Compensation Plan (“MPLX 2018 Plan”). The MPLX 2018 Plan will continue in effect until February 28, 2028, unless terminated earlier. Subject to customary anti-dilution adjustments, the MPLX 2018 Plan allows for no more than 16 million common units representing limited partnership interests in MPLX to be delivered under the plan. The MPLX LP 2012 Plan allowed for no more than 2.75 million MPLX LP common limited partner units to be delivered.

Consistent with the MPLX 2012 Plan, the MPLX 2018 Plan authorizes the MPLX GP board of directors (the “Board”) to grant unit options, unit appreciation rights, restricted units and phantom units, distribution equivalent rights, unit awards, profits interest units, performance units and other unit-based awards to the employees, officers and directors of the General Partner, MPLX, or any of their affiliates, including MPC. Common units delivered pursuant to an award granted under the MPLX 2018 Plan may be newly issued common units or acquired in the open market or from any other person, including an affiliate of MPLX, as determined by the Board.

Unit-based Awards under the Plan

MPLX expenses all unit-based payments to employees and non-employee directors based on the grant date fair value of the awards over the requisite service period, adjusted for estimated forfeitures.

Phantom Units – MPLX has granted phantom units under the MPLX 2018 Plan and the MPLX 2012 Plan to non-employee directors of MPLX LP’s general partner and of MPC. Awards to non-employee directors are accounted for as non-employee awards. Phantom units granted to non-employee directors vest immediately at the time of the grant, as they are non-forfeitable, but are not issued until the director’s departure from the board of directors. Prior to issuance, non-employee directors do not have the right to vote such units and cash distribution equivalents accrue in the form of additional phantom units and will be issued when the director departs from the board of directors.

MPLX has granted phantom units under the MPLX 2018 Plan and the MPLX 2012 Plan to certain officers and non-officers of MPLX, MPLX’s general partner and MPC who make significant contributions to our business. These grants are accounted for as employee awards. In general, these phantom units will vest over a requisite service period of up to three years. Prior to vesting, these phantom unit recipients will not have the right to vote such units and cash distributions declared will be accrued and paid upon vesting. The accrued distributions at December 31, 2020 and 2019 were \$3 million and \$6 million, respectively.

The fair values of phantom units are based on the fair value of MPLX common units on the grant date.

Performance Units – MPLX has granted performance units under the MPLX 2018 Plan and the MPLX 2012 Plan to certain officers of the general partner and certain eligible MPC officers who make significant contributions to our business. Performance units are designed to pay out 75 percent in cash and 25 percent in MPLX common units. The performance units paying out in cash are accounted for as liability awards

and recorded at fair value with a mark-to-market adjustment made each quarter. The performance units paying out in units are accounted for as equity awards.

The performance units granted in 2020 are hybrid awards having a three-year performance period of January 1, 2020 through December 31, 2022. The payout of the award is dependent on two independent conditions, each constituting 50 percent of the overall target units granted. The awards have a performance condition based on MPLX LP's distributable cash flow, and a market condition based on MPLX LP's total unitholder return. The market condition was valued using a Monte Carlo valuation, resulting in a grant date fair value of \$0.80 per unit for the 2020 equity-classified performance units. Grant date fair value of the performance condition is based on potential payouts per unit of up to \$2.00 per unit. Compensation cost associated with the performance condition is based on the grant date fair value of the payout deemed most probable to occur and is adjusted as the expectation for payout changes.

The performance units granted in 2019 are hybrid awards having a three-year performance period of January 1, 2019 through December 31, 2021. The payout of the award is dependent on two independent conditions, each constituting 50 percent of the overall target units granted. The awards have a performance condition based on MPLX's DCF during the performance period and a market condition based on MPLX's total unitholder return over the performance period. The market condition was valued using a Monte Carlo valuation, resulting in a grant date fair value of \$0.68 per unit for the 2019 equity-classified performance units. Grant date fair value of the performance condition is based on potential payouts per unit of up to \$2.00 per unit. Compensation cost associated with the performance condition is based on the grant date fair value of the payout deemed most probable to occur and is adjusted as the expectation for payout changes.

During the first quarter of 2018, a performance award was granted; however, due to the nature of the award terms, the grant date for this award was not established until the first quarter of 2020 and we began recognizing units and expense related to this award at that time. The performance units granted in 2018 are hybrid awards having a three-year performance period of January 1, 2018 through December 31, 2020. The payout of the award is dependent on two independent conditions, each constituting 50 percent of the overall target units granted. The awards have a performance condition based on an average of MPLX LP's distributable cash flow and a market condition based on MPLX LP's total unitholder return. The market condition was valued using a Monte Carlo valuation, resulting in a grant date fair value of \$0.45 per unit for the 2018 equity-classified performance units. Grant date fair value of the performance condition is based on potential payouts per unit of up to \$2.00 per unit. Compensation cost associated with the performance condition is based on the grant date fair value of the payout deemed most probable to occur and is adjusted as the expectation for payout changes.

Outstanding Phantom Unit Awards

The following is a summary of phantom unit award activity of MPLX common units in 2020:

	Phantom Units		
	Number of Units	Weighted Average Fair Value	Aggregate Intrinsic Value (In millions)
Outstanding at December 31, 2019	1,109,568	\$ 35.97	
Granted	238,238	19.08	
Settled	(686,382)	37.04	
Forfeited	(17,401)	33.65	
Outstanding at December 31, 2020	<u>644,023</u>	28.65	
Vested and expected to vest at December 31, 2020	640,885	28.69	\$ 14
Non-forfeitable at December 31, 2020 ⁽¹⁾	362,682	\$ 29.66	\$ 8

(1) Represents a subset of phantom units held by our non-employee directors and certain of our officers and non-officer employees that are generally non-forfeitable and that would be paid out as common units upon the holder's separation from service, or upon a predetermined date.

The following is a summary of the values related to phantom units:

	Phantom Units	
	Intrinsic Value of Units Issued During the Period (in millions)	Weighted Average Grant Date Fair Value of Units Granted During the Period
2020	\$ 12	\$ 19.08
2019	14	32.62
2018	\$ 18	\$ 33.84

As of December 31, 2020, unrecognized compensation cost related to phantom unit awards was \$2 million, which is expected to be recognized over a weighted average period of 1.8 years.

Outstanding Performance Unit Awards

The following table presents a summary of the 2020 activity for performance unit awards to be settled in MPLX common units:

	Performance Units	
	Number of Units	Weighted Average Fair Value
Outstanding at December 31, 2019	2,157,347	\$ 0.84
Granted	2,147,211	0.86
Settled	(1,169,354)	0.90
Forfeited	(42,918)	0.84
Outstanding at December 31, 2020	<u>3,092,286</u>	\$ 0.83

The number of common units that would be issued upon target vesting, using the closing price of our common units on December 31, 2020 would be 142,831 common units.

As of December 31, 2020, unrecognized compensation cost related to equity-classified performance unit awards was \$1 million which is expected to be recognized over a weighted average period of 2.0 years.

Performance units paying out in MPLX common units have a grant date fair value calculated using a Monte Carlo valuation model, which requires the input of subjective assumptions. The following table provides a summary of the weighted average inputs used for these assumptions:

	2020	2019	2018
Risk-free interest rate	1.29%	2.51%	N/A
Look-back period	1.62 years	2.84 years	N/A
Expected volatility	22.32%	25.01%	N/A
Grant date fair value of performance units granted ⁽¹⁾	\$0.86	\$0.76	N/A

(1) Performance units granted includes units subject to both the market condition and performance condition.

The assumption for expected volatility of our unit price reflects the historical volatility of MPLX common units. The look-back period reflects the remaining performance period at the grant date. The risk-free interest rate for the remaining performance period as of the grant date is based on the U.S. Treasury yield curve in effect at the time of the grant.

Total Unit-Based Compensation Expense

Total unit-based compensation expense for awards settling in MPLX common units was \$14 million in 2020, \$22 million in 2019 and \$24 million in 2018.

MPC's Stock-based Compensation

Stock-based compensation expenses charged to MPLX under our employee services agreement with MPC were \$13 million, \$10 million and \$8 million for 2020, 2019 and 2018, respectively.

22. Leases

Lessee

We lease a wide variety of facilities and equipment under leases from third parties, including land and building space, office and field equipment, storage facilities and transportation equipment, while our related party leases primarily relate to ground leases associated with our refining logistics assets. Our remaining lease terms range from less than one to 58 years. Some long-term leases include renewal options ranging from one to 50 years and, in certain leases, also include purchase options. Renewal options and termination options were not included in the measurement of ROU assets and lease liabilities since it was determined they were not reasonably certain to be exercised.

Under ASC 840, operating lease costs were \$89 million in 2018. Under ASC 842, the components of lease cost were as follows:

<i>(In millions)</i>	2020		2019	
	Related Party	Third Party	Related Party	Third Party
Components of lease costs:				
Operating lease costs	\$ 14	\$ 78	\$ 14	\$ 75
Finance lease cost:				
Amortization of ROU assets	—	3	—	5
Interest on lease liabilities	—	1	—	1
Total finance lease cost	—	4	—	6
Variable lease cost	1	10	1	11
Short-term lease cost	—	52	—	80
Total lease cost	<u>\$ 15</u>	<u>\$ 144</u>	<u>\$ 15</u>	<u>\$ 172</u>

Supplemental balance sheet data related to leases were as follows:

<i>(In millions, except % and years)</i>	December 31, 2020		December 31, 2019	
	Related Party	Third Party	Related Party	Third Party
Operating leases				
Assets				
Right of use assets	\$ 231	\$ 309	\$ 232	\$ 365
Liabilities				
Operating lease liabilities	1	63	1	66
Long-term operating lease liabilities	229	244	230	302
Total operating lease liabilities	<u>\$ 230</u>	<u>\$ 307</u>	<u>\$ 231</u>	<u>\$ 368</u>
Weighted average remaining lease term	46.23 years	8.04 years	47.20 years	8.59 years
Weighted average discount rate	5.80 %	4.33 %	5.80 %	4.38 %
Finance leases				
Assets				
Property, plant and equipment, gross		\$ 17		\$ 46
Less: Accumulated depreciation		8		19
Property, plant and equipment, net		<u>9</u>		<u>27</u>
Liabilities				
Other current liabilities		2		9
Long-term debt		9		10
Total finance lease liabilities		<u>\$ 11</u>		<u>\$ 19</u>
Weighted average remaining lease term		16.87 years		10.16 years
Weighted average discount rate		5.95 %		5.87 %

As of December 31, 2020, maturities of lease liabilities for operating lease obligations and finance lease obligations having initial or remaining non-cancellable lease terms in excess of one year are as follows:

<i>(In millions)</i>	Related Party Operating Leases	Third Party Operating Leases	Finance Leases
2021	\$ 14	\$ 76	\$ 3
2022	14	67	2
2023	14	57	2
2024	14	35	1
2025	14	19	1
2026 and thereafter	591	115	9
Gross lease payments	661	369	18
Less: Imputed interest	431	62	7
Total lease liabilities	<u>\$ 230</u>	<u>\$ 307</u>	<u>\$ 11</u>

Lessor

Based on the terms of fee-based transportation and storage services agreements with MPC and third parties, MPLX is considered to be the lessor under several operating lease arrangements in accordance with GAAP. These agreements have remaining terms ranging from less than one year to 12 years with renewal options ranging from one year to 10 years, with some agreements having multiple renewal options. We are also considered to be the lessor under operating lease agreements related to certain fee-based natural gas gathering, transportation and processing agreements. MPLX's primary natural gas lease operations relate to a natural gas gathering agreement in the Marcellus Shale for which it earns a fixed-fee for providing gathering services to a single producer using a dedicated gathering system. As the gathering system is expanded, the fixed-fee charged to the producer is adjusted to include the additional gathering assets in the

lease. The primary term of the natural gas gathering arrangement expires in 2038 and will continue thereafter on a year-to-year basis until terminated by either party. Other significant natural gas implicit leases relate to a natural gas processing agreement in the Marcellus Shale and a natural gas processing agreement in the Southern Appalachia region for which MPLX earns minimum monthly fees for providing processing services to a single producer using a dedicated processing plant. The primary term of these natural gas processing agreements expires during 2027 and 2023, respectively, these contracts will continue thereafter on a year-to-year basis until terminated by either party.

MPLX did not elect to use the practical expedient to combine lease and non-lease components for lessor arrangements. The tables below represent the portion of the contract allocated to the lease component based on relative standalone selling price. Lessor agreements are currently deemed operating, as we elected the practical expedient to carry forward historical classification conclusions. If and when a modification of an existing agreement occurs and the agreement is required to be assessed under ASC 842, MPLX assesses the amended agreement and makes a determination as to whether a reclassification of the lease is required.

During the year ended December 31, 2020, reimbursements for projects at certain MPLX refining logistics locations were agreed to between MPLX and MPC. These reimbursements relate to the storage services agreements between MPLX and MPC at these locations and required the embedded leases within these agreements to be reassessed under the leasing standard. As a result of the reassessment, one of our leases was reclassified from an operating lease to a sales-type lease. As a result, the underlying assets previously shown on the Consolidated Balance Sheets associated with the sales-type lease were derecognized and the net investment in the lease (i.e., the sum of the present value of the future lease payments and the unguaranteed residual value of the assets) was recorded as a lease receivable. See Note 6 for the location of lease receivables and unguaranteed residual assets on the Consolidated Balance Sheets. The difference between the net book value of the underlying assets and the net investment in the lease has been recorded as a Contribution from MPC in the Consolidated Statements of Equity given that the transaction related to Refining Logistics was a common control transaction. During the first quarter of 2020, MPLX derecognized approximately \$171 million of property, plant and equipment, recorded a lease receivable of approximately \$370 million, recorded an unguaranteed residual asset of approximately \$10 million and a Contribution from MPC of \$209 million.

During the year ended December 31, 2019, there was a modification to MPLX terminal agreements with MPC. Based on the modification, certain terminals within the MPLX terminal agreement were reclassified from operating leases to sales-type leases. As a result, the underlying assets previously shown on the Consolidated Balance Sheets associated with the sales-type leases were derecognized and the net investment in the lease (i.e., the sum of the present value of the future lease payments and the unguaranteed residual value of the assets) was recorded as a lease receivable. When determining the net investment in the lease, certain variable payments were excluded from the total contract consideration, primarily related to fees for which there are no minimum volume commitments. The difference between the net book value of the underlying assets and the net investment in the lease has been recorded through equity given that the dropdown of MPLXT was a common control transaction. During the year, MPLX derecognized approximately \$29 million of property, plant and equipment, derecognized approximately \$3 million of existing deferred rent receivable, recorded a lease receivable of approximately \$47 million, recorded an unguaranteed residual asset of approximately \$6 million and equity of \$21 million.

Under ASC 840, MPLX's revenue from its implicit lease arrangements, excluding executory costs, totaled approximately \$1,032 million in 2018. Lease revenues included on the Consolidated Statements of Income during 2020 and 2019 were as follows:

<i>(In millions)</i>	2020		2019	
	Related Party	Third Party	Related Party	Third Party
Operating leases:				
Operating lease revenue ⁽¹⁾	\$ 787	\$ 268	\$ 1,020	\$ 257
Sales-type leases:				
Profit/(loss) recognized at the commencement date	—	—	—	—
Interest income (Sales-type rental revenue-fixed minimum)	151	—	6	—
Interest income (Revenue from variable lease payments)	\$ 1	\$ —	\$ 1	\$ —

(1) These amounts are presented net of executory costs.

The following is a schedule of minimum future rental revenue on the non-cancellable operating leases as of December 31, 2020:

<i>(In millions)</i>	Related Party	Third Party	Total
2021	\$ 919	\$ 186	\$ 1,105
2022	913	181	1,094
2023	869	178	1,047
2024	815	174	989
2025	791	142	933
2026 and thereafter	1,300	999	2,299
Total minimum future rentals	<u>\$ 5,607</u>	<u>\$ 1,860</u>	<u>\$ 7,467</u>

The following is a schedule of minimum future revenue on sales-type leases as of December 31, 2020:

<i>(In millions)</i>	Related Party
2021	\$ 157
2022	157
2023	158
2024	158
2025	158
2026 and thereafter	315
Total minimum future rentals	1,103
Less: present value discount	687
Lease receivable	<u>\$ 416</u>

The following schedule summarizes MPLX's investment in assets held for operating lease by major classes as of December 31, 2020 and 2019:

<i>(In millions)</i>	December 31,	
	2020	2019
Pipelines	\$ 834	\$ 745
Refining logistics	1,680	2,320
Terminals	1,276	943
Marine	129	906
Gathering and transportation	990	980
Processing and fractionation	867	855
Land, building and other	171	198
Total property, plant and equipment	5,947	6,947
Less: accumulated depreciation	2,007	2,355
Property, plant and equipment, net	\$ 3,940	\$ 4,592

See Note 6 for additional information on where related party lease assets are recorded in the Consolidated Balance Sheets. Third-party lease assets are less than \$1 million as of December 31, 2020 and are included within the "Receivables, net" and "Other noncurrent assets" captions within the Consolidated Balance Sheets.

23. Commitments and Contingencies

MPLX is the subject of, or a party to, a number of pending or threatened legal actions, contingencies and commitments involving a variety of matters, including laws and regulations relating to the environment. Some of these matters are discussed below. For matters for which MPLX has not recorded a liability, MPLX is unable to estimate a range of possible loss because the issues involved have not been fully developed through pleadings, discovery or court proceedings. However, the ultimate resolution of some of these contingencies could, individually or in the aggregate, be material.

Environmental Matters – MPLX is subject to federal, state and local laws and regulations relating to the environment. These laws generally provide for control of pollutants released into the environment and require responsible parties to undertake remediation of hazardous waste disposal sites. Penalties may be imposed for non-compliance.

At December 31, 2020 and 2019, accrued liabilities for remediation totaled \$17 million and \$19 million, respectively. It is not presently possible to estimate the ultimate amount of all remediation costs that might be incurred or the penalties, if any, that may be imposed. At December 31, 2020 and 2019, there were no balances with MPC for indemnification of environmental costs.

MPLX is involved in environmental enforcement matters arising in the ordinary course of business. While the outcome and impact to MPLX cannot be predicted with certainty, management believes the resolution of these environmental matters will not, individually or collectively, have a material adverse effect on its consolidated results of operations, financial position or cash flows.

MPLX is also a party to a number of other lawsuits and other proceedings arising in the ordinary course of business. While the ultimate outcome and impact to MPLX cannot be predicted with certainty, management believes the resolution of these other lawsuits and proceedings will not, individually or collectively, have a material adverse effect on its consolidated financial position, results of operations or cash flows.

Guarantees – Over the years, MPLX has sold various assets in the normal course of its business. Certain of the related agreements contain performance and general guarantees, including guarantees regarding inaccuracies in representations, warranties, covenants and agreements, and environmental and general indemnifications that require MPLX to perform upon the occurrence of a triggering event or condition. These guarantees and indemnifications are part of the normal course of selling assets. MPLX is typically not able to calculate the maximum potential amount of future payments that could be made under such contractual provisions because of the variability inherent in the guarantees and indemnities. Most often, the nature of the guarantees and indemnities is such that there is no appropriate method for quantifying the

exposure because the underlying triggering event has little or no past experience upon which a reasonable prediction of the outcome can be based.

In connection with our approximate 9.19 percent indirect interest in a joint venture (“Dakota Access”) that owns and operates the Dakota Access Pipeline and Energy Transfer Crude Oil Pipeline projects, collectively referred to as the Bakken Pipeline system or DAPL, we have entered into a Contingent Equity Contribution Agreement. MPLX LP, along with the other joint venture owners in the Bakken Pipeline system, has agreed to make equity contributions to the joint venture upon certain events occurring to allow the entities that own and operate the Bakken Pipeline system to satisfy their senior note payment obligations. The senior notes were issued to repay amounts owed by the pipeline companies to fund the cost of construction of the Bakken Pipeline system. In March 2020, the U.S. District Court for the District of Columbia (the “D.D.C.”) ordered the U.S. Army Corps of Engineers (“Army Corps”), which granted permits and an easement for the Bakken Pipeline system, to conduct a full environmental impact statement (“EIS”), and further requested briefing on whether an easement necessary for the operation of the Bakken Pipeline system should be vacated while the EIS is being prepared.

On July 6, 2020, the D.D.C. ordered vacatur of the easement to cross Lake Oahe during the pendency of an EIS and further ordered a shut down of the pipeline by August 5, 2020. The D.D.C. denied a motion to stay that order. Dakota Access and the Army Corps appealed the D.D.C.’s orders to the U.S. Court of Appeals for the District of Columbia Circuit (the “Court of Appeals”). On July 14, 2020, the Court of Appeals issued an administrative stay while the court considered Dakota Access and the Army Corps’ emergency motion for stay pending appeal. On August 5, 2020, the Court of Appeals stayed the D.D.C.’s injunction that required the pipeline be shutdown and emptied of oil by August 5, 2020. The Court of Appeals denied a stay of the D.D.C.’s March order, which required the EIS, and further denied a stay of the D.D.C.’s July order, which vacated the easement. On January 26, 2021, the Court of Appeals upheld the D.D.C.’s order vacating the easement while the Army Corps prepares the EIS. The Court of Appeals reversed the D.D.C.’s order to the extent it directed that the pipeline be shutdown and emptied of oil. In the D.D.C., briefing has been completed for a renewed request for an injunction. The pipeline remains operational.

If the pipeline is temporarily shut down pending completion of the EIS, MPLX would have to contribute its 9.19 percent pro rata share of funds required to pay interest accruing on the notes and any portion of the principal that matures while the pipeline is shutdown. MPLX also expects to contribute its 9.19 percent pro rata share of any costs to remediate any deficiencies to reinstate the permit and/or return the pipeline into operation. If the vacatur of the easement permit results in a permanent shutdown of the pipeline, MPLX would have to contribute its 9.19 percent pro rata share of the cost to redeem the bonds (including the one percent redemption premium required pursuant to the indenture governing the notes) and any accrued and unpaid interest. As of December 31, 2020, our maximum potential undiscounted payments under the Contingent Equity Contribution Agreement were approximately \$230 million.

Other Legal Proceedings – In early July, MPLX received a Notification of Trespass Determination from the Bureau of Indian Affairs (“BIA”) relating to a portion of the Tesoro High Plains Pipeline (“THPP”) that crosses the Fort Berthold Reservation in North Dakota. The notification covered the rights of way for 23 tracts of land and demanded the immediate cessation of pipeline operations. The notification also assessed trespass damages of approximately \$187 million. We appealed this determination, which triggered an automatic stay of the requested pipeline shutdown and payment. On October 29, the Assistant Secretary - Indian Affairs issued an order vacating the BIA’s trespass order and requiring the Regional Director for the BIA Great Plains Region to issue a new decision on or before December 15 covering all 34 tracts at issue. On December 15, 2020, the Regional Director of BIA issued a new trespass notice to THPP consistent with the Assistant Secretary of Indian Affairs order vacating the prior trespass order. The new order found that THPP was in trespass and assessed trespass damages of approximately \$4 million (including interest), which has been paid. The order also required THPP to immediately cease and desist use of the portion of the pipeline that crosses the property at issue. THPP has complied with the Regional Director’s December 15, 2020 notice. On February 12, 2021, landowners filed suit in the U.S. District Court for the District of North Dakota, requesting, among other things, that decisions by the Assistant Secretary – Indian Affairs and the Interior Board of Indian Appeals be vacated as to the award of damages to plaintiffs. We continue to work towards a settlement of this matter with holders of the property rights at issue.

Contractual Commitments and Contingencies – At December 31, 2020, MPLX’s contractual commitments to acquire property, plant and equipment totaled \$156 million. These commitments were primarily related to G&P plant expansion, terminal and pipeline projects. In addition, from time to time and in the ordinary course of business, MPLX and its affiliates provide guarantees of MPLX’s subsidiaries payment and performance obligations in the G&P segment. Certain natural gas processing and gathering

arrangements require MPLX to construct new natural gas processing plants, natural gas gathering pipelines and NGL pipelines and contain certain fees and charges if specified construction milestones are not achieved for reasons other than force majeure. In certain cases, certain producers may have the right to cancel the processing arrangements if there are significant delays that are not due to force majeure. As of December 31, 2020, management does not believe there are any indications that MPLX will not be able to meet the construction milestones, that force majeure does not apply or that such fees and charges will otherwise be triggered.

Other Contractual Obligations – MPLX executed transportation and terminalling agreements that obligate us to minimum volume, throughput or payment commitments over the original terms of the agreements, which range from four to 12 years. After the minimum volume commitments are met in the transportation and terminalling agreements, MPLX pays additional amounts based on throughput. There are escalation clauses in the transportation and terminalling agreements, which are based on Consumer Price Index adjustments. The minimum future payments under these agreements as of December 31, 2020 are as follows:

<i>(In millions)</i>	
2021	\$ 103
2022	117
2023	154
2024	146
2025	124
2026 and thereafter	421
Total	<u>\$ 1,065</u>

24. Subsequent Events

On February 12, 2021, MarkWest Energy, a wholly owned subsidiary of MPLX, closed the sale of its Javelina assets and liabilities to a third party. See Note 4 for further discussion related to this transaction.

On January 15, 2021, MPLX redeemed all the \$750 million outstanding aggregate principal amount of 5.250 percent senior notes due January 15, 2025. See Note 17 for further discussion of this redemption.

Select Quarterly Financial Data (Unaudited)

	2020			
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
<i>(In millions, except per unit data)</i>				
Total revenues and other income	\$ 992	\$ 2,081	\$ 2,247	\$ 2,249
(Loss)/income from operations	(2,486)	878	899	920
Net (loss)/income	(2,716)	655	674	700
Net (loss)/income attributable to MPLX LP	(2,724)	648	665	691
Net (loss)/income attributable to MPLX LP per limited partner unit:				
Common - basic	(2.60)	0.58	0.61	0.63
Common - diluted	(2.60)	0.58	0.61	0.63
Cash distributions declared per limited partner common unit	0.6875	0.6875	0.6875	0.6875
Distributions declared:				
Limited partner units - Public	270	270	270	269
Limited partner units - MPC	458	445	445	445
Series A preferred units	20	21	20	20
Series B preferred units	11	10	10	10
Total distributions declared	\$ 759	\$ 746	\$ 745	\$ 744

	2019			
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
<i>(In millions, except per unit data)</i>				
Total revenues and other income	\$ 2,235	\$ 2,210	\$ 2,280	\$ 2,316
Income/(loss) from operations	912	885	926	(346)
Net income/(loss)	689	657	689	(573)
Net income/(loss) attributable to MPLX LP	503	482	629	(581)
Net income/(loss) attributable to MPLX LP per limited partner unit:				
Common - basic	0.61	0.56	0.61	(0.58)
Common - diluted	0.61	0.55	0.61	(0.58)
Cash distributions declared per limited partner common unit	0.6575	0.6675	0.6775	0.6875
Distributions declared:				
Limited partner units - Public	191	261	266	270
Limited partner units - MPC	332	431	438	446
Series A preferred units	20	21	20	20
Series B preferred units	—	21	10	11
Total distributions declared	\$ 543	\$ 734	\$ 734	\$ 747

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

None

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) under the Securities Exchange Act of 1934, as amended) was carried out under the supervision and with the participation of our management, including our chief executive officer and chief financial officer. Based upon that evaluation, the chief executive officer and chief financial officer concluded that the design and operation of these disclosure controls and procedures were effective as of December 31, 2020, the end of the period covered by this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

During the quarter ended December 31, 2020, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None

Part III

Item 10. Directors, Executive Officers and Corporate Governance

MANAGEMENT OF MPLX LP

MPLX GP LLC, our general partner, is a wholly owned subsidiary of MPC. Our general partner manages our operations and activities through its directors and executive officers. Our unitholders do not nominate candidates for, or vote for the election of, the directors of our general partner. Through its indirect ownership of all of the membership interests in our general partner, MPC elects all members of our general partner's board of directors (the "Board"). Directors are elected by the sole member of our general partner and hold office until their successors have been elected or qualified or until their earlier death, resignation, removal or disqualification. Our general partner's executive officers are appointed by, and serve at the discretion of, the Board.

References in this Part III to our "Board," "directors" or "officers" refer to the Board, directors and officers of our general partner.

Neither we nor our subsidiaries directly employ any employees. Our general partner has the sole responsibility for providing the employees and other personnel necessary to conduct our operations. All of the employees who conduct our business are directly employed by affiliates of our general partner, but we sometimes refer to these individuals as our employees for ease of reference.

DIRECTORS AND EXECUTIVE OFFICERS OF MPLX GP LLC

The executive and corporate officers of MPLX GP LLC are as follows:

Name	Age as of February 1, 2021	Position with MPLX GP LLC
Michael J. Hennigan	61	Chairman of the Board of Directors, President and Chief Executive Officer
Pamela K.M. Beall	64	Director, Executive Vice President and Chief Financial Officer
Michael L. Beatty	73	Director
Christopher A. Helms	66	Director
Maryann T. Mannen	58	Director
Garry L. Peiffer	69	Director
Dan D. Sandman	72	Director
Frank M. Semple	69	Director
J. Michael Stice	61	Director
John P. Surma	66	Director
Donald C. Templin	57	Director
Timothy J. Aydt	57	Executive Vice President and Chief Commercial Officer
Gregory S. Floerke	57	Executive Vice President and Chief Operating Officer
Suzanne Gagle	55	General Counsel
Raymond L. Brooks*	60	Executive Vice President
Rick D. Hessling*	54	Senior Vice President
Thomas Kaczynski	59	Senior Vice President, Finance and Treasurer
Brian K. Partee*	47	Senior Vice President
Molly R. Benson*	54	Vice President, Chief Securities, Governance & Compliance Officer and Corporate Secretary
C. Kristopher Hagedorn	44	Vice President and Controller
Kristina A. Kazarian*	38	Vice President, Investor Relations
Shawn M. Lyon*	53	Vice President, Operations

* Corporate officer

Mr. Hennigan was appointed Chief Executive Officer effective November 2019 and has served as President since June 2017. He has served on the Board of Directors since June 2017 and was appointed Chairman of the Board effective April 2020. He has served as MPC's President and Chief Executive Officer since March 2020, and on its Board of Directors since April 2020. Prior to joining us in 2017, Mr. Hennigan was President, Crude, NGL and Refined Products of the general partner of Energy Transfer Partners L.P., an energy service provider. He was President and Chief Executive Officer of Sunoco Logistics Partners L.P., an oil and gas transportation, terminalling and storage company, from 2012 to 2017, President and Chief Operating Officer beginning in 2010, and Vice President, Business Development beginning in 2009. Mr. Hennigan holds a bachelor's degree in chemical engineering from Drexel University.

Qualifications: Mr. Hennigan brings to the Board a unique perspective and valued guidance gained from nearly 40 years of industry experience, including as the president and chief executive officer of a successful growth-oriented master limited partnership.

Other Public Company Directorships: Marathon Petroleum Corporation (since 2020); Tesoro Logistics GP, LLC (2018-2019); Sunoco Partners LLC (2010-2017); Niska Gas Storage Partners LLC (2014-2016)

Ms. Beall was appointed Executive Vice President and Chief Financial Officer effective 2016, and was elected a member of the Board in January 2014. Ms. Beall began her career with Marathon in 1978 as an auditor. She then served as General Manager, Treasury Services, at USX Corporation; Vice President and Treasurer at NationsRent, Inc. and OHM Corporation; and as a member of the boards of directors of System One Services, Inc. and Boyle Engineering. Ms. Beall rejoined Marathon in 2002, serving in areas of

increasing responsibility, including as Director, Corporate Affairs; Organizational Vice President, Business Development - Downstream; Vice President of Global Procurement, Marathon Oil Company; and Vice President of Products, Supply & Optimization. She served as MPC's Vice President, Investor Relations and Government & Public Affairs from 2011 to 2014, when she was named President of MPLX GP. Ms. Beall was also named Executive Vice President, Corporate Planning and Strategy of MPLX GP in 2016. She serves on the University of Findlay Board of Trustees and is a member of the Ohio Society of CPAs. Ms. Beall holds a bachelor's degree in accounting from the University of Findlay and a master's degree in business administration from Bowling Green State University, and she has attended the Oxford Institute for Energy Studies. She is licensed as a certified public accountant in Ohio.

Qualifications: Ms. Beall brings to the Board extensive energy industry experience, specifically in the areas of finance and accounting, business development, risk management, procurement, investor relations and government affairs. In addition, her service as a senior executive in the environmental remediation and industrial product rental sectors equips her to contribute valuable insight into our business and operations.

Other Public Company Directorships: National Retail Properties, Inc. (since 2016); Tesoro Logistics GP, LLC (2018-2019)

Mr. Beatty was elected a member of the Board in December 2015, at the time of the MarkWest Merger. Mr. Beatty served on the board of directors of MarkWest's general partner from 2008 to 2015, and prior to that, on the board of directors of MarkWest Hydrocarbon. Mr. Beatty is a former Chairman of the law firm of Beatty & Wozniak, P.C., with a practice focused exclusively on energy, including oil and gas exploration, regulatory affairs, public lands, litigation and title. He began his career in the energy industry as in-house counsel for Colorado Interstate Gas Company, and ultimately became Executive Vice President, General Counsel and Director of The Coastal Corporation. He also served as Chief of Staff to Governor Roy Romer of Colorado. Mr. Beatty holds an undergraduate degree from the University of California, Berkeley and a juris doctor degree from Harvard Law School. He also serves on the board of directors of the Cystic Fibrosis Foundation.

Qualifications: Mr. Beatty brings to the Board extensive experience in the oil and gas industry, including significant experience in energy policy and energy regulation gained through his experience as a director, officer and legal counsel of various energy companies, as well as extensive historical knowledge of MarkWest.

Other Public Company Directorships: None within the last five years

Mr. Helms was elected a member of the Board effective October 2012. Mr. Helms is President and Chief Executive Officer of US Shale Management Company, a wholly-owned subsidiary of US Shale Energy Advisors LLC. Mr. Helms is the co-founder of US Shale Energy Advisors LLC, a privately owned entity engaged in the development, ownership and operation of midstream energy assets. Through subsidiaries it owns and operates Rocky Mountain Crude Oil LLC, a crude oil logistics company focused on the transportation of crude oil produced in the great plains and Rocky Mountain regions of the U.S. From 2005 until his retirement in 2011, Mr. Helms served in various capacities with NiSource Inc. and its affiliate, NiSource Gas Transmission and Storage, including as Executive Vice President and Group Chief Executive Officer. He was Group President, Pipeline of NiSource Inc. from 2005 to 2008, where he was also a member of the Executive Council and the Corporate Risk Management Committee. He served as Chief Executive Officer and Executive Director of NiSource Gas Transmission and Storage from 2008 to 2011. At NiSource, Mr. Helms was responsible for leading the company's interstate gas transmission, storage and midstream businesses. Prior to joining NiSource, Mr. Helms held senior executive positions with CMS Energy Corporation, and subsidiaries of Duke Energy Corporation and PanEnergy Corp. from 1990 to 2005. Mr. Helms holds a bachelor's degree from Southern Illinois University at Edwardsville and a juris doctor degree from the Tulane University School of Law.

Qualifications: Mr. Helms brings to the Board considerable midstream energy expertise, particularly in operations and business combinations, as well as experience in finance, accounting, compliance, strategic planning and risk oversight. His background also includes overseeing joint ventures and mergers and acquisitions within the midstream energy sector and supervising financial reporting functions.

Other Public Company Directorships: Range Resources Corporation (2014-2019); Questar Corporation (2013-2016)

Ms. Mannen was elected a member of the Board in February 2021. She was appointed Executive Vice President and Chief Financial Officer of MPC effective January 25, 2021. Before joining MPC, she served as Executive Vice President and Chief Financial Officer of TechnipFMC (a successor to FMC Technologies, Inc.), a global leader in subsea, onshore/offshore, and surface projects for the energy industry, since 2017, having previously served as Executive Vice President and Chief Financial Officer of FMC Technologies, Inc. since 2014, Senior Vice President and Chief Financial Officer since 2011, and in various positions of increasing responsibility with FMC Technologies, Inc. since 1986. Ms. Mannen holds a bachelor's degree in accounting and a master's degree in business administration from Rider University.

Qualifications: Ms. Mannen brings to the Board significant leadership experience in finance, operations and management. Her experience as Chief Financial Officer at large, publicly traded energy sector companies enables her to contribute important insights regarding finance, risk management, public company financial reporting requirements and related matters.

Other Public Company Directorships: Owens Corning (since 2014)

Mr. Peiffer was elected a member of the Board in June 2012, and served as our President from 2012 until his retirement in 2014. He also served as MPC's Executive Vice President, Corporate Planning and Investor & Government Relations from 2011 until his retirement. He is a member of the board of directors of Fifth Third Bank (Northern Ohio) and Roppe Corporation, a privately held company. Mr. Peiffer is also a member of the boards of trustees of the Blanchard Valley Health System and the Findlay-Hancock County Community Foundation and serves on the Blanchard Valley Port Authority Board. He began his career with Marathon in 1974, where he held a variety of management positions with increasing responsibility, including as Supervisor of Employee Savings and Retirement Plans, Controller of Speedway Petroleum Corporation and numerous other marketing and logistics positions. In 1987, Mr. Peiffer was appointed to the President's Commission on Executive Exchange serving for a year in the Pentagon as Special Assistant to the Assistant Secretary of Defense for Production and Logistics. In 1988, he returned to Marathon and was named Vice President of Finance and Administration for Emro Marketing Company. He served as Assistant Controller, Refining, Marketing and Transportation beginning in 1992. He was named Senior Vice President of Finance and Commercial Services for Marathon Ashland Petroleum LLC in 1998 and Executive Vice President of MPC in 2011. Mr. Peiffer holds a bachelor's degree in accounting from Bowling Green State University and passed the certified public accountant exam in Ohio.

Qualifications: As the retired President of our general partner and retired Executive Vice President, Corporate Planning and Investor & Government Relations of MPC, Mr. Peiffer brings to the Board extensive experience in the energy industry gained from his roles at MPC and its affiliates. His significant career accomplishments include leading us through the initial public offering process and our first year of operations, leading finance organizations, successfully completing several joint ventures and corporate reorganizations and implementing new information technology solutions.

Other Public Company Directorships: None within the last five years

Mr. Sandman was elected a member of the Board effective October 2012. Mr. Sandman is an adjunct professor at The Ohio State University Moritz College of Law, where he has taught corporate governance law since 2007. He has served on the board of directors of Roppe Corporation, a privately held company, since 1987. Additionally, Mr. Sandman serves on the boards of directors of the Carnegie Science Center, the Carnegie Hero Commission and Grove City College. He has served as a court-appointed mediator of commercial cases pending in U.S. federal courts and has lectured on corporate governance law at Oxford University. Mr. Sandman began his career with Marathon in 1973, serving in various legal positions of increasing responsibility, ultimately being named General Counsel and Secretary of Marathon in 1986. In 1993, he was named General Counsel and Secretary of USX Corporation. Upon the spinoff of United States Steel Corporation from USX in 2002, Mr. Sandman was named Vice Chairman of the Board of Directors and Chief Legal and Administrative Officer of United States Steel, where he served until his retirement in 2007. During his time with United States Steel, Mr. Sandman was also responsible at various times for management and oversight of aspects of Human Resources, Executive Compensation, Public Relations, Environmental and Government Affairs, the Law Organization and the Corporate Secretary's office. Mr. Sandman holds a bachelor's degree from The Ohio State University and a juris doctor degree from The Ohio State University College of Law, and he attended the Stanford Executive Program in 1989.

Qualifications: Mr. Sandman brings to the Board considerable experience in legal and business affairs, transactional law, regulatory compliance and corporate governance, ethics and risk management matters, as well as an energy industry background.

Other Public Company Directorships: CONSOL Coal Resources GP LLC (2017-2020)

Mr. Semple was elected a member of the Board effective December 2015, at the time of the MarkWest Merger. He was appointed our Vice Chairman at the close of the MarkWest Merger and served in that position until his retirement in October 2016. He also served on the MPC Board of Directors from December 2015 until October 2018. Prior to joining us, Mr. Semple served as President and Chief Executive Officer of MarkWest beginning in 2003, and as Chairman of the Board beginning in 2008. Prior to his time at MarkWest, he served 22 years with The Williams Companies, Inc. and WilTel Communications, including as Chief Operating Officer of WilTel Communications, Senior Vice President/General Manager of Williams Natural Gas Company, Vice President of Operations and Engineering for Northwest Pipeline Company and division manager for Williams Pipe Line Company. Prior to joining Williams, Mr. Semple served in the United States Navy. He holds a bachelor's degree in mechanical engineering from the United States Naval Academy and has completed the Program for Management Development at Harvard Business School.

Qualifications: Mr. Semple brings to the Board proven leadership ability in managing a complex business and a deep understanding of the midstream sector gained from his experience as Chairman and Chief Executive Officer of MarkWest, as well as significant experience regarding operations, strategic planning, finance and corporate governance matters.

Other Public Company Directorships: Tortoise Acquisition Corp (2019-2020); Tesoro Logistics GP, LLC (2018-2019); Marathon Petroleum Corporation (2015-2018)

Mr. Stice was elected a member of the Board effective April 2018, and as a member of the MPC Board of Directors in February 2017. He has served as the Dean of the Mewbourne College of Earth & Energy at The University of Oklahoma since 2015. Mr. Stice retired as the Chief Executive Officer of Access Midstream Partners L.P., a gathering and processing master limited partnership, in 2014 and from its board of directors in 2015. He had served as Chief Executive Officer of Access Midstream and previously, Chesapeake Midstream Partners, L.P., since 2009, and as President and Chief Operating Officer of Chesapeake Midstream Development, L.P. and Senior Vice President of natural gas projects of Chesapeake Energy Corporation since 2008. Mr. Stice began his career in 1981 with Conoco, serving in a variety of positions of increasing responsibility. He was named President of ConocoPhillips Qatar in 2003. Mr. Stice holds a bachelor's degree in chemical engineering from the University of Oklahoma, a master's degree in business from Stanford University and a doctorate in education from George Washington University.

Qualifications: Mr. Stice brings to the Board extensive experience with MLPs, including as Chief Executive Officer of one of the largest publicly traded gathering and processing MLPs, and previously served on the board of directors of MarkWest, which we acquired in 2015. He has 35 years of experience in the upstream and midstream gas businesses.

Other Public Company Directorships: Marathon Petroleum Corporation (since 2017); U.S. Silica Holdings, Inc. (since 2013); Spartan Energy Acquisition Corporation (since 2018); SandRidge Energy, Inc. (2015-2016)

Mr. Surma was elected a member of the Board effective October 2012, and as a member of the MPC Board of Directors in July 2011. He is Chairman of the Board of MPC. Mr. Surma retired as the Chief Executive Officer and Executive Chairman of United States Steel Corporation, an integrated steel producer, in 2013. Prior to joining United States Steel, he served in several executive positions with Marathon, including as Senior Vice President, Finance & Accounting of Marathon Oil Company in 1997; President, Speedway SuperAmerica LLC in 1998; Senior Vice President, Supply & Transportation of Marathon Ashland Petroleum LLC in 2000; and President of Marathon Ashland Petroleum in 2001. Prior to joining Marathon, Mr. Surma worked for Price Waterhouse LLP, becoming a partner in 1987. In 1983, he participated in the President's Executive Exchange Program in Washington, D.C., serving as Executive Staff Assistant to the Federal Reserve Board's Vice Chairman. Mr. Surma is on the board of the University of Pittsburgh Medical Center, and formerly chaired the boards of the Federal Reserve Bank of Cleveland and the National Safety Council. He was appointed by President Barack Obama to the President's Advisory

Committee for Trade Policy and Negotiations, serving from 2010 to 2014, including as Vice Chairman. Mr. Surma holds a bachelor's degree in accounting from Pennsylvania State University.

Qualifications: Mr. Surma brings to the Board a broad range of experience as the retired chairman and chief executive officer of a large industrial firm and provides valuable input on our strategic direction and operations. He also has significant experience in public accounting and in executive leadership in the energy and steel industries.

Other Public Company Directorships: Marathon Petroleum Corporation (since 2011); Trane Technologies plc (formerly Ingersoll-Rand plc) (since 2013); Public Service Enterprise Group Inc. (since 2019); Concho Resources Inc. (2014-2020)

Mr. Templin was elected a member of the Board in June 2012. He served as Executive Vice President and Chief Financial Officer of MPC from July 2019 to January 2021. Prior to this appointment, he served as President, Refining, Marketing and Supply of MPC beginning in October 2018, President of MPC beginning in 2017, President of MPLX GP and Executive Vice President of MPC beginning in 2016, Executive Vice President, Supply, Transportation and Marketing of MPC beginning in 2015, Vice President and Chief Financial Officer of MPLX GP beginning in 2012, and Senior Vice President and Chief Financial Officer of MPC beginning in 2011. Prior to joining MPC, Mr. Templin was a managing partner of the audit practice of PricewaterhouseCoopers LLP with more than 25 years of providing auditing and advisory services to a wide variety of private, public and multinational companies. He is a member of the Grove City College Board of Trustees and past Chairman of the Downstream Committee of API. Mr. Templin is a graduate of Grove City College, a certified public accountant, a member of the American Institute of Certified Public Accountants and has attended the Oxford Institute for Energy Studies.

Qualifications: Mr. Templin brings to the Board direct insight into all aspects of our business, from an operational and commercial perspective, and in the areas of accounting, audit and financial management. His long and successful background in public accounting for energy sector clients affords him insight into public company financial reporting requirements and related matters.

Other Public Company Directorships: Tesoro Logistics GP, LLC (2018-2019); Calgon Carbon Corporation (2013-2018)

Mr. Aydt was appointed Executive Vice President and Chief Commercial Officer effective August 2020. Prior to this appointment, he served as Vice President, Business Development, beginning in November 2018, Vice President, Operations, and President of Marathon Pipe Line LLC beginning in January 2017, MPC's Terminal, Transport and Rail General Manager beginning in 2013, and Project Director for the \$2.2 billion Detroit Heavy Oil Upgrade Project beginning in 2008. Mr. Aydt chairs the board of the Louisiana Offshore Oil Port (LOOP).

Mr. Floerke was appointed Executive Vice President and Chief Operating Officer effective August 2020. Prior to this appointment, he served as Executive Vice President, Gathering and Processing, beginning in 2018, Executive Vice President and Chief Operating Officer, MarkWest Operations, beginning in July 2017, and Executive Vice President and Chief Commercial Officer, MarkWest Assets, beginning in 2015, at the time of the MarkWest Merger. Before joining us, Mr. Floerke was Executive Vice President and Chief Commercial Officer at MarkWest beginning in 2015, and Senior Vice President, Northeast region, at MarkWest beginning in 2013. Previously, Mr. Floerke held senior management positions at Access Midstream Partners, L.P., a gathering and processing master limited partnership, from 2011 until 2013.

Ms. Gagle was appointed General Counsel effective October 2017. She was appointed MPC's General Counsel and Senior Vice President, Government Affairs, effective February 24, 2021. Prior to this appointment, Ms. Gagle served as MPC's General Counsel beginning in March 2016, Assistant General Counsel, Litigation and Human Resources, beginning in 2011, Senior Group Counsel, Downstream Operations, beginning in 2010, and Group Counsel, Litigation, beginning in 2003.

Mr. Brooks was appointed Executive Vice President effective February 2021. Prior to this appointment, he served as Senior Vice President beginning in February 2018, and MPC's Executive Vice President, Refining, beginning in October 2018, MPC's Senior Vice President, Refining, beginning in March 2016, General Manager of MPC's Galveston Bay, Texas, refinery beginning in 2013, General Manager of MPC's

Robinson, Illinois, refinery beginning in 2010, and General Manager of MPC's St. Paul Park, Minnesota, refinery beginning in 2006.

Mr. Hessling was appointed Senior Vice President effective October 2018. He was appointed MPC's Senior Vice President, Global Feedstocks, effective February 24, 2021, having served as MPC's Senior Vice President, Crude Oil Supply and Logistics since October 2018. Prior to this appointment, Mr. Hessling served as MPC's Manager, Crude Oil & Natural Gas Supply and Trading beginning in 2014, and Crude Oil Logistics & Analysis Manager beginning in 2011.

Mr. Kaczynski was appointed Senior Vice President, Finance, and Treasurer effective February 24, 2021, having served as Vice President, Finance and Treasurer since December 2020. He was appointed MPC's Senior Vice President, Finance, and Treasurer effective February 24, 2021, having served as MPC's Vice President, Finance, and Treasurer since 2015. Prior to joining MPC, Mr. Kaczynski was Vice President and Treasurer of Goodyear Tire and Rubber Company, one of the world's largest tire manufacturers, beginning in 2014, and Vice President, Investor Relations beginning in 2013.

Mr. Partee was appointed Senior Vice President effective October 2018. He was appointed MPC's Senior Vice President, Global Clean Products, effective February 24, 2021, having served as MPC's Senior Vice President, Marketing, since October 2018. Prior to this appointment, Mr. Partee served as MPC's Vice President, Business Development, beginning in February 2018, Director of Business Development beginning in January 2017, Manager of Crude Oil Logistics beginning in 2014, and Vice President, Business Development and Franchise, at Speedway beginning in 2012.

Ms. Benson was appointed Vice President, Chief Securities, Governance & Compliance Officer and Corporate Secretary for MPC and us effective June 2018, having previously served as Vice President, Chief Compliance Officer and Corporate Secretary for MPC and us since March 2016. Prior to her 2016 appointment, Ms. Benson was MPC's Assistant General Counsel, Corporate and Finance beginning in 2012, and Group Counsel, Corporate and Finance beginning in 2011.

Mr. Hagedorn was appointed Vice President and Controller effective October 2017. Prior to this appointment, he was Vice President and Controller at CONSOL Energy Inc., a Pennsylvania-based coal producer and exporter, beginning in 2015, Assistant Controller beginning in 2014 and Director, Financial Accounting, beginning in 2012. Mr. Hagedorn was Chief Accounting Officer for CONE Midstream Partners LP, a publicly traded master limited partnership with gathering assets in the Appalachian Basin, from 2014 to 2015. Previously, he served in positions of increasing responsibility with PricewaterhouseCoopers LLP beginning in 1998.

Ms. Kazarian was appointed Vice President, Investor Relations, for MPC and us effective April 2018. Prior to this appointment, she was Managing Director and head of the MLP, Midstream and Refining Equity Research teams at Credit Suisse, a global investment bank and financial services company, beginning in September 2017. Previously, Ms. Kazarian was Managing Director of MLP, Midstream and Natural Gas Equity Research at Deutsche Bank, a global investment bank and financial services company, beginning in 2014, and an analyst specializing on various energy industry subsectors with Fidelity Management & Research Company, a privately held investment manager, beginning in 2005.

Mr. Lyon was appointed Vice President, Operations, and President, Marathon Pipe Line LLC, effective November 2018. Prior to that, he was Vice President of Operations for Marathon Pipe Line LLC beginning in 2011.

GOVERNANCE FRAMEWORK

Our Governance Principles provide the functional framework of our Board. They address, among other things, the primary roles, responsibilities and oversight functions of the Board and its committees, director independence, committee composition, the process for director selection and director qualifications, director compensation and director retirement and resignation. Our Governance Principles provide that directors generally must retire from service once they reach age 73, unless otherwise approved by the general partner's sole member. The sole member has approved extensions of up to one year for each of Mr. Beatty (ending in 2021) and Mr. Sandman (ending in 2022).

Our Code of Business Conduct, which applies to all of our directors, officers and employees, defines our expectations for ethical decision-making, accountability and responsibility. Our Code of Ethics for Senior Financial Officers, which is specifically applicable to our Chief Executive Officer, Chief Financial Officer, Controller, and other leaders performing similar roles, affirms the principle that the honesty, integrity and sound judgment of our senior executives with responsibility for preparation and certification of our financial statements are essential to the proper functioning and success of our company. Printed copies of these documents are available upon request to our Corporate Secretary. We would post on our website any amendments to, or waivers from, either of these codes requiring disclosure under applicable rules within four business days following any such amendment or waiver.

Our Whistleblowing as to Accounting Matters Policy establishes procedures for the receipt, retention and treatment of complaints we receive regarding accounting, internal accounting controls or auditing matters, and provides for the confidential, anonymous submission of concerns by employees or others regarding questionable accounting or auditing matters.

Copies of the Governance Principles, the Code of Business Conduct, the Code of Ethics for Senior Financial Officers, and the Whistleblowing as to Accounting Matters Policy are available on the “Corporate Governance” page of our website at www.mplx.com/Investors/Corporate_Governance/.

DIRECTOR INDEPENDENCE

The Board currently consists of eleven directors. The NYSE does not require a publicly traded limited partnership like us to have a majority of independent directors on our Board. We are, however, required to have an Audit Committee comprised of at least three independent directors. The Board considered all relevant facts and circumstances including, without limitation, transactions between the director directly or organizations with which the director is affiliated and us, any service by the director on the board of a company with which we conduct business, and the frequency and dollar amounts associated with these transactions, and has determined that each of Messrs. Beatty, Helms, Peiffer, Sandman, Semple, Stice and Surma meets the independence standards in our Governance Principles, has no material relationship with us other than as a director, and satisfies the independence requirements of the NYSE and applicable SEC rules.

BOARD LEADERSHIP STRUCTURE

Our Governance Principles provide the Board with the flexibility to determine from time to time the optimal leadership for the Board depending upon our particular needs and circumstances. The Board has determined that Mr. Hennigan is in the best position at this time to serve as Chairman due to his extensive knowledge of all aspects of our business, as well as our continued relationship with MPC.

When the CEO or another management director is elected Chairman, the Board has appointed an independent director as “Lead Director” to provide independent director oversight and preside over executive sessions of the Board or other Board meetings when the Chairman is absent.

Mr. Sandman, an independent director, currently serves as Lead Director of the Board. The Board believes that this leadership structure is in the best interests of our unitholders and us at this time because it strikes an effective balance between management and independent director participation in the Board process.

COMMITTEES OF THE BOARD

Our Board has a standing Audit Committee and Conflicts Committee, and may have such other committees as the Board shall determine from time to time. Each committee operates under a written charter, which is available on the “Corporate Governance” page of our website at www.mplx.com/Investors/Corporate_Governance/. Each charter requires the applicable committee to annually assess and report to the Board on the adequacy of the charter.

We have additionally established an executive committee of the board, comprised of Messrs. Hennigan and Sandman, to address matters that may arise between meetings of the Board. This executive committee may exercise the powers and authority of the Board subject to specific limitations consistent with applicable law.

Because we are a limited partnership, we are not required to have a compensation committee or a nominating/corporate governance committee.

Audit Committee

Our Audit Committee assists the Board in its oversight of the integrity of our financial statements, and our compliance with legal and regulatory requirements and our disclosure controls and procedures. Our Audit Committee has the sole authority to retain and terminate our independent registered public accounting firm, approve all auditing services and related fees and the terms thereof and pre-approve any non-audit services to be rendered by our independent registered public accounting firm. Our Audit Committee also is responsible for confirming the independence and objectivity of our independent registered public accounting firm. Our independent registered public accounting firm has unrestricted access to our Audit Committee.

Our Audit Committee is comprised of Messrs. Peiffer (Chair), Beatty, Helms and Sandman. The Board has determined that each member of the Audit Committee meets the independence requirements of the NYSE and the SEC, as applicable, and that each is financially literate. The Board also has determined that Mr. Peiffer qualifies as an “audit committee financial expert,” as defined by SEC rules, based on the attributes, education and experience further described in his biography under “Directors and Executive Officers of MPLX GP LLC,” above.

Audit Committee Report

The Audit Committee has reviewed and discussed MPLX’s audited financial statements and its report on internal control over financial reporting for 2020 with the management of MPLX GP LLC, MPLX’s general partner. The Audit Committee discussed with the independent auditors, PricewaterhouseCoopers LLP, the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC. The Audit Committee has received the written disclosures and the letter from PricewaterhouseCoopers LLP required by the applicable requirements of the Public Company Accounting Oversight Board regarding PricewaterhouseCoopers LLP’s communications with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers LLP its independence. Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements and the report on internal control over financial reporting for MPLX LP be included in MPLX’s Annual Report on Form 10-K for the year ended December 31, 2020, for filing with the SEC.

Garry L. Peiffer, Chair
Michael L. Beatty
Christopher A. Helms
Dan D. Sandman

Conflicts Committee

Our Conflicts Committee reviews specific matters that may involve conflicts of interest in accordance with the terms of our Partnership Agreement. Any matters approved by our Conflicts Committee in good faith will be deemed to be approved by all of our partners and not a breach by our general partner of any duties it may owe our unitholders or us. The members of our Conflicts Committee may not be officers or employees of our general partner or directors, officers or employees of its affiliates, and must meet the independence and experience standards established by the NYSE and the SEC to serve on an audit committee. In addition, the members of our Conflicts Committee may not own any interest in our general partner or any interest in us, our subsidiaries or our affiliates other than common units or awards under our incentive compensation plan.

Our Conflicts Committee is comprised of Messrs. Helms (Chair), Beatty and Sandman. The Board has determined that each member of the Conflicts Committee meets the independence requirements of the NYSE and the SEC, as applicable.

COMMUNICATING WITH THE BOARD

All interested parties, including unitholders, may communicate directly with the Board, the Chairs of the Board's standing committees and the independent directors as follows:

Mail: Attn: Corporate Secretary, MPLX GP LLC, 200 East Hardin Street, Findlay, OH 45840.

Email:

- Independent Directors (individually or as a group): non-managedirectors@mplx.com
- Audit Committee Chair: auditchair@mplx.com
- Conflicts Committee Chair: conflictschair@mplx.com

Our Corporate Secretary will forward to the directors all communications that, in her judgment, are appropriate for consideration by the directors. Examples of communications that would not be considered appropriate include commercial solicitations and matters not relevant to the Partnership's affairs.

Item 11. Executive Compensation

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (“CD&A”) provides an overview of our executive compensation program and explains how and why 2020 compensation decisions were made for our named executive officers listed below (our “NEOs”). We recommend that this section be read together with the tables and related disclosures in the “Executive Compensation Tables” section of this Item 11.

NAMED EXECUTIVE OFFICERS

This CD&A focuses on the compensation for our NEOs, which for 2020 included our Chairman, President and Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), three other most highly compensated executive officers, and one former highly compensated executive officer:

Name	Title
Michael J. Hennigan	Chairman, President and CEO
Pamela K.M. Beall	Executive Vice President and CFO
Suzanne Gagle	General Counsel
Gregory S. Floerke	Executive Vice President and Chief Operating Officer
Timothy J. Aydt	Executive Vice President and Chief Commercial Officer
John S. Swearingen	<i>Former</i> Executive Vice President, Logistics and Storage (retired effective August 28, 2020)

COMPENSATION DECISIONS AND ALLOCATION

Compensation Allocation

We do not directly employ any of the personnel responsible for managing and operating our business, including our NEOs. Instead, we contract with MPC to provide the necessary personnel, all of whom are directly employed by MPC or one of its affiliates. Under the terms of an omnibus agreement, described in Item 8. Financial Statements and Supplementary Data, Note 6 of this report, we pay MPC a fixed amount in return for services provided by our NEOs, which totaled approximately \$8.8 million for 2020. The only direct compensation we provide our NEOs is in the form of long-term equity incentive awards, which are shown in detail in the “2020 Grants of Plan-Based Awards” table and accompanying narrative below.

This CD&A generally reports the non-equity components of compensation for Mr. Hennigan, Ms. Gagle and Mr. Swearingen on a prorated basis at 55%, 50% and 75%, respectively, to reflect the portion of each executive’s time allocated to us for 2020 under our omnibus agreement. As Ms. Beall and Messrs. Floerke and Aydt devoted most of their total business time to us in 2020, this CD&A reports the non-equity components of their compensation at 100%.

Compensation Decisions

We maintain the MPLX LP 2018 Incentive Compensation Plan (the “MPLX 2018 Plan”) for the benefit of eligible officers, employees and directors of our general partner and its affiliates, including MPC, who provide services to our business. The Compensation and Organization Development Committee of MPC’s board of directors (“MPC’s Compensation Committee”), currently comprised of five independent directors, recommends awards under the MPLX 2018 Plan for our NEOs, subject to approval by our Board, which typically considers such awards on an annual basis. Our Board makes all final determinations with respect to awards under this plan. All other compensation decisions for our NEOs are made by MPC’s Compensation Committee and are not subject to approval by our Board or us.

Compensation Consultant

Our Board does not have a standing compensation committee and has not hired its own compensation consultant. MPC’s Compensation Committee engages an independent compensation consultant to provide compensation consulting services and comparative compensation information.

EXECUTIVE COMPENSATION PROGRAM FOR 2020

2020 Base Salary

MPC pays our NEOs a base salary for their services to MPC and its affiliates, including us. In setting base salary, MPC's Compensation Committee evaluated peer group and other market data, each individual's experience and contributions over the prior year, demonstrated performance and skills acquired over the course of each NEO's career and MPC's succession-planning needs. Taking these matters into consideration, MPC's Compensation Committee made the following adjustments to our NEOs' base salaries for 2020:

Name	Previous Base Salary (\$)	Base Salary Effective Apr. 1, 2020 (\$)	Increase (%)
Hennigan*	577,500	880,000	52.4
Beall	560,000	575,000	2.7
Gagle*	312,500	350,000	12.0
Floerke	540,000	560,000	3.7
Aydt	360,000	400,000	11.1
Swearingen*	405,000	420,000	3.7

* As noted above in "Compensation Decisions and Allocation," the non-equity elements, including base salary, of Mr. Hennigan's, Ms. Gagle's and Mr. Swearingen's compensation are reflected in this table and in the "2020 Summary Compensation Table" below at 55%, 50% and 75%, respectively, to reflect the portions of their time allocated to us for 2020 under our omnibus agreement.

Mr. Hennigan, who was already serving as our President and CEO, was also appointed as MPC's President and CEO effective March 17, 2020, and MPC's Compensation Committee increased his base salary effective the same date in recognition of the additional responsibilities he assumed upon his appointment. Following the increase, his salary is slightly below the market median for the CEO role. He did not receive a further increase on April 1, 2020. The MPC Compensation Committee's decisions to increase Ms. Gagle's and Mr. Aydt's base salaries were based on each NEO's continued strong performance and the MPC Compensation Committee's determination to bring each NEO closer to the market median for her or his position. Base salary changes for Ms. Beall, Mr. Floerke and Mr. Swearingen reflect annual merit program increases to maintain market competitiveness.

2020 Annual Cash Bonus Program

Our current NEOs were eligible to participate in MPC's 2020 Annual Cash Bonus ("ACB") program, which MPC's Compensation Committee approved in February 2020, as part of their compensation for the services they provide to MPC and its affiliates, including us. MPC determined awards to our NEOs under the ACB program without input from our Board or us. Under our omnibus agreement, no portion of any bonus paid to our NEOs under the ACB is charged back to us. Awards under the ACB program for our NEOs were calculated as follows:

$$\boxed{\text{Eligible Earnings}} \times \boxed{\text{Bonus Target}} \times \boxed{\text{Performance}} = \boxed{\text{Final Award}}$$

Eligible Earnings generally refers to the NEO's year-end base salary rate. In an NEO's year of hire or separation, eligible earnings is calculated as the sum of base wages paid during the year plus compensation deferred during the year, which has the effect of prorating the award.

Bonus Target is a percentage of each NEO's base salary. MPC's Compensation Committee generally approves bonus target opportunities for our NEOs based on analysis of market-competitive data for MPC's compensation peer group, while also taking into consideration each executive's experience, relative scope of responsibility and potential, other market data and any other information MPC's Compensation Committee deems relevant in its discretion.

Performance metrics and levels are established by MPC’s Compensation Committee at the beginning of the performance year. Once the performance year has ended, MPC’s Compensation Committee reviews and assesses company performance against the performance metrics and levels, as well as other factors MPC’s Compensation Committee deems relevant in its discretion, including the NEOs’ organizational and individual performance.

- **There is no guaranteed minimum ACB payout.**
- **Payout results may be above or below target based on actual company and individual performance.**
- **Payouts are capped at 200% of each NEO’s target award.**

2020 MPC Company Metrics and Performance (80% of ACB Program)

MPC's 2020 ACB program emphasized pre-established financial, operational, sustainability and safety performance measures, collectively weighted at 80%. The following table provides the target weighting for each metric, performance levels and MPC’s actual performance achieved in 2020 (\$ in millions):

Performance Metric	Target Weighting	Threshold 50% Payout	Target 100% Payout	Maximum 200% Payout	Result	Performance Achieved
50% FINANCIAL						
Operating Income Per Barrel	20%	5th or 6th Position	3rd or 4th Position	1st or 2nd Position	3rd or 4th Position (100% of target)	20%
EBITDA	20%	\$6,700	\$11,100	\$13,100	\$3,750 (0% of target)	0%
Distributable Cash Flow at MPLX	10%	\$3,774	\$4,194	\$4,403	\$4,327 (163.64% of target)	16.36%
10% OPERATIONAL						
Mechanical Availability	10%	95%	96%	97%	96.8% (180% of target)	18%
20% SUSTAINABILITY						
Greenhouse Gas Intensity	5%	24.2	23.6	22.8	23.7 (91.67% of target)	4.58%
Designated Environmental Incidents	5%	110	90	75	50 (200% of target)	10%
Marathon Safety Performance Index	5%	1.00	0.65	0.40	0.80 (78.57% of target)	3.93%
Process Safety Events Rate	5%	0.53	0.35	0.25	0.25 (200% of target)	10%
80% Total Target Weighting					Total Achieved:	82.87%
TOTAL ACHIEVED AS A PERCENTAGE OF TOTAL TARGET: 104%						

Operating Income Per Barrel of crude oil throughput compared to a group of MPC’s peer companies: BP p.l.c.; Chevron Corporation; Exxon Mobil Corporation; HollyFrontier Corporation; PBF Energy Inc.; Phillips 66; and Valero Energy Corporation.

EBITDA is a non-GAAP performance metric derived from MPC’s consolidated financial statements. It is calculated as MPC’s earnings before interest and financing costs, interest income, income taxes, depreciation and amortization expense, adjusted for certain items, including impairment expenses, inventory market valuation adjustments, effects of acquisitions and divestitures, and certain other non-cash charges and credits.

Distributable Cash Flow at MPLX is a non-GAAP measure reflecting cash flow available to be paid to our common unitholders, as disclosed in our consolidated financial statements. See Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Information for more information about this non-GAAP measure.

Mechanical Availability measures the availability of the processing equipment in MPC's refineries and the critical equipment in MPC's midstream assets.

Greenhouse Gas (GHG) Intensity measures how efficiently MPC operates its facilities and implements a business plan that promotes a less carbon-intensive future. GHG intensity is based on Scope 1 and Scope 2 GHG emissions divided by the manufacturing inputs processed at MPC's petroleum refineries, renewable fuel refineries and natural gas processing and fractionation plants.

Designated Environmental Incidents measures certain internal environmental performance metrics.

Marathon Safety Performance Index measures MPC's success and commitment to employee safety. Goals are set annually at best-in-class industry performance, focusing on continual improvement and include common industry metrics.

Process Safety Events Rate measures MPC's ability to identify, understand and control certain process hazards.

The performance levels for each metric were established by evaluating factors such as performance achieved in the prior year(s), anticipated challenges for 2020, MPC's business plan and MPC's overall strategy. The performance levels were set with threshold levels viewed as likely achievable, target levels viewed as challenging but achievable, and maximum levels viewed as extremely difficult to achieve.

MPC's Compensation Committee determined to make no pandemic-related adjustments to or relaxing of performance levels under the 2020 ACB program.

2020 MPC Compensation Committee Discretion (20% of ACB Program)

The primary purpose of the discretionary component is to recognize instances where, due to unforeseen circumstances, the company performance metrics results are not entirely indicative of overall company results. For 2020, MPC's Compensation Committee evaluated this component of the ACB based upon its discretionary assessment of company performance and our NEOs' contributions to the successful execution of our business objectives and enhancement of value for our shareholders. Key achievements considered for 2020 included:

- Negotiating and progressing MPC's \$21 billion sale of Speedway.
- Managing through the challenges created by the COVID-19 pandemic and associated downturn in demand for MPC's and our products and services.
- Focusing on reductions in cost structure to position the company for through-cycle resiliency.
- Strengthening the competitive position of MPC's assets through advancing its investments in renewables, including the successful startup of MPC's Dickinson renewable fuels facility and advancing the conversion of MPC's Martinez refinery into a renewable diesel facility.
- Delivery by MPLX of strong business performance, supported by strict capital discipline and generation of excess cash flow for 2020 after capital investments and distributions.
- Excellence in environmental, personal safety and process safety improvement.
- Progress on diversity and inclusion initiatives.

Following this review, MPC's Compensation Committee determined to exercise its discretion by applying the calculation derived from the pre-established metrics component to the 20% of the ACB program.

ACB Payments for 2020

In February 2021, MPC's Compensation Committee certified the results under the performance metrics for the 2020 ACB program and, taking into consideration MPC's performance relative to the pre-established metrics (assessed at 104%), the key achievements discussed above and each NEO's organizational and

individual performance, awarded the following amounts under the ACB program to our participating NEOs for 2020:

Name	2020 Year-End Base Salary (\$)	Bonus Target as a % of Base Salary	Target Bonus (\$)	Final Award as a % of Target	Final Award (\$)
Hennigan*	880,000	150	1,320,000	104	1,372,800
Beall	575,000	70	402,500	104	419,000
Gagle*	350,000	70	245,000	104	255,000
Floerke	560,000	70	392,000	104	408,000
Aydt	400,000	60	240,000	104	250,000

* As noted above in “Compensation Decisions and Allocation,” the non-equity elements, including base salary and ACB payouts, of Mr. Hennigan’s and Ms. Gagle’s compensation are reflected in this table and in the “2020 Summary Compensation Table” below at 55% and 50%, respectively, to reflect the portions of their time allocated to us for 2020 under our omnibus agreement.

Upon his retirement in August 2020, Mr. Swearingen received a \$276,285 lump sum cash payout attributable to his target bonus under the ACB program and prorated for his service during 2020. This amount is included in the “Other” column of the “2020 Summary Compensation Table” below.

2020 Long-Term Incentive Compensation Program

MPC’s long-term incentive (“LTI”) compensation program is designed to promote achievement of MPC’s and our long-term business objectives by linking our NEOs’ compensation directly to long-term company and equity performance, thereby strengthening alignment between the interests of our NEOs, MPC’s shareholders and our unitholders.

Under MPC’s 2020 LTI program, MPC’s Compensation Committee awarded our NEOs MPC performance units, MPC stock options, MPC restricted stock units (“RSUs”), MPLX performance units and MPLX phantom units. The MPC awards were granted by MPC’s Compensation Committee, and the MPLX awards were granted by a committee of our Board comprised of the independent directors (the “MPLX Committee”) following a recommendation by MPC’s Compensation Committee. For 2020, MPC’s Compensation Committee determined the following mix of LTI awards was appropriate for our NEOs*:

80% MPC LTI AWARDS			20% MPLX LTI AWARDS	
50% Performance Units	30% Stock Options	20% RSUs	50% Performance Units	50% Phantom Units

MPC Performance Units align our NEOs’ long-term interests with MPC’s shareholders’ long-term interests by conditioning payout on the performance of MPC’s Total Shareholder Return (“TSR”) relative to that of MPC’s peers over a three-year period.

MPC Stock Options drive behaviors and actions that enhance long-term shareholder value and are inherently performance-based, as MPC’s stock price must increase before the NEO can recognize any benefit. Awards generally vest ratably over three years and have a 10-year term until expiration.

MPC RSUs promote our NEOs’ ownership of MPC’s common stock, aid in retention and help our NEOs comply with MPC’s stock ownership guidelines. Awards generally vest ratably over three years.

MPLX Performance Units align our NEOs’ long-term interests with the long-term interests of our unitholders by conditioning payout on the performance of our total unitholder return relative to our peers and our distributable cash flow, in each case over a three-year period.

MPLX Phantom Units promote our NEOs’ ownership of our common units, strengthening alignment between our NEOs’ interests and our unitholders’ interests, and help them comply with our unit ownership guidelines. Awards generally vest ratably over three years.

* The MPLX Committee determines the mix of MPLX awards between performance units and phantom units.

Annual 2020 LTI awards were made to our NEOs on March 1, 2020. See the “2020 Grants of Plan-Based Awards” table and accompanying narrative below for more information about the specific awards granted to our NEOs in 2020.

CEO Promotion Award

On March 17, 2020, MPC's Board appointed Mr. Hennigan as MPC's President and CEO, and MPC's Compensation Committee awarded him an additional grant of MPC RSUs to meet the LTI target it had set for the CEO role, which for 2020 was 15% below the market median. This resulted in an aggregate 2020 LTI award mix for Mr. Hennigan of 18% MPC performance units, 11% MPC stock options, 63% MPC RSUs, 4% MPLX performance units and 4% MPLX phantom units. For 2021, his LTI award mix will consist of 60% performance-based LTI consistent with the other NEOs.

MPC Performance Units

MPC performance units pay out based on MPC's three-year TSR relative to the peer group shown in the following table. Each MPC performance unit has a target value of \$1.00, and the actual payout can vary from \$0.00 to \$2.00 (0% to 200% of target). MPC performance units settle 25% in MPC common stock and 75% in cash.

MPC TSR PAYOUT PERCENTAGE CALCULATION

MPC's relative TSR performance percentile is determined for each of four measurement periods, with linear interpolation used for results between target levels:

	Below Threshold	Threshold	Target	Maximum
MPC TSR Percentile	Below 30th	30th	50th	100th (Highest)
Payout (% of Target)	0%	50%	100%	200%

TSR CALCULATION

$$\frac{(\text{Ending Stock Price} - \text{Beginning Stock Price}) + \text{Cumulative Cash Dividends}}{\text{Beginning Stock Price}}$$

Beginning Stock Price

The beginning and ending stock price is the average of each company's closing stock price for the 20 trading days immediately preceding each applicable date.

MEASUREMENT PERIODS

First 12 months
Second 12 months
Third 12 months
Entire 36-month period

MPC PERFORMANCE UNIT PEER GROUPS

2018 Performance Units (1/1/2018 – 12/31/2020 Performance Period)	2019 Performance Units (1/1/2019 – 12/31/2021 Performance Period)	2020 Performance Units (1/1/2020 – 12/31/2022 Performance Period)
Chevron Corporation HollyFrontier Corporation PBF Energy Inc. Phillips 66 Valero Energy Corporation S&P 500 Energy Index	BP p.l.c. Chevron Corporation Exxon Mobil Corporation HollyFrontier Corporation PBF Energy Inc. Phillips 66 Valero Energy Corporation S&P 500 Energy Index	BP p.l.c. Chevron Corporation CVR Energy, Inc. Delek US Holdings, Inc. Exxon Mobil Corporation HollyFrontier Corporation PBF Energy Inc. Phillips 66 Valero Energy Corporation S&P 500 Energy Index

In January 2021, MPC's Compensation Committee certified the final TSR results for the MPC 2018 performance units as follows:

TSR Measurement Period	Actual TSR (%)	Position Relative to Peer Group	Percentile Ranking (%)	TSR Payout Percentage (% of Target)
1/1/2018–12/31/2018	-4.62	4th of 7	50.00	100.00
1/1/2019–12/31/2019	3.16	4th of 7	50.00	100.00
1/1/2020–12/31/2020	-26.97	2nd of 7	83.33 *	100.00
1/1/2018–12/31/2020	-26.56	4th of 7	50.00	100.00
			Average:	100.00

* Although MPC's performance percentile ranking of 83.33% relative to its peers for the January 1, 2020, through December 31, 2020, performance period would have resulted in a payout percentage higher than 100%, MPC's program is designed such that payout is capped at 100% in years when TSR is negative to provide alignment with MPC's shareholders.

MPC’s Compensation Committee determined to make no pandemic-related adjustments to or relaxing of performance levels under the MPC 2018 performance units. The average payout above was applied to each NEO’s target award value as follows:

	Hennigan	Beall	Gagle	Floerke	Aydt	Swearingen
MPC 2018 Performance Units Granted (#)	875,000	250,000	400,000	250,000	—	250,000
Payout (\$)	875,000	250,000	400,000	250,000	—	250,000

MPC performance units granted to our current NEOs in 2019 and 2020 remain outstanding. See the “2020 Grants of Plan-Based Awards” and “Outstanding Equity Awards at 2020 Fiscal Year-End” tables below for additional information about these awards.

MPLX Performance Units

MPLX performance units pay out based 50% on our total unitholder return (“TUR”) relative to a peer group of midstream companies and 50% on distributable cash flow (“DCF”) attributable to MPLX, measured over a three-year performance cycle. Each MPLX performance unit has a target value of \$1.00, and the actual payout can vary from \$0.00 to \$2.00 (0% to 200% of target). MPLX performance units settle 25% in MPLX common units and 75% in cash.

MPLX TUR PAYOUT PERCENTAGE CALCULATION

Our relative TUR performance percentile is determined for each of four measurement periods, with linear interpolation used for results between target levels:

	Below Threshold	Threshold	Target	Maximum
MPLX TUR Percentile	Below 30th	30th	50th	100th (Highest)
Payout (% of Target)	0%	50%	100%	200%

TUR CALCULATION

$$\frac{(\text{Ending Unit Price} - \text{Beginning Unit Price}) + \text{Cumulative Cash Distributions}}{\text{Beginning Unit Price}}$$

The beginning and ending unit price is the average of each company’s closing unit price for the 20 trading days immediately preceding each applicable date.

MEASUREMENT PERIODS

First 12 months
Second 12 months
Third 12 months
Entire 36-month period

MPLX PERFORMANCE UNIT PEER GROUPS

2018 and 2019 Performance Units

(1/1/2018 – 12/31/2020 and 1/1/2019 – 12/31/2021 Performance Periods)

Andeavor Logistics LP*
Buckeye Partners, L.P.*
Enterprise Products Partners L.P.
Magellan Midstream Partners, L.P.
Phillips 66 Partners LP
Plains All American Pipeline, L.P.
Valero Energy Partners LP*
Western Gas Partners, LP

* Removed effective January 1, 2019 due to industry consolidation.

2020 Performance Units

(1/1/2020 – 12/31/2022 Performance Period)

Ten companies in the Alerian MLP Index with the highest market capitalization as determined on the last day of each measurement period. For the 1/1/2020–12/31/2020 measurement period, these were:

Cheniere Energy Partners LP	Magellan Midstream Partners, L.P.
DCP Midstream LP	Phillips 66 Partners LP
Enable Midstream Partners, LP	Plains All American Pipeline, L.P.
Enterprise Products Partners LP	Shell Midstream Partners, L.P.
Energy Transfer LP	Western Midstream Operating, LP.

MPLX DCF PAYOUT PERCENTAGE CALCULATION

DCF attributable to MPLX is measured for each year of a three-year performance cycle, with each year's target based on our annual business plan as approved by the MPLX Board at the beginning of the year. Our DCF metric threshold, target and maximum levels are calculated as 90%, 100% and 105%, respectively, of the annual business plan DCF target. Linear interpolation is used for results between target levels (\$ in millions):

Performance Periods	Below Threshold (No Payout)	Threshold (50% Payout)	Target (100% Payout)	Maximum (200% Payout)
DCF Attributable to MPLX for 2020	Below \$3,775	\$3,775	\$4,194	\$4,404
DCF Attributable to MPLX for 2021	Below \$3,757	\$3,757	\$4,174	\$4,383
DCF Attributable to MPLX for 2022	To be submitted for approval January 2022			
	<90% of Annual Business Plan DCF	90% of Annual Business Plan DCF	100% of Annual Business Plan DCF	105% of Annual Business Plan DCF

In January 2021, the MPLX Committee certified the final relative TUR and DCF results for the 2018 MPLX performance units as follows (\$ in millions):

TUR Measurement Period	Actual TUR (%)	Position	Percentile Ranking (%)	TUR Payout Percentage (% of Target)
1/1/2018–12/31/2018	-4.16	6th of 9	37.50	68.75
1/1/2019–12/31/2019	-13.83	5th of 6	20.00	—
1/1/2020–12/31/2020	0.17	1st of 6	100.00	200.00
1/1/2018–12/31/2020	-16.35	2nd of 6	80.00 *	100.00
			Average:	92.19

* Although our performance percentile ranking of 80.00% relative to our peers for the January 1, 2020, through December 31, 2020, performance period would have resulted in a payout percentage higher than 100%, our program is designed such that payout is capped at 100% in years when TUR is negative to provide alignment with our unitholders.

DCF Performance Period	Below Threshold	Threshold	Target	Maximum	Actual DCF Attributable to MPLX	DCF Payout Percentage (% of Target)
1/1/2018-12/31/2018	Below \$2,335	\$2,335	\$2,595	\$2,725	\$2,781	200.00
1/1/2019-12/31/2019	Below \$3,797	\$3,797	\$4,219	\$4,430	\$4,100	85.90
1/1/2020-12/31/2020	Below \$3,775	\$3,775	\$4,194	\$4,404	\$4,327	163.42
					Average:	149.77

The MPLX Committee determined to make no pandemic-related adjustments to or relaxing of performance levels under the MPLX 2018 performance units. The average TUR payout percentage and the average DCF payout percentage were averaged (120.98%) and applied to each NEO's target award as follows:

	Hennigan	Beall	Gagle	Floerke	Aydt	Swearingen
MPLX 2018 Performance Units Granted (#)	875,000	250,000	400,000	250,000	100,000	250,000
Payout (\$)	1,058,575	302,450	483,920	302,450	120,980	302,450

MPLX performance units granted to our current NEOs in 2019 and 2020 remain outstanding. See the "2020 Grants of Plan-Based Awards" and "Outstanding Equity Awards at 2020 Fiscal Year-End" tables below for additional information about these awards.

MPC Synergy Performance Units

In January 2019, MPC's Compensation Committee awarded our NEOs synergy performance units under a performance unit incentive program designed to promote MPC's realization (or "capture") of annual run-rate synergies in connection with the integration of Andeavor, which MPC acquired on October 1, 2018.

The MPC synergy performance units are payable in cash upon the achievement of the following performance targets during each applicable performance period, with the payout for performance between levels determined using linear interpolation.

Performance Level	October 1, 2018 through December 31, 2019		January 1, 2020 through December 31, 2020		January 1, 2021 through December 31, 2021	
	Synergy Capture Performance	Payout Percentage	Synergy Capture Performance	Payout Percentage	Synergy Capture Performance	Payout Percentage
Maximum	\$960 million	200%	\$1,420 million	200%	\$2,000 million	200%
Target	\$480 million	100%	\$710 million	100%	\$1,000 million	100%
Threshold	\$240 million	50%	\$355 million	50%	\$500 million	50%
Below threshold	Below \$240 million	0%	Below \$355 million	0%	Below \$500 million	0%

The MPC synergy performance units generally vest and are payable following completion of each performance period. Earlier vesting may occur in the event of a participant's death or termination of employment, a change in control or if the captured synergies reach \$2.0 billion prior to the completion of the final performance period. Each MPC synergy performance unit had a target value of \$1.00, and the actual payout could vary from \$0.00 to \$2.00 (0% to 200% of target).

In January 2021, MPC's Compensation Committee certified the final synergy capture performance for the January 1, 2020, through December 31, 2020, performance period at \$1,189 million, resulting in an initial payout percentage of 168%. However, taking into consideration the demand destruction caused by the global COVID-19 pandemic, overall 2020 business results, and the consequent impact on MPC's share price, MPC's and our CEO recommended that MPC's Compensation Committee exercise its negative discretion, and MPC's Compensation Committee determined it was appropriate to reduce the payout percentage for the 2020 performance period from 168% to 100%, approving the following payouts to our NEOs:

	Hennigan	Beall	Gagle	Floerke	Aydt	Swearingen*
Target Number of MPC Synergy Performance Units for 2020	320,833	166,667	133,334	166,667	100,000	83,334
Payout (\$)	320,833	166,667	133,334	166,667	100,000	83,334

* Mr. Swearingen's target award for this performance period was prorated to reflect eight months of service in 2020 due to his retirement in August 2020. He will not participate in the 2021 performance period.

As noted above in "Compensation Decisions and Allocation," the non-equity elements, including the MPC synergy performance unit payouts, of Mr. Hennigan's, Ms. Gagle's and Mr. Swearingen's compensation are reflected in this table and in the "2020 Summary Compensation Table" below at 55%, 50% and 75%, respectively, to reflect the portions of their time allocated to us for 2020 under our omnibus agreement.

The following synergy performance units granted to our current NEOs in 2019 for the January 1, 2021, through December 31, 2021, performance period remain outstanding: Mr. Hennigan, 320,834; Ms. Beall, 166,667; Ms. Gagle, 133,334; Mr. Floerke, 166,667; and Mr. Aydt, 100,000.

OTHER BENEFITS

We do not sponsor any benefit plans, programs or policies such as healthcare, life insurance, income protection or retirement benefits for our NEOs, and we do not provide perquisites. However, those types of benefits are generally provided to our NEOs by MPC. MPC makes all determinations with respect to such benefits without input from our Board or us. MPC bears the full cost of these programs, and no portion is charged back to us. We have summarized the material elements of these programs below.

Retirement Benefits

Retirement benefits provided to our NEOs are designed by MPC to be consistent in value and aligned with benefits offered by the other companies with which MPC competes for talent. Benefits under MPC's qualified and nonqualified plans are described in more detail in "Post-Employment Benefits for 2020" and "2020 Nonqualified Deferred Compensation."

Severance Benefits

We and MPC maintain change in control plans designed to (i) preserve executives' economic motivation to consider a business combination that might result in job loss and (ii) compete effectively in attracting and retaining executives in an industry that features frequent mergers, acquisitions and divestitures. Our change in control benefits are described further in "Potential Payments upon Termination or Change in Control."

Perquisites

Our NEOs receive limited perquisites, which are consistent with those offered by MPC's peer group companies.

Tax and Financial Planning Services

- MPC generally reimburses our NEOs for certain tax, estate and financial planning services up to \$15,000 per year while serving as an executive officer and \$3,000 in the year following retirement or death.

Health and Well-being

- Under MPC's enhanced annual physical health program, our senior management, including our NEOs, are eligible for a comprehensive physical (generally in the form of a one-day appointment), with procedures similar to those available to all other employees under MPC's health program.

Reportable values for these perquisite programs, based on the incremental costs to MPC, are included in the "All Other Compensation" column of the "2020 Summary Compensation Table."

COMPENSATION GOVERNANCE

Unit Ownership Guidelines

Our unit ownership guidelines align our executive officers' long-term interests with those of our unitholders. These guidelines require the executive officers in the positions shown below to hold a specified level of MPLX common units. The targeted levels vary depending upon the executive's position and responsibilities:

Position	Number of Units to Be Held
Chairman, President and Chief Executive Officer	25,000
Executive Vice Presidents	15,000
General Counsel	10,000
Senior Vice Presidents	10,000
Vice Presidents	5,000

Each executive is expected to meet these guidelines within five years of his or her assumption of the applicable position. The guidelines also require that these officers hold all common units distributed in settlement of phantom units or performance units for a minimum of one year following the vesting date.

Prohibition on Derivatives and Hedging

Under our policy on trading of securities, none of our directors, officers (including our NEOs) or certain MPC employees designated under the policy may purchase or sell any financial instrument, including but not limited to put or call options, the price of which is affected in whole or in part by changes in the price of our securities, unless such financial instrument was issued by us to such director, officer or covered employee. Further, no director, officer or covered employee may participate in any hedging transaction related to our securities. This policy ensures that our directors, officers and covered employees bear the full risk of MPLX common unit ownership.

Recoupment/Clawback Policy

MPC's ACB and LTI programs provide for recoupment in the case of certain forfeiture events. In addition, our incentive compensation plans provide that all awards granted thereunder will be subject to clawback or

recoupment in the case of certain forfeiture events. If the SEC or our Audit Committee requires us to prepare a material accounting restatement due to noncompliance with any financial reporting requirement under applicable securities laws as a result of misconduct, the Audit Committee may determine that a forfeiture event has occurred based on an assessment of whether an executive officer: (i) knowingly engaged in misconduct; (ii) was grossly negligent with respect to misconduct; (iii) knowingly failed or was grossly negligent in failing to prevent misconduct; or (iv) engaged in fraud, embezzlement or other similar misconduct materially harmful to us.

If it is determined that a forfeiture event has occurred, an executive officer's unvested phantom units and performance units would be subject to immediate forfeiture. If a forfeiture event occurred either while the executive officer was employed, or within three years after termination of employment, and the executive officer has received any payment in settlement of performance units, we may recoup an amount in cash or units up to the amount paid in settlement of the performance units.

These recoupment provisions are in addition to any clawback provisions under Section 304 of the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, NYSE listing standards and other applicable law.

Compensation-Based Risk Assessment

The independent members of our Board regularly review our policies and practices in compensating our service providers (including both executive officers and non-executives, if any) as they relate to our risk management profile. At the most recent review of our compensation program, our independent directors concluded that any risks arising from our compensation policies and practices were not reasonably likely to have a material adverse effect on our financial statements.

Compensation Committee Interlocks and Insider Participation

Compensation matters are determined by the independent directors of our Board, with input from Mr. Hennigan, our Chairman, President and CEO. See "Director Independence" in Item 10. Directors, Executive Officers and Corporate Governance for more information about our independent directors. Mr. Hennigan is also an executive officer and director of MPC. Mr. Heminger, our former Chairman (until April 29, 2020), also served as President and CEO (until March 17, 2020) and Chairman (until April 29, 2020) of MPC. During 2020, none of our other executive officers served as a member of a compensation committee or board of directors of another entity that has an executive officer serving as a member of our Board.

COMPENSATION COMMITTEE REPORT

Our independent directors have reviewed and discussed the Compensation Discussion and Analysis for 2020 with management and, based on such review and discussions, recommended to the Board that the Compensation Discussion and Analysis be included in this Annual Report on Form 10-K for the year ended December 31, 2020.

Michael L. Beatty
Christopher A. Helms
Garry L. Peiffer
Dan D. Sandman
Frank M. Semple
J. Michael Stice
John P. Surma

EXECUTIVE COMPENSATION TABLES

2020 SUMMARY COMPENSATION TABLE

The following table provides information regarding compensation for our 2020 NEOs for the years shown:

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Michael J. Hennigan	2020	653,125	8,988,339	1,104,000	1,693,633	242,057	195,426	12,876,580
Chairman, President and CEO of MPLX	2019	954,167	2,215,393	888,005	3,166,666	245,801	186,835	7,656,867
	2018	875,000	1,949,566	525,008	1,600,000	152,366	161,740	5,263,680
Pamela K.M. Beall	2020	563,750	671,413	240,000	585,667	194,300	118,937	2,374,067
Executive Vice President and CFO	2019	556,250	598,772	240,009	1,008,332	197,733	98,844	2,699,940
	2018	540,000	557,058	150,007	670,000	178,266	96,657	2,191,988
Suzanne Gagle	2020	321,875	1,342,778	480,000	388,334	196,900	75,690	2,805,577
General Counsel	2019	306,250	1,077,758	432,007	641,666	218,049	61,176	2,736,906
Gregory S. Floerke	2020	545,000	671,413	240,000	574,667	161,979	114,411	2,307,470
Executive Vice President and Chief Operating Officer	2019	536,250	598,772	240,009	953,332	125,985	87,453	2,541,801
	2018	506,250	557,058	150,007	610,000	93,153	84,350	2,000,818
Timothy J. Ayd	2020	370,000	402,861	144,000	350,000	348,188	74,307	1,689,356
Executive Vice President and Chief Commercial Officer								
John S. Swearingen	2020	273,750	2,355,226	240,000	83,334	197,021	806,366	3,955,697
<i>Former</i> Executive Vice President, Logistics and Storage	2019	402,188	598,772	240,009	714,999	783,720	63,084	2,802,772
	2018	389,063	557,058	150,007	457,500	—	61,608	1,615,236

Salary shows the actual amount earned during the year. Mr. Hennigan’s 2020, 2019 and 2018 amounts are shown at 55%, 100% and 100%, respectively, to reflect the portion of his time allocated to us under our omnibus agreement for each applicable year. Amounts for Ms. Gagle and Mr. Swearingen are shown at 50% and 75%, respectively, to reflect the portions of their time allocated to us under our omnibus agreement for each applicable year. See the base salary overview in the CD&A for additional information on base salaries for 2020.

Stock Awards and **Option Awards** reflect the aggregate grant date fair value of LTI awarded in the applicable year calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification 718, Compensation—Stock Compensation (“FASB ASC Topic 718”). See Item 8. Financial Statements and Supplementary Data, Note 21 of this report and Note 27 to MPC’s financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2020, for assumptions used to determine the values of these awards.

MPC’s Compensation Committee and the MPLX Committee approved a modification, effective July 29, 2020, to the MPC RSUs/restricted stock, MPC performance units, MPLX phantom units and MPLX performance units awarded to certain officers in 2018, 2019 and 2020, providing for full vesting of such awards in the event of an officer’s approved voluntary retirement. On August 10, 2020, Mr. Swearingen notified us of his intent to retire effective August 28, 2020. Accordingly, the 2020 amount shown for Mr.

Swearingen under “Stock Awards” includes (i) the grant date fair value of LTI awarded to him in March 2020 (the grant date fair value of which was \$911,413), plus (ii) the July 29, 2020, modification fair value associated with the 2018, 2019 and 2020 awards that vested upon his retirement in August, in each case calculated in accordance with FASB ASC Topic 718. See the “2020 Grants of Plan-Based Awards” table below for detailed information about the reportable amounts regarding each award.

Performance Units granted in 2020 are included in the Stock Awards column for 2020. Their maximum value at grant date, assuming the highest level of performance achieved, is:

	Hennigan	Beall	Gagle	Floerke	Aydt	Swearingen
MPC Performance Units (\$)	3,680,000	800,000	1,600,000	800,000	480,000	800,000
MPLX Performance Units (\$)	920,000	200,000	400,000	200,000	120,000	200,000

Non-Equity Incentive Plan Compensation reflects the total ACB award earned for the year indicated, paid the following year. Amounts for 2019 and 2020 also include payouts under the synergy performance units for the performance periods from October 1, 2018, through December 31, 2019, and January 1, 2020, through December 31, 2020, respectively. Mr. Hennigan’s 2020, 2019 and 2018 amounts are shown at 55%, 100% and 100%, respectively, of the total value of his awards to reflect the portions of his time allocated to us under the omnibus agreement for each applicable year. Amounts for Ms. Gagle and Mr. Swearingen are shown at 50% and 75%, respectively, of the total value of their awards to reflect the portions of their time allocated to us under the omnibus agreement for each applicable year. The lump sum cash payout Mr. Swearingen received upon his retirement in August 2020, which includes a portion attributable to his prorated target bonus under the 2020 ACB program, is included in the “Other” column and discussed in further detail below.

Change in Pension Value and Nonqualified Deferred Compensation Earnings reflects the annual change in actuarial present value of accumulated benefits under the MPC retirement plans. See “Post-Employment Benefits for 2020” for more information about the defined benefit plans and the assumptions used to calculate these amounts. No deferred compensation earnings are reported as our nonqualified deferred compensation plans do not provide above-market or preferential earnings. Mr. Hennigan’s 2020, 2019 and 2018 amounts are shown at 55%, 100% and 100%, respectively, to reflect the portion of his time allocated to us under the omnibus agreement for each applicable year. Amounts for Ms. Gagle and Mr. Swearingen are shown at 50% and 75%, respectively, to reflect the portions of their time allocated to us under the omnibus agreement for each applicable year.

All Other Compensation aggregates contributions to defined contribution plans and the limited perquisites MPC offers to our NEOs, which are described in more detail in the perquisites overview in the CD&A.

Name	Company Physicals (\$)	Tax and Financial Planning (\$)	Company Contributions to Defined Contribution Plans (\$)	Other (\$)	Total All Other Compensation (\$)
Hennigan	3,879	10,521	181,026	—	195,426
Beall	3,879	2,667	112,391	—	118,937
Gagle	3,879	2,030	69,781	—	75,690
Floerke	3,879	3,200	107,332	—	114,411
Aydt	3,879	1,735	68,693	—	74,307
Swearingen	3,879	15,000	71,427	716,060	806,366

Company Contributions to Defined Contribution Plans reflect MPC’s contributions under its tax-qualified retirement plans and related nonqualified deferred compensation plans. For Mr. Hennigan, Ms. Gagle and Mr. Swearingen, these amounts are shown at 55%, 50% and 75%, respectively, to reflect the portions of their time allocated to us for 2020 under the omnibus agreement. See “Post-Employment Benefits for 2020” and “2020 Nonqualified Deferred Compensation” for more information.

Other for Mr. Swearingen includes a \$707,983 lump sum payment upon his retirement, which consisted of 62 weeks of salary (\$500,769) and an amount attributable to his target bonus (\$207,214) under the 2020 ACB program based on his eligible earnings for 2020, and a \$8,077 lump sum payment for his earned but unused vacation benefit upon his retirement. These amounts are shown at 75% to reflect the portion of his time allocated to us for 2020 under the omnibus agreement.

2020 GRANTS OF PLAN-BASED AWARDS

The following table provides information regarding MPC plan-based awards, including cash-based incentive awards and equity-based awards, granted by MPC's Compensation Committee to our NEOs in 2020, as well as all MPLX plan-based awards granted by the MPLX Committee to our NEOs in 2020.

Name	Type of Award	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (\$)	Target (\$)	Maximum (\$)				
Hennigan												
MPC Annual Cash Bonus			—	1,320,000	2,640,000							
MPC Stock Options	3/1/2020								112,999	47.73	1,104,000	
MPC RSUs	3/1/2020							15,421			736,044	
MPC RSUs	3/17/2020 *							290,641			5,900,012	
MPC Performance Units	3/1/2020					230,000	1,840,000	3,680,000			1,631,344	
MPLX Phantom Units	3/1/2020							22,920			460,004	
MPLX Performance Units	3/1/2020					28,750	460,000	920,000			260,935	
Beall												
MPC Annual Cash Bonus			—	402,500	805,000							
MPC Stock Options	3/1/2020								24,565	47.73	240,000	
MPC RSUs	3/1/2020							3,353			160,039	
MPC Performance Units	3/1/2020					50,000	400,000	800,000			354,640	
MPLX Phantom Units	3/1/2020							4,983			100,009	
MPLX Performance Units	3/1/2020					6,250	100,000	200,000			56,725	
Gagle												
MPC Annual Cash Bonus			—	245,000	490,000							
MPC Stock Options	3/1/2020								49,130	47.73	480,000	
MPC RSUs	3/1/2020							6,705			320,030	
MPC Performance Units	3/1/2020					100,000	800,000	1,600,000			709,280	
MPLX Phantom Units	3/1/2020							9,966			200,018	
MPLX Performance Units	3/1/2020					12,500	200,000	400,000			113,450	
Floerke												
MPC Annual Cash Bonus			—	392,000	784,000							
MPC Stock Options	3/1/2020								24,565	47.73	240,000	
MPC RSUs	3/1/2020							3,353			160,039	
MPC Performance Units	3/1/2020					50,000	400,000	800,000			354,640	
MPLX Phantom Units	3/1/2020							4,983			100,009	
MPLX Performance Units	3/1/2020					6,250	100,000	200,000			56,725	
Aydt												
MPC Annual Cash Bonus			—	240,000	480,000							
MPC Stock Options	3/1/2020								14,739	47.73	144,000	
MPC RSUs	3/1/2020							2,012			96,033	
MPC Performance Units	3/1/2020					30,000	240,000	480,000			212,784	
MPLX Phantom Units	3/1/2020							2,990			60,009	
MPLX Performance Units	3/1/2020					3,750	60,000	120,000			34,035	
Swearingen												
MPC Annual Cash Bonus			—	294,000	588,000							
MPC Stock Options	3/1/2020								24,565	47.73	240,000	
MPC RSUs	3/1/2020							3,353			160,039	
MPC RSUs	7/29/2020							5,570			222,299	
MPC Performance Units	3/1/2020					50,000	400,000	800,000			354,640	
MPC Performance Units	7/29/2020					131,250	1,050,000	2,100,000			887,405	
MPLX Phantom Units	3/1/2020							4,983			100,009	
MPLX Phantom Units	7/29/2020							9,382			174,224	
MPLX Performance Units	3/1/2020					6,250	100,000	200,000			56,725	
MPLX Performance Units	7/29/2020					28,125	450,000	900,000			399,885	

* As discussed above under “Long-Term Incentive (“LTI”) Compensation Program,” Mr. Hennigan was appointed as MPC’s President and CEO effective March 17, 2020. On that date, MPC’s Compensation Committee awarded him an additional grant of MPC RSUs to meet the LTI target it had set for the CEO role, which for 2020 was 15% below the market median.

Approval Dates. The MPC awards granted on March 1, 2020, and March 17, 2020, were approved by MPC's Compensation Committee on February 25, 2020, and March 17, 2020, respectively. The MPLX awards granted on March 1, 2020, were approved by the MPLX Committee on February 25, 2020.

MPC's Compensation Committee and the MPLX Committee approved a modification, effective July 29, 2020, to the MPC RSUs, MPC performance units, MPLX phantom units and MPLX performance units awarded to certain officers, including Mr. Swearingen, in 2018, 2019 and 2020, providing for full vesting of such awards in the event of such officer's approved voluntary retirement. On August 10, 2020, Mr. Swearingen notified us of his intent to retire effective August 28, 2020. Accordingly, the July 29, 2020, awards shown for Mr. Swearingen represent the modification fair values associated with the 2018, 2019 and 2020 awards that vested on August 31, 2020, pursuant to his approved voluntary retirement.

MPC Stock Options generally vest in equal installments on the first, second and third anniversaries of the grant date and expire 10 years after the grant date. The exercise price is equal to the closing price of MPC's common stock on the grant date, or the next business day if the grant date did not fall on a business day. Option holders do not have voting rights or receive dividends on the underlying stock.

MPC RSUs generally vest in equal installments on the first, second and third anniversaries of the grant date. Unvested RSUs accrue dividend equivalents, which are paid on the scheduled vesting dates. Holders of unvested RSUs do not have voting rights.

MPC Performance Units generally vest following a 36-month performance period and are settled 25% in MPC common stock and 75% in cash. Unvested performance units do not accrue dividends or dividend equivalents and do not have voting rights. The target amounts shown reflect the number of performance units granted, each of which has a target value of \$1.00. The threshold, which is the minimum possible payout, is achieved when the payout percentage is 50% for one TSR measurement period and 0% for the other three TSR measurement periods, resulting in an average payout percentage of 12.5%. The maximum payout is 200% of target.

MPLX Phantom Units generally vest in equal installments on the first, second and third anniversaries of the grant date and are settled in MPLX common units. Distribution equivalents accrue on the phantom unit awards and are paid on the scheduled vesting dates. Holders of unvested phantom units have no voting rights.

MPLX Performance Units generally vest following a 36-month performance period and are settled 25% in MPLX common units and 75% in cash. Unvested performance units do not accrue cash distributions or distribution equivalents or have voting rights. The target amounts shown reflect the number of performance units granted, each of which has a target value of \$1.00. The threshold, which is the minimum possible payout, is achieved when the payout percentage is 0% for the DCF metric, 50% for one TUR measurement period and 0% for the other three TUR measurement periods, resulting in an average payout percentage of 6.25%. The maximum payout is 200% of target.

Grant Date Fair Value reflects the total grant date fair value of each equity award calculated in accordance with FASB ASC Topic 718, as discussed further in Note 21 to our financial statements included in Item 8. Financial Statements and Supplementary Data and in Note 27 to MPC's financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2020. The Black-Scholes value used for the MPC stock options was \$9.77 per share. The MPC RSU values are based on the MPC common stock closing price on the grant (or modification) date, or the next business day if the grant (or modification) date did not fall on a business day, which was \$47.73, \$20.30 and \$39.91 for the March 1, 2020, March 17, 2020, and July 29, 2020 awards, respectively. The MPC performance units value was \$0.8866 per unit (for the July 29, 2020, awards, \$0.9037, \$0.8508 and \$0.8029 per unit for the respective 2018, 2019 and 2020 performance years), using a Monte Carlo valuation model. The MPLX phantom unit value is based on the MPLX common unit closing price on the grant (or modification) date, or the next business day if the grant (or modification) date did not fall on a business day, which was \$20.07 and \$18.57 for the March 1, 2020, and July 29, 2020, awards, respectively. The portion (50%) of the MPLX performance units attributable to the TUR metric has a value of \$0.8012 per unit (for the July 29, 2020, awards, \$0.7174, \$0.7200 and \$0.9842 per unit for the respective 2018, 2019 and 2020 performance years) using a Monte Carlo valuation model, and the portion (50%) attributable to the DCF metric has values of \$1.00, \$0.00 and \$0.00 for the respective 2020, 2021 and 2022 performance years (for the July 29, 2020 awards originally granted in 2018, 2019 and 2020, \$1.00 for each performance year).

OUTSTANDING EQUITY AWARDS AT 2020 FISCAL YEAR-END

The following table provides information regarding the outstanding equity awards held by our NEOs as of December 31, 2020.

Name	Grant Date	Option Awards				Stock Awards			
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested (\$)
Hennigan	3/1/2018	30,225	—	64.79	3/1/2028	MPC			
	3/1/2019	61,925	—	62.68	3/1/2029	310,608	12,846,747	3,320,000	6,640,000
	3/1/2020	—	112,999	47.73	3/1/2030	MPLX			
		92,150	112,999			38,080	824,432	830,000	1,660,000
Beall	3/1/2014	21,874	—	41.69	3/1/2024				
	3/1/2015	20,150	—	50.89	3/1/2025				
	3/1/2016	17,052	—	34.63	3/1/2026				
	3/1/2017	4,776	—	50.99	3/1/2027				
	3/1/2018	8,636	—	64.79	3/1/2028	MPC			
	3/1/2019	16,737	—	62.68	3/1/2029	4,597	190,132	800,000	1,600,000
	3/1/2020	—	24,565	47.73	3/1/2030	MPLX			
	89,225	24,565			9,205	199,288	200,000	400,000	
Gagle	5/25/2011	8,080	—	22.36	5/25/2021				
	12/5/2011	1,310	—	17.20	12/5/2021				
	4/2/2012	4,210	—	21.72	4/2/2022				
	4/1/2013	2,370	—	44.92	4/1/2023				
	4/1/2014	3,006	—	44.77	4/1/2024				
	4/1/2015	4,120	—	50.88	4/1/2025				
	3/1/2016	25,678	—	34.63	3/1/2026				
	3/1/2017	26,967	—	50.99	3/1/2027				
	3/1/2018	13,817	—	64.79	3/1/2028	MPC			
	3/1/2019	30,126	—	62.68	3/1/2029	8,858	366,367	1,520,000	3,040,000
	3/1/2020	—	49,130	47.73	3/1/2030	MPLX			
		119,684	49,130			17,101	370,237	380,000	760,000
Floerke	3/1/2017	4,495	—	50.99	3/1/2027				
	3/1/2018	8,636	—	64.79	3/1/2028	MPC			
	3/1/2019	16,737	—	62.68	3/1/2029	4,594	190,008	800,000	1,600,000
	3/1/2020	—	24,565	47.73	3/1/2030	MPLX			
	29,868	24,565			45,680	988,972	200,000	400,000	
Aydt	12/5/2011	3,390	—	17.20	12/5/2021				
	4/2/2012	4,210	—	21.72	4/2/2022				
	4/1/2013	3,746	—	44.92	4/1/2023				
	4/1/2014	4,810	—	44.77	4/1/2024				
	4/1/2015	6,556	—	50.88	4/1/2025				
	4/1/2016	9,106	—	36.39	4/1/2026				
	4/1/2017	7,589	—	49.94	4/1/2027				

Name	Option Awards					Stock Awards			
	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested (\$)
	4/1/2018	5,907	—	71.80	4/1/2028	MPC			
	3/1/2019	10,042	—	62.68	3/1/2029	3,094	127,968	480,000	960,000
	3/1/2020	—	14,739	47.73	3/1/2030	MPLX			
		55,356	14,739			5,125	110,956	120,000	240,000
Swearingen	2/29/2012	33,614	—	20.78	3/1/2022				
	2/27/2013	16,610	—	41.37	2/27/2023				
	3/1/2014	17,372	—	41.69	3/1/2024				
	3/1/2015	20,150	—	50.89	3/1/2025				
	3/1/2016	32,097	—	34.63	8/31/2025				
	3/1/2017	14,045	—	50.99	8/31/2025				
	3/1/2018	8,636	—	64.79	8/31/2025	MPC			
	3/1/2019	16,737	—	62.68	8/31/2025	4,571	189,057	800,000	1,600,000
	3/1/2020	24,565	—	47.73	8/31/2025	MPLX			
		183,826	—			9,031	195,521	200,000	400,000

MPC Stock Options generally vest in equal installments on the first, second and third anniversaries of the grant date and expire 10 years after the grant date. Pursuant to award agreement amendments made in 2019 for retention purposes (as further amended in December 2020 for administrative purposes), stock options granted to the NEOs (other than Mr. Swearingen) in 2018 and 2019 became non-forfeitable on December 28, 2020. Mr. Swearingen’s unvested stock options became non-forfeitable upon his retirement and are exercisable for a period of five years following that date.

Unvested Shares and Units reflect the number of unvested MPC RSUs/shares of restricted stock and MPLX phantom units held on December 31, 2020. MPC RSUs/restricted stock and MPLX phantom units generally vest in equal installments on the first, second and third anniversaries of the grant date.

Pursuant to award agreement amendments made in 2019 for retention purposes (as further amended in December 2020 for administrative purposes), MPC restricted stock and MPLX phantom unit awards granted to the NEOs (other than Mr. Swearingen) in 2018 and 2019 became “non-forfeitable” for tax purposes on December 28, 2020. Similarly, Mr. Swearingen’s 2018, 2019 and 2020 MPC restricted stock/RSUs and MPLX phantom unit awards became “non-forfeitable” for tax purposes upon his retirement in August 2020. When an award becomes non-forfeitable, certain taxes are immediately due. So that the participants do not have an out-of-pocket expense for these awards that have not yet distributed, the award is instead reduced to cover the tax obligation. These awards continue to be reflected in the following table as they remain subject to distribution on their original vesting dates; however, the portion used to pay the associated taxes has been excluded from this table and is instead included in the “Option Exercises and Stock Vested in 2020” table below.

Name	MPC RSUs/Restricted Stock			MPLX LP Phantom Units		
	Grant Date	Number of Unvested Shares	Vesting Dates	Grant Date	Number of Unvested Units	Vesting Dates
Hennigan	3/1/2018	1,011	3/1/2021	3/1/2018	8,024	3/1/2021
	3/1/2019	3,535	3/1/2021, 3/1/2022	3/1/2019	7,136	3/1/2021, 3/1/2022
	3/1/2020	15,421	3/1/2021, 3/1/2022, 3/1/2023	3/1/2020	22,920	3/1/2021, 3/1/2022, 3/1/2023
	3/17/2020	290,641	3/17/2021, 3/17/2022, 3/17/2023		38,080	
		310,608				
Beall	3/1/2018	289	3/1/2021	3/1/2018	2,293	3/1/2021
	3/1/2019	955	3/1/2021, 3/1/2022	3/1/2019	1,929	3/1/2021, 3/1/2022
	3/1/2020	3,353	3/1/2021, 3/1/2022, 3/1/2023	3/1/2020	4,983	3/1/2021, 3/1/2022, 3/1/2023
		4,597		9,205		
Gagle	3/1/2018	456	3/1/2021	3/1/2018	3,666	3/1/2021
	3/1/2019	1,697	3/1/2021, 3/1/2022	3/1/2019	3,469	3/1/2021, 3/1/2022
	3/1/2020	6,705	3/1/2021, 3/1/2022, 3/1/2023	3/1/2020	9,966	3/1/2021, 3/1/2022, 3/1/2023
		8,858		17,101		
Floorke	3/1/2018	288	3/1/2021	12/18/2015	36,476	Upon termination without cause
	3/1/2019	953	3/1/2021, 3/1/2022	3/1/2018	2,292	3/1/2021
	3/1/2020	3,353	3/1/2021, 3/1/2022, 3/1/2023	3/1/2019	1,929	3/1/2021, 3/1/2022
		4,594		3/1/2020	4,983	3/1/2021, 3/1/2022, 3/1/2023
				45,680		
Aydt	4/1/2018	257	4/1/2021	4/1/2018	979	4/1/2021
	11/1/2018	259	11/1/2021	3/1/2019	1,156	3/1/2021, 3/1/2022
	3/1/2019	566	3/1/2021, 3/1/2022	3/1/2020	2,990	3/1/2021, 3/1/2022, 3/1/2023
	3/1/2020	2,012	3/1/2021, 3/1/2022, 3/1/2023		5,125	
		3,094				
Swearingen	3/1/2018	312	3/1/2021	3/1/2018	2,299	3/1/2021
	3/1/2019	1,032	3/1/2021, 3/1/2022	3/1/2019	1,935	3/1/2021, 3/1/2022
	3/1/2020	3,227	3/1/2021, 3/1/2022, 3/1/2023	3/1/2020	4,797	3/1/2021, 3/1/2022, 3/1/2023
		4,571		9,031		

Market Value of Unvested Shares and Units reflects the aggregate value of all shares of unvested MPC RSUs/restricted stock and MPLX phantom units held on December 31, 2020, using the MPC closing stock price of \$41.36 and the MPLX closing unit price of \$21.65 on that date.

Unvested Equity Incentive Plan Awards reflect the number of unvested MPC performance units and MPLX performance units held on December 31, 2020. MPC and MPLX performance units generally vest following a 36-month performance period; however, pursuant to award agreement amendments made in 2019 for retention purposes (as further amended in December 2020 for administrative purposes), the 2019 MPC and MPLX performance units shown in the table below for our NEOs became non-forfeitable for tax purposes on December 28, 2020. The 2019 and 2020 MPC and MPLX performance units shown for Mr. Swearingen became non-forfeitable for tax purposes upon his retirement. The performance cycles for the 2019 and 2020 awards remain unchanged.

Name	MPC Performance Units			MPLX Performance Units		
	Grant Date	Number of Unvested Units	Performance Cycle	Grant Date	Number of Unvested Units	Performance Cycle
Hennigan	3/1/2019	1,480,000	1/1/2019 - 12/31/2021	3/1/2019	370,000	1/1/2019 - 12/31/2021
	3/1/2020	1,840,000	1/1/2020 - 12/31/2022	3/1/2020	460,000	1/1/2020 - 12/31/2022
		3,320,000			830,000	
Beall	3/1/2019	400,000	1/1/2019 - 12/31/2021	3/1/2019	100,000	1/1/2019 - 12/31/2021
	3/1/2020	400,000	1/1/2020 - 12/31/2022	3/1/2020	100,000	1/1/2020 - 12/31/2022
		800,000			200,000	
Gagle	3/1/2019	720,000	1/1/2019 - 12/31/2021	3/1/2019	180,000	1/1/2019 - 12/31/2021
	3/1/2020	800,000	1/1/2020 - 12/31/2022	3/1/2020	200,000	1/1/2020 - 12/31/2022
		1,520,000			380,000	

Name	MPC Performance Units			MPLX Performance Units		
	Grant Date	Number of Unvested Units	Performance Cycle	Grant Date	Number of Unvested Units	Performance Cycle
Floerke	3/1/2019	400,000	1/1/2019 - 12/31/2021	3/1/2019	100,000	1/1/2019 - 12/31/2021
	3/1/2020	400,000	1/1/2020 - 12/31/2022	3/1/2020	100,000	1/1/2020 - 12/31/2022
		800,000			200,000	
Ayd	3/1/2019	240,000	1/1/2019 - 12/31/2021	3/1/2019	60,000	1/1/2019 - 12/31/2021
	3/1/2020	240,000	1/1/2020 - 12/31/2022	3/1/2020	60,000	1/1/2020 - 12/31/2022
		480,000			120,000	
Swearingen	3/1/2019	400,000	1/1/2019 - 12/31/2021	3/1/2019	100,000	1/1/2019 - 12/31/2021
	3/1/2020	400,000	1/1/2020 - 12/31/2022	3/1/2020	100,000	1/1/2020 - 12/31/2022
		800,000			200,000	

Market Value of Unvested Equity Incentive Plan Awards. Amounts shown for MPC awards reflect the aggregate value of all MPC performance units held on December 31, 2020, assuming payouts of 200% and 200% per unit for the 2019 and 2020 awards, respectively, which is the next higher performance achievement that exceeds the performance for these awards' measurement period ended December 31, 2020. Amounts shown for MPLX awards reflect the aggregate value of all MPLX performance units held on December 31, 2020, assuming payouts of 200% and 200% per unit for the 2019 and 2020 awards, respectively, which is the next higher performance achievement that exceeds the performance for these awards' measurement period ended December 31, 2020.

OPTION EXERCISES AND STOCK VESTED IN 2020

The following table provides information regarding MPC stock options exercised by our NEOs in 2020, as well as shares of MPC RSUs/restricted stock and MPLX phantom units vested in 2020.

Name		Option Awards		Stock/Unit Awards	
		Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares/Units Acquired on Vesting (#)	Value Realized on Vesting (\$)
Hennigan	MPC	—	—	22,312	884,898
	MPLX			98,383	1,742,551
Beall	MPC	—	—	2,562	114,282
	MPLX			6,551	131,795
Gagle	MPC	—	—	5,345	240,243
	MPLX			6,987	140,731
Floerke	MPC	—	—	2,552	113,794
	MPLX			6,377	128,303
Ayd	MPC	15,148	295,013	3,404	119,207
	MPLX			2,563	34,877
Swearingen	MPC	40,750	705,619	3,019	135,558
	MPLX			5,936	120,160

Value Realized on Exercise reflects the actual pre-tax gain realized by our NEOs upon exercise of stock options, which is the fair market value of the shares at exercise less the per share grant price. The stock options reflected in this table were due to expire in May 2021.

Number of Shares/Units Acquired on Vesting includes the following numbers of shares/units used to pay the taxes associated with the vesting of certain awards held by the NEOs due to certain awards and award amendments, as discussed further under "Outstanding Equity Awards at 2020 Fiscal Year-End": Mr. Hennigan, 3,552 shares of MPC restricted stock and 635 MPLX phantom units; Ms. Beall, 973 shares of MPC restricted stock and 177 MPLX phantom units; Ms. Gagle, 1,735 shares of MPC restricted stock and 304 MPLX phantom units; Mr. Floerke, 976 shares of MPC restricted stock and 178 MPLX phantom units;

Mr. Ayd, 874 shares of MPC restricted stock and 92 MPLX phantom units; Mr. Swearingen, 999 shares of MPC RSUs/restricted stock and 351 MPLX phantom units.

Value Realized on Vesting reflects the actual pre-tax gain realized upon vesting of MPC RSUs/restricted stock and MPLX phantom units, which is the fair market value of the shares/units on the vesting date.

POST-EMPLOYMENT BENEFITS FOR 2020

2020 Pension Benefits

MPC provides tax-qualified retirement benefits to its employees, including our NEOs, under the MPC Retirement Plan. In addition, MPC sponsors the MPC Excess Benefit Plan for the benefit of a select group of management or highly compensated employees.

The following table reflects the actuarial present value of accumulated benefits payable to our NEOs under the MPC Retirement Plan and the defined benefit portion of the MPC Excess Benefit Plan as of December 31, 2020. These values have been determined using actuarial assumptions consistent with those used in MPC's financial statements.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
Hennigan*	MPC Retirement Plan	3.58	57,464	—
	MPC Excess Benefit Plan	3.58	473,062	—
Beall	MPC Retirement Plan	18.67	930,661	—
	MPC Excess Benefit Plan	18.67	1,950,842	—
Gagle*	MPC Retirement Plan	27.67	653,259	—
	MPC Excess Benefit Plan	27.67	407,678	—
Floerke	MPC Retirement Plan	5.00	133,919	—
	MPC Excess Benefit Plan	5.00	388,795	—
Aydt	MPC Retirement Plan	35.58	1,941,150	—
	MPC Excess Benefit Plan	35.58	1,125,031	—
Swearingen*	MPC Retirement Plan	39.25	1,795,561	—
	MPC Excess Benefit Plan	39.25	2,857,556	178,979

* Dollar values for Mr. Hennigan, Ms. Gagle and Mr. Swearingen are shown at 55%, 50% and 75%, respectively, to reflect the portions of their time allocated to us for 2020 under our omnibus agreement.

Number of Years Credited Service shows the number of years the NEO has participated in each plan. Plan participation service used to calculate each participant's benefit under the MPC Retirement Plan legacy final average pay formula was frozen as of December 31, 2009.

Present Value of Accumulated Benefit for the MPC Retirement Plan was calculated assuming a weighted average discount rate of 2.55%, the RP2000 mortality table for lump sums, a 90% lump sum election rate and retirement at age 62 (or current age, if later). Under the MPC Retirement Plan provisions and actuarial assumptions, the discount rate for lump sum calculations was 0.00%. See "MPC Retirement Plan" below for more detail on the formulas.

MPC Retirement Plan

In general, our NEOs are eligible to participate in the MPC Retirement Plan, which is a tax-qualified defined benefit retirement plan primarily designed to provide participants with income after retirement. The plan has both a “legacy” retirement benefit and a “cash balance” retirement benefit. Prior to 2010, the monthly benefit was determined under the MPC legacy benefit formula.

MPC Legacy Benefit Formula					
	1.6%	×	Monthly Final Average Pay	×	Years of Participation
	-		1.33%	×	Monthly Estimated Primary Social Security Benefit
Monthly Benefit					

Effective January 1, 2010, the formula was amended to (i) cease future accruals of additional participation years, and (ii) as applied to eligible NEOs, cease further compensation updates. No more than 37.5 participation years may be recognized under the formula. Eligible earnings include, but are not limited to, pay for hours worked, pay for allowed hours, military leave allowance, commissions, 401(k) contributions to the MPC Thrift Plan and incentive compensation bonuses. Age continues to be updated under the formula.

Starting in 2010, benefit accruals are determined under a cash balance formula.

MPC Cash Balance Formula									
	Annual Compensation	×	Pay Credit Percentage	⇒	Participants receive pay credit percentages based on the sum of their age and cash balance service:				
	+		Account Balance		×	Interest Credit Rate	Participant Points	Fewer than 50 Points	50-69 Points
Cash Balance Benefit						Pay Credit Percentage	7%	9%	11%

Participants in the plan become fully vested upon completing three years of vesting service. Normal retirement age under the plan is 65.

For the plan’s legacy retirement benefit, a vested participant who is at least age 62 may retire prior to age 65 and receive an unreduced benefit. Ms. Beall has vested legacy retirement benefits under the plan and, based on her age, is eligible to retire and receive an unreduced benefit. Each of Ms. Gagle and Messrs. Aydt and Swearingen have vested legacy retirement benefits under the plan that remain subject to reduction as they have not yet reached age 62. Available benefits include various annuity options and a lump sum distribution option. Participants are eligible for early retirement upon reaching age 50 and completing 10 years of vesting service. If a participant retires between the ages of 50 and 62 with sufficient vesting service, the amount of benefit under the legacy benefit formula is reduced as follows:

Age at Retirement	62	61	60	59	58	57	56	55	54	53	52	51	50
Early Retirement Factor	100 %	97 %	94 %	91 %	87 %	83 %	79 %	75 %	71 %	67 %	63 %	59 %	55 %

For the plan’s cash balance retirement benefit, a vested participant may retire at any age prior to 65 and receive an unreduced benefit. Each NEO has vested cash balance retirement benefits under the plan that are not subject to reduction upon retirement. Under the cash balance formula, plan participants receive pay credits based on age and cash balance service. For 2020, Mses. Beall and Gagle and Messrs. Swearingen and Aydt received pay credits equal to 11% of compensation, which is the highest level of pay credit available under the plan. Messrs. Hennigan and Floerke received pay credits equal to 9% of compensation. There are no early retirement subsidies under the cash balance formula.

MPC Excess Benefit Plan (Defined Benefit Portion)

The MPC Excess Benefit Plan is an unfunded, nonqualified deferred compensation plan maintained for the benefit of a select group of management or highly compensated employees. This plan generally provides benefits that participants, including our NEOs, would have otherwise received under the tax-qualified MPC Retirement Plan were it not for Internal Revenue Code limitations. For our NEOs, eligible earnings under the plan include the items listed above, excluding bonuses, for the MPC Retirement Plan, as well as deferred compensation contributions, for the highest consecutive 36-month period over the 10-year period up to December 31, 2012. This plan also provides an enhancement for executive officers using the three highest bonuses earned over the 10-year period up to December 31, 2012, instead of the consecutive bonus formula in place for non-officers. MPC believes this enhancement is appropriate in light of the greater volatility of executive officer bonuses. As Messrs. Hennigan and Floerke have not accrued a benefit under the Marathon legacy benefit formula, they are not eligible for this enhancement.

Tax-Qualified Defined Contribution Retirement Plan

The MPC Thrift Plan is a tax-qualified, defined contribution retirement plan. In general, all of MPC's employees, including our NEOs, are immediately eligible to participate in the plan. The purpose of the plan is to assist employees in maintaining a steady program of savings to supplement their retirement income and to meet other financial needs.

The MPC Thrift Plan allows eligible employees, such as our NEOs, to make elective deferral contributions to their plan accounts on a pre-tax or after-tax "Roth" basis from 1% to a maximum of 75% of their plan-considered gross pay, with such gross pay limited to the applicable Internal Revenue Code annual compensation limit (\$285,000 for 2020). Eligible employees who are "highly compensated employees" as determined under the Internal Revenue Code, such as our NEOs, may additionally make after-tax contributions to their plan accounts from 1% to 2% of their plan-considered gross pay limited to the applicable Internal Revenue Code annual compensation limit (\$285,000 for 2020). Employer matching contributions are made on such elective deferrals at a rate of 117% up to a maximum of 6% of an employee's plan-considered gross pay. All employee elective deferrals and after-tax contributions, and all employer matching contributions made, are fully vested.

2020 NONQUALIFIED DEFERRED COMPENSATION

The following table provides information regarding MPC's nonqualified savings and deferred compensation plans.

Name	Plan	Executive Contributions in Last Fiscal Year (\$)	MPC Company Contributions in Last Fiscal Year (\$)	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last Fiscal Year-End (\$)
Hennigan*	MPC Deferred Compensation Plan	515,745	170,023	443,490	—	2,080,117
	MPC 2012 Incentive Compensation Plan	—	—	11,912	776	11,136
	MPLX LP 2012 Incentive Compensation Plan	—	—	15,806	1,345	14,461
	MPLX LP 2018 Incentive Compensation Plan	—	—	12,651	781	11,870
Beall	MPC Excess Benefit Plan	—	—	2,822	—	145,302
	MPC Deferred Compensation Plan	—	92,384	159,724	—	1,425,147
	MPC 2012 Incentive Compensation Plan	—	—	5,936	388	5,548
	MPLX LP 2012 Incentive Compensation Plan	—	—	8,212	699	7,513
	MPLX LP 2018 Incentive Compensation Plan	—	—	6,218	384	5,834
Gagle*	MPC Excess Benefit Plan	—	—	1,053	—	54,204
	MPC Deferred Compensation Plan	—	59,777	31,031	—	196,869
	MPC 2012 Incentive Compensation Plan	—	—	5,193	341	4,852
	MPLX LP 2012 Incentive Compensation Plan	—	—	6,569	566	6,003
	MPLX LP 2018 Incentive Compensation Plan	—	—	5,595	350	5,245
Floorke	MPC Deferred Compensation Plan	—	87,325	101,063	—	436,613
	MPC 2012 Incentive Compensation Plan	—	—	5,936	389	5,547
	MPLX LP 2012 Incentive Compensation Plan	—	—	8,212	700	7,512
	MPLX LP 2018 Incentive Compensation Plan	—	—	6,218	385	5,833
Aydt	MPC Excess Benefit Plan	—	—	3,413	—	175,714
	MPC Deferred Compensation Plan	—	48,686	24,054	—	106,305
	MPC 2012 Incentive Compensation Plan	—	—	6,191	366	5,825
	MPLX LP 2018 Incentive Compensation Plan	—	—	7,241	536	6,705
Swearingen*	MPC Excess Benefit Plan	—	—	2,709	35,774	108,311
	MPC Deferred Compensation Plan	—	56,422	67,730	—	479,848
	MPC 2012 Incentive Compensation Plan	—	—	8,827	433	8,394
	MPLX LP 2012 Incentive Compensation Plan	—	—	6,159	487	5,672
	MPLX LP 2018 Incentive Compensation Plan	—	—	12,371	555	11,816

* Amounts for Mr. Hennigan, Ms. Gagle and Mr. Swearingen are shown at 55%, 50% and 75%, respectively, to reflect the portions of their time allocated to us for 2020 under our omnibus agreement.

Executive Contributions are also included in the “Salary” and “Non-Equity Incentive Plan Compensation” columns of the “2020 Summary Compensation Table.”

Company Contributions are also included in the “All Other Compensation” column of the “2020 Summary Compensation Table.”

Aggregate Earnings for long-term incentive and incentive compensation plans include accrued dividends/dividend equivalents and distribution equivalents on non-forfeitable MPC restricted stock/RSUs and MPLX phantom unit awards.

Aggregate Withdrawals/Distributions represent the payment of dividends/dividend equivalents and distribution equivalents accrued on non-forfeitable awards.

Aggregate Balance at Last Fiscal Year-End. Of the amounts shown, the following amounts have been reported in our “Summary Compensation Table” for previous years:

	Hennigan	Beall	Gagle	Floerke	Swearingen
MPC Deferred Compensation Plan	1,460,246	241,684	36,174	193,774	87,876

MPC Excess Benefit Plan (Defined Contribution Portion)

Certain highly compensated non-officer employees (and, prior to January 1, 2006, executive officers who elected not to participate in the MPC Deferred Compensation Plan), are eligible for the MPC Excess Benefit Plan’s defined contribution portion. Participants receive employer matching contributions equal to the amount they would have otherwise received under the tax-qualified MPC Thrift Plan were it not for Internal Revenue Code limitations.

Defined contribution accruals in the MPC Excess Benefit Plan are credited with interest equal to that paid in a specified investment option of the MPC Thrift Plan, which was 1.98% for the year ended December 31, 2020. All plan distributions are paid in a lump sum following the participant’s separation from service. Our NEOs no longer participate in the defined contribution portion of the MPC Excess Benefit Plan. All nonqualified employer matching contributions for our NEOs now accrue under the MPC Deferred Compensation Plan.

MPC Deferred Compensation Plan

The MPC Deferred Compensation Plan is an unfunded nonqualified deferred compensation plan maintained for the benefit of a select group of management or highly compensated employees, including our NEOs. Participants may defer up to 20% of their salary and bonus each year in a tax-advantaged manner. Deferral elections are made in December of each year for amounts to be earned in the following year and are irrevocable. The plan credits matching contributions on a participant’s deferrals equal to the match under the MPC Thrift Plan (currently 117%) plus an amount equal to the matching contributions the participant would have received, but for Internal Revenue Code limitations and compensation limits, under the MPC Thrift Plan. Participants are fully vested in their deferrals and matching contributions. Participants may make notional investments of their notional plan accounts from among certain investment options offered under the MPC Thrift Plan, and participants’ notional plan accounts are credited with notional earnings and losses based on the result of those investment elections. Participants generally receive payment of their plan benefits in a lump sum following separation from service. Effective January 1, 2021, the MPC Deferred Compensation Plan was frozen as to entry of new participants, and with respect to MPC participants (including our NEOs) was frozen effective on that date as to any future salary and bonus deferrals and the crediting of matching contributions.

Section 409A Compliance

All of MPC’s nonqualified deferred compensation plans in which our NEOs participate are intended to comply with, or be exempt from, Section 409A of the Internal Revenue Code. As a result, distribution of amounts subject to Section 409A may be delayed for six months following retirement or other separation from service where the participant is considered a “specified employee” for purposes of Section 409A. All of our NEOs are “specified employees” for purposes of Section 409A.

POTENTIAL PAYMENTS UPON A TERMINATION OR CHANGE IN CONTROL

The following table provides information regarding the amount of compensation payable to our NEOs under the specified termination scenarios, assuming that the applicable termination event occurred on December 31, 2020, based on the plans and agreements in place on that date. The actual payments to which an NEO would be entitled may only be determined based upon the actual occurrence and circumstances surrounding the termination.

Name	Scenario	Severance (\$)	Additional Pension Benefits (\$)	Stock Options Vested (\$)	RSUs/ Restricted Stock Vested (\$)	Performance Units Vested (\$)	Other Benefits (\$)	Total (\$)
Hennigan	Retirement	—	—	—	—	—	—	—
	Resignation	—	—	—	—	—	—	—
	Involuntary Termination without Cause or with Good Reason	—	—	—	13,154,942	2,883,334	—	16,038,276
	Involuntary Termination for Cause	—	—	—	—	—	—	—
	Change in Control with Qualified Termination	10,800,000	—	—	13,154,942	2,883,334	18,541	26,856,817
	Death	—	—	—	13,154,942	2,883,334	—	16,038,276
Beall	Retirement	—	—	—	—	—	—	—
	Resignation	—	—	—	—	—	—	—
	Involuntary Termination without Cause or with Good Reason	—	—	—	246,562	666,667	—	913,229
	Involuntary Termination for Cause	—	—	—	—	—	—	—
	Change in Control with Qualified Termination	793,011	2,499,820	—	246,562	666,667	9,122	4,215,182
	Death	—	—	—	246,562	666,667	—	913,229
Gagle	Retirement	—	—	—	—	—	—	—
	Resignation	—	—	—	—	—	—	—
	Involuntary Termination without Cause or with Good Reason	—	—	—	493,083	1,266,667	—	1,759,750
	Involuntary Termination for Cause	—	—	—	—	—	—	—
	Change in Control with Qualified Termination	4,350,000	9,430,285	—	493,083	1,266,667	11,624	15,551,659
	Death	—	—	—	493,083	1,266,667	—	1,759,750
Floerke	Retirement	—	—	—	—	—	—	—
	Resignation	—	—	—	789,705	—	—	789,705
	Involuntary Termination without Cause or with Good Reason	—	—	—	1,036,267	666,667	—	1,702,934
	Involuntary Termination for Cause	—	—	—	—	—	—	—
	Change in Control with Qualified Termination	3,540,000	—	—	1,036,267	666,667	8,315	5,251,249
	Death	—	—	—	1,036,267	666,667	—	1,702,934
Aydt	Retirement	—	—	—	—	—	—	—
	Resignation	—	—	—	—	—	—	—
	Involuntary Termination without Cause or with Good Reason	—	—	—	147,950	400,000	—	547,950
	Involuntary Termination for Cause	—	—	—	—	—	—	—
	Change in Control with Qualified Termination	2,325,000	5,302,176	—	147,950	400,000	6,771	8,181,897
	Death	—	—	—	147,950	400,000	—	547,950

Severance. Under the MPLX LP Executive Change in Control Severance Benefits Plan, as further described below, cash severance will only be paid upon a change in control if the NEO experiences a Qualified Termination (as defined below). If the Qualified Termination occurs within three years prior to the date the NEO reaches age 65, the NEO's benefit will be limited to a pro rata portion of the benefit. Ms. Beall's benefit has been reduced as she is within three years of reaching age 65.

Pension Benefits for our NEOs are reflected in the “2020 Pension Benefits Table” above. Amounts in this table represent additional pension benefits attributable solely to the final average pay formula in the applicable plans. The incremental retirement benefits included in these amounts were calculated using the following assumptions: individual life expectancies using the RP2000 Combined Healthy Table weighted 75% male and 25% female; a discount rate of 0.25% for NEOs who are retirement eligible (taking into account the additional three years of age and service credit) and 0.25% for NEOs who are not retirement eligible; the current lump-sum interest rate for the relevant plans; and a lump-sum form of benefit. Only Mses. Beall and Gagle and Mr. Aydt are eligible for this enhanced benefit.

Stock Options Vested. Vesting of MPC stock options is accelerated upon retirement or a change in control with a Qualified Termination. Amounts shown reflect the value realized if accelerated stock options were exercised on December 31, 2020, taking into account the spread (if any) between the options’ exercise prices and the closing price of MPC’s common stock (\$41.36) on December 31, 2020.

RSUs/Restricted Stock Vested. Vesting of MPC RSUs/restricted stock and MPLX phantom units is accelerated upon a change in control with a Qualified Termination. Amounts shown reflect the value realized if MPC RSUs/restricted stock and MPLX phantom unit awards vested on December 31, 2020, taking into account the closing price of MPC’s common stock (\$41.36) and MPLX common units (\$21.65) on December 31, 2020. In the event of Mr. Floerke’s termination of employment for any reason other than for cause, the MPLX phantom units he received as part of his retention award in 2015 will become payable.

Performance Units Vested. In the event of a change in control and a Qualified Termination, unvested MPC performance units and MPLX performance units will vest and be paid out based on actual performance for the period from the grant date to the change in control date, and target performance for the period from the change in control date to the end of the performance cycle. Unvested MPC synergy performance units will vest and be paid out at the greater of target or actual synergy capture performance. Amounts reflect the MPC and MPLX performance unit and MPC synergy performance unit target amounts payable in each scenario, with each performance unit having a target value of \$1.00.

Other Benefits include 36 months of continued health, dental and life insurance coverage. In the event of death, life insurance would be paid out to the estates of our NEOs in the following amounts: Mr. Hennigan, \$1.9 million; Ms. Beall, \$1.1 million; Ms. Gagle \$1.3 million; Mr. Floerke, \$1.1 million; Mr. Aydt, \$0.7 million.

Retirement

MPC’s employees, including our NEOs, generally are eligible for retirement once they reach age 50 and have at least 10 years of vesting service with MPC or its subsidiaries. As of December 31, 2020, Mses. Beall and Gagle and Mr. Aydt were retirement eligible. If a retirement-eligible NEO retires on or after July 1 of the performance year, eligibility for a bonus under MPC’s ACB program is at the discretion of MPC’s Compensation Committee. Upon retirement, our NEOs are entitled to receive their vested benefits that have accrued under MPC’s employee and executive benefit programs. For more information about these retirement and deferred compensation programs, see “2020 Pension Benefits” and “2020 Nonqualified Deferred Compensation.”

In addition, upon retirement, our NEOs’ unvested MPC stock options become exercisable according to the grant terms. Unvested MPC RSUs/restricted stock and MPLX phantom units are forfeited upon retirement (except in the case of a mandatory retirement at age 65, when they vest in full). If an NEO has worked more than nine months of the performance cycle, performance awards may vest on a prorated basis at the discretion of the MPLX Committee (MPC’s Compensation Committee, in the case of MPC performance units). In the case of mandatory retirement, performance units will fully vest; however, payout will occur following the full performance cycle based on its certified results.

Mr. Swearingen retired effective August 28, 2020. He received a lump sum payout, which consisted of 62 weeks of salary (\$667,692) and an amount attributable to his target bonus under the 2020 ACB program based on his eligible earnings for 2020 (\$276,285). As discussed above under “Outstanding Equity Awards at 2020 Fiscal Year-End,” Mr. Swearingen’s outstanding MPC stock options, MPC restricted stock/RSUs, MPC performance units, MPLX phantom units and MPLX performance units became non-forfeitable upon his retirement but remain subject to distribution on their original vesting dates. The July 29, 2020 modification fair values associated with these awards are described above under “2020 Grants of Plan-Based Awards” and aggregate \$1,683,813. Amounts Mr. Swearingen received under our qualified

retirement and nonqualified deferred compensation plans as a result of his retirement are described above under “Post-Employment Benefits for 2020” and “2020 Nonqualified Deferred Compensation.”

Other Termination

Neither MPC nor we generally enter into employment or severance agreements with our NEOs. An NEO whose employment is terminated without cause, or who terminates his employment with good reason, is eligible for the same termination allowance plan available to all other MPC employees, which would pay (i) an amount between eight and 62 weeks of salary based either on service or salary level, and (ii) in the case of our NEOs, an additional amount equal to the NEO’s target bonus under MPC’s ACB program prorated for service up to the termination date.

Upon an NEO’s voluntary resignation, or involuntary termination for cause, unvested LTI awards, including vested but unexercised MPC stock options, generally are forfeited unless provided otherwise in the applicable award agreement. Upon involuntary termination of an NEO without cause, vested MPC stock options are exercisable for 90 days following termination. Our NEOs’ award agreements for MPC stock options, MPC restricted stock, MPC performance units, MPLX phantom units and MPLX performance units granted in 2018 and 2019 were amended in October 2019 for retention purposes (and further amended in December 2020 for administrative purposes) such that any such unvested awards became non-forfeitable on December 28, 2020. The performance cycles for the MPC and MPLX performance units remain unchanged.

Death

In the event of death or disability, our NEOs (or their beneficiaries) are entitled to the vested benefits they have accrued under MPC’s employee benefits programs. In the event of the death of an NEO during the ACB performance period, unless otherwise determined by MPC’s Compensation Committee, a target bonus will be paid. LTI awards immediately vest in full upon death, with performance units vesting at the target level.

Change in Control Plans

Our NEOs participate in two change in control severance plans: the MPC Amended and Restated Executive Change in Control Severance Benefits Plan (“MPC CIC Plan”) and the MPLX Executive Change in Control Severance Benefits Plan (“MPLX CIC Plan”). Benefits under each plan are payable only upon a change in control and a Qualified Termination. The following table shows the benefits for which our NEOs would be eligible upon a change in control of MPC or MPLX and a Qualified Termination with the applicable entity:

CHANGE IN CONTROL OF MPC	CHANGE IN CONTROL OF MPLX
A cash payment of up to three times the sum of the NEO's current annualized base salary plus three times the highest bonus paid in the three years before the termination or change in control.	
Life and health insurance benefits for up to 36 months after termination at the lesser of the current cost or the active employee cost.	Life and health insurance benefits for up to 36 months after termination at the active employee cost.
An additional three years of service credit and three years of age credit for purposes of retiree health and life insurance benefits.	
A cash payment equal to the actuarial equivalent of the difference between amounts receivable by the NEO under the final average pay formula in our pension plans and those payable if: (i) the NEO had an additional three years of participation service credit; (ii) the NEO's final average pay were the higher of the NEO's salary at the time of the change in control event or Qualified Termination plus the NEO's highest annual bonus from the preceding three years (for purposes of determining early retirement commencement factors, the NEO is credited with three additional years of vesting service and three additional years of age); and (iii) the NEO's pension had been fully vested.	
A cash payment equal to the difference between amounts receivable under our tax-qualified and nonqualified defined contribution type retirement and deferred compensation plans and amounts that would have been received if the NEO's defined contribution plan account had been fully vested.	
Accelerated vesting of all outstanding MPC LTI awards.	Accelerated vesting of all outstanding MPLX LTI awards.
In the event of a change in control and Qualified Termination under both plans, our NEOs would receive benefits under only one plan: whichever provides the greater benefits at that time. The MPLX CIC Plan also provides that NEOs who don't technically incur a Qualified Termination but separate from service with MPLX as a result of an MPLX change in control (in other words, where the NEO remains employed with MPC but no longer provides services to MPLX) will become fully vested in all outstanding MPLX LTI awards. NEOs who receive an offer for comparable employment from an acquirer or successor entity in an MPLX change in control will not be eligible to receive benefits under the MPLX CIC Plan.	
<p>A “Qualified Termination” generally occurs when an NEO's employment with our affiliates and us ends in connection with, or within two years after, a change in control. Exceptions include:</p> <ul style="list-style-type: none"> • Separation due to death or disability • Termination for cause • Termination after age 65 • Voluntary termination without good reason (“good reason” includes a material reduction in roles, responsibilities, pay or benefits, or being required to relocate more than 50 miles from one's current location) 	

CEO PAY RATIO

We do not determine the total compensation of our CEO or of any of the other personnel responsible for managing and operating our business, all of whom are employed by MPC and not by our general partner or us. Because we do not directly employ any employees and do not determine or pay total compensation to the employees of MPC who manage and operate our business, we do not have a median employee whose total compensation can be compared to the total compensation of our CEO.

DIRECTOR COMPENSATION

Officers or employees of our general partner or MPC who also serve as our directors do not receive additional compensation for their service as our director. Directors who are not officers or employees of our general partner or MPC receive compensation as “non-employee directors.”

Compensation Program for Non-Employee Directors

Following is the compensation package established for our non-employee directors for 2020:

Role	Cash Retainer (\$)	Deferred Phantom Unit Equity Award (\$)	Lead Director Retainer (\$)	Committee Chair Retainer (\$)	MLP Representative Retainer (\$)	Total (\$)
Lead Director	90,000	110,000	15,000	—	—	215,000
Audit Committee Chair	90,000	110,000	—	15,000	—	215,000
Conflicts Committee Chair	90,000	110,000	—	15,000	—	215,000
MLP Representative Board Observer	90,000	110,000	—	—	62,500	262,500
All Other Directors	90,000	110,000	—	—	—	200,000

The cash retainer, lead director retainer and committee chair retainers are paid in equal installments on a quarterly basis. Members of the Conflicts Committee also receive a meeting fee of \$1,500 for each Conflicts Committee meeting attended in excess of six meetings per year.

The equity retainer, in the form of phantom units, is granted in equal installments on a quarterly basis. Directors receive MPLX distribution equivalents in the form of additional MPLX phantom units. The phantom units, including those received as distribution equivalents, are deferred, payable in common units only upon a director’s departure from the Board.

Under MPC’s matching gifts program, non-employee directors may elect to have MPC match up to \$10,000 of their contributions to certain tax-exempt educational institutions each year. The annual limit is applied based on the date of the director’s gift to the institution. Due to processing delays, the actual amount paid out on behalf of a director may exceed \$10,000 in a given year.

2020 Director Compensation Table

The following table shows compensation earned by or paid to our non-employee directors during 2020.

Name	Fees Earned or Paid in Cash (\$)	Unit Awards (\$)	All Other Compensation (\$)	Total (\$)
Michael L. Beatty	90,000	110,000	10,000	210,000
Christopher A. Helms	105,000	110,000	—	215,000
Garry L. Peiffer	105,000	110,000	8,500	223,500
Dan D. Sandman	105,000	110,000	—	215,000
Frank M. Semple	152,500	110,000	10,000	272,500
J. Michael Stice	90,000	110,000	—	200,000
John P. Surma	90,000	110,000	—	200,000

Fees Earned or Paid in Cash reflect (i) cash retainers earned for Board service in 2020, and (ii) for Mr. Semple, \$62,500 in compensation for service as our Representative Observer, in which role he attends certain MPC Board and committee meetings as a liaison between the MPC Board and us. Mr. Semple also received a \$25,000 cash retainer for his service in 2019 and 2020 in the same capacity with respect to an MPC Board special committee, which we previously reported in our Annual Report on Form 10-K for the year ended December 31, 2019.

Unit Awards reflect the aggregate grant date fair value of phantom units, calculated in accordance with FASB ASC Topic 718. Non-employee directors generally received grants each quarter of phantom units valued at \$27,500 based on the closing price of our common units on each grant date. The aggregate

number of phantom units in respect of Board service outstanding for each non-employee director as of December 31, 2020 is: Messrs. Helms, Sandman, and Surma, 29,360; Mr. Peiffer, 25,816; Mr. Beatty, 22,217; Mr. Semple, 19,073; and Mr. Stice, 13,971.

All Other Compensation reflects contributions to educational institutions under MPC's matching gifts program.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Security Ownership of Directors and Executive Officers

The following table sets forth the number of our common units and shares of MPC common stock beneficially owned as of February 1, 2021 by each director and NEO, and by all directors and executive officers as a group. The address for each person named below is c/o MPLX LP, 200 East Hardin Street, Findlay, Ohio 45840. Unless otherwise indicated, to our knowledge, each person or member of the group listed has sole voting and investment power with respect to the securities shown, and none of the shares or units shown is pledged as security. As of February 1, 2021, there were 1,037,860,097 MPLX common units outstanding (including 647,415,452 common units held by MPC and its affiliates) and 651,009,027 shares of MPC common stock outstanding.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Percent of Total Outstanding (%)	
	MPLX Common Units	MPC Common Stock	MPLX	MPC
Timothy J. Aydt	18,823	71,953	*	*
Pamela K.M. Beall	44,469	137,497	*	*
Michael L. Beatty	50,839	—	*	*
Gregory S. Floerke	78,659	57,664	*	*
Suzanne Gagle	33,534	161,105	*	*
Christopher A. Helms	41,612	—	*	*
Michael J. Hennigan	124,710	468,996	*	*
Maryann T. Mannen	—	78,900	*	*
Garry L. Peiffer	95,565	63,394	*	*
Dan D. Sandman	111,242	—	*	*
Frank M. Semple	597,754	5,213	*	*
J. Michael Stice	19,063	13,742	*	*
John P. Surma	43,583	55,387	*	*
John S. Swearingen	28,767	236,928	*	*
Donald C. Templin	117,177	747,871	*	*
All current Directors and Executive Officers as a group (16 individuals)	1,394,893	1,961,907	*	*

* Less than 1% of common units or common shares outstanding, as applicable.

MPLX Common Unit beneficial ownership amounts include:

- Phantom unit awards, which settle in common units upon a director's retirement from service on the Board, as follows: Mr. Beatty, 23,469; Mr. Helms, 30,612; Mr. Peiffer, 27,068; Mr. Sandman, 30,612; Mr. Semple, 21,460; Mr. Stice, 18,363; Mr. Surma, 36,083.
- Phantom unit awards, which may be forfeited under certain conditions, as follows: Mr. Aydt, 5,125; Ms. Beall, 9,205; Mr. Floerke, 45,680; Ms. Gagle, 17,101; Mr. Hennigan, 38,080; Mr. Templin, 31,314; all other executives, 5,962.
- For Mr. Swearingen, who retired from MPC and all affiliated entities effective August 28, 2020, amounts reported above including 9,031 phantom unit awards no longer subject to forfeiture because Mr. Swearingen has retired, reflect beneficial ownership of MPLX common units based on information last known or reasonably available to us.

- Common units indirectly beneficially held in trust as follows: Ms. Beall, 10,000; Mr. Peiffer, 68,497; Mr. Semple, 527,517; Mr. Stice, 700.
- For Messrs. Semple and Templin, includes common units held by or with spouse or by trust for the benefit of spouse.

MPC Common Stock beneficial ownership amounts include:

- All stock options exercisable within 60 days of February 1, 2021 as follows: Mr. Aydt, 60,269; Ms. Beall, 97,413; Mr. Floerke, 38,056; Ms. Gagle, 136,060; Mr. Hennigan, 129,816; Mr. Swearingen, 183,826; Mr. Templin, 637,558; all other executive officers, 75,533. Includes 735,103 stock options exercisable by the applicable executive officers but not in the money as of February 1, 2021.
- Shares of common stock indirectly beneficially held in trust as follows: Ms. Beall, 32,208; Mr. Peiffer, 63,394; Mr. Surma, 10,000.
- For Messrs. Surma and Templin, includes shares of MPC common stock held by or with spouse or by trust for the benefit of spouse.
- Restricted stock unit awards, which vest upon the director's retirement from service on the MPC Board or observer status, as follows: Mr. Semple, 5,213; Mr. Stice, 13,742; Mr. Surma, 45,387.
- Restricted stock unit awards which may be forfeited under certain conditions, as follows: Mr. Aydt, 2,012; Ms. Beall, 3,353; Mr. Floerke, 3,353; Ms. Gagle, 6,705; Mr. Hennigan, 306,062; Ms. Mannen, 78,900; Mr. Templin, 13,409; all other executives, 6,492.
- For Mr. Swearingen, who retired from MPC and all affiliated entities effective August 28, 2020, amounts reported above including 3,227 restricted stock unit awards no longer subject to forfeiture because Mr. Swearingen has retired, reflect beneficial ownership of shares of MPC common stock based on information last known or reasonably available to us.

Security Ownership of Certain Beneficial Owners

The following table sets forth information as to each unitholder of whom we are aware that, based on filings with the SEC, beneficially owns 5% or more of our outstanding common units as of December 31, 2020:

Name and Address of Beneficial Owner	Number of Common Units Representing Limited Partner Interests	Percent of Common Units Representing Limited Partner Interests
Marathon Petroleum Corporation 539 S. Main Street Findlay, Ohio 45840	647,415,452	62.4 %
The Blackstone Group Inc. 345 Park Avenue New York, New York 10154	67,919,543	6.5 %

Percent of Common Units is based on 1,037,169,607 common units representing limited partner interests ("MPLX LP common units") outstanding as of February 12, 2021.

Marathon Petroleum Corporation. The MPLX common units are directly held by MPC Investment LLC, MPLX GP LLC, MPLX Logistics Holdings LLC and Giant Industries, Inc. Marathon Petroleum Corporation is the ultimate parent company of MPC Investment LLC, MPLX GP LLC, MPLX Logistics Holdings LLC and Giant Industries, Inc. and may be deemed to beneficially own the MPLX LP common units directly held by these entities.

The Blackstone Group Inc. Amounts derived from a Schedule 13G/A filed with the SEC on February 16, 2021. Per the Schedule 13G/A, the MPLX common units reported above reflect MPLX common units held by funds or accounts that may be deemed to be indirectly controlled by The Blackstone Group Inc. The sole holder of the Class C common stock of The Blackstone Group Inc. is Blackstone Group Management L.L.C. Blackstone Group Management L.L.C. is wholly-owned by Blackstone's senior managing directors and controlled by its founder, Stephen A. Schwarzman.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of December 31, 2020, with respect to common units that may be issued under the MPLX LP 2012 Plan and the MPLX LP 2018 Plan:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	976,154	N/A	14,914,455
Equity compensation plans not approved by security holders	—	—	—
Total	976,154		14,914,455

Number of Securities to Be Issued includes:

- 644,023 phantom unit awards granted pursuant to the MPLX 2012 Plan and the MPLX 2018 Plan for common units unissued and not forfeited, cancelled or expired as of December 31, 2020.
- 332,131 units as the maximum potential number of common units that could be issued in settlement of performance units outstanding as of December 31, 2020, pursuant to the MPLX 2012 Plan and the MPLX 2018 Plan based on the closing price of our common units on December 31, 2020, of \$21.65 per unit. The number of units reported for this award vehicle may overstate dilution. See Item 8. Financial Statements and Supplementary Data – Note 21 for more information on performance unit awards granted under the MPLX 2012 Plan and the MPLX 2018 Plan.

Weighted Average Exercise Price. There is no exercise price associated with phantom unit awards or performance unit awards.

Number of Securities Remaining Available reflects the common units available for issuance pursuant to the MPLX 2018 Plan. The number of units reported in this column assumes 209,990 as the maximum potential number of common units that could be issued in settlement of performance units outstanding as of December 31, 2020, pursuant to the MPLX 2018 Plan based on the closing price of our common units on December 31, 2020, of \$21.65 per unit. The number of units assumed for this award vehicle may understate the number of common units available for issuance pursuant to the MPLX 2018 Plan. See Item 8. Financial Statements and Supplementary Data – Note 21 for more information on performance unit awards issued pursuant to the MPLX 2018 Plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Policy and Procedures with Respect to Related Person Transactions

The Board has adopted a formal written related person transactions policy establishing procedures for the notification, review, approval, ratification and disclosure of related person transactions. Under the policy, a “related person” includes any director, nominee for director, executive officer, or a known beneficial holder of more than five percent of any class of our voting securities (other than MPC or its affiliates) or any immediate family member of a director, nominee for director, executive officer or more than five percent owner. This procedure applies to any transaction, arrangement or relationship and any series of similar transactions, arrangements or relationships in which (i) we are a participant, (ii) the amount involved exceeds \$120,000, and (iii) a related person has a direct or indirect material interest.

The Board has provided its standing pre-approval for the following transactions, arrangements and relationships:

- Payment of compensation to an executive officer or director of our general partner if the compensation is otherwise required to be disclosed in our filings with the SEC;
- Any transaction where the related person’s interest arises solely from the ownership of securities;

- Any ongoing employment relationship provided that such employment relationship will be subject to initial review and approval; and
- Any transaction between any of our subsidiaries and us, on the one hand, and our general partner or any of its affiliates, on the other hand; provided, however, that such transaction is approved consistent with our Partnership Agreement.

Any related person transaction identified prior to its consummation must be approved in advance by the Board. If the related person transaction is identified after it commences, it will be promptly submitted to the Board or the Chairman for ratification, amendment or rescission. If the transaction has been completed, the Board or the Chairman will evaluate the transaction to determine if rescission is appropriate. Transactions entered into prior to the closing of our initial public offering, when this policy was adopted, were approved by the Board apart from the policy.

In determining whether to approve or ratify a related person transaction, the Board or the Chairman will consider all relevant facts and circumstances, including but not limited to:

- The benefits to us, including the business justification;
- If the related person is a director or an immediate family member of a director, the impact on the director's independence;
- The availability of other sources for comparable products or services;
- The terms of the transaction and the terms available to unrelated third parties or to employees generally; and
- Whether the transaction is consistent with our Code of Business Conduct.

This policy is available on the "Corporate Governance" page of our website at www.mplx.com/Investors/Corporate_Governance/Policies_and_Guidelines/.

Our Relationship with MPC

As of February 12, 2021, MPC owned through its affiliates 647,415,452 of our common units, representing approximately 62% of our common units outstanding, and 100% of MPLX GP, our general partner. MPLX GP manages our operations and activities through its officers and directors. In addition, various of our officers and directors also serve as officers and/or directors of MPC. Accordingly, we view transactions between MPC and us as related party transactions and have provided the following disclosures with respect to such transactions during 2020. Unless the context otherwise requires, references in the following discussion to "we" or "us" refer to our affiliates and us.

Merger, Purchase and Sale Transactions

On July 31, 2020, we entered into a Redemption Agreement with Western Refining Southwest, Inc. (now known as Western Refining Southwest LLC) ("WRSW"), a wholly owned subsidiary of MPC, pursuant to which we transferred to WRSW the Western wholesale distribution business, which we acquired as a result of our acquisition of ANDX in 2019, in exchange for the redemption of 18,582,088 MPLX common units (valued at \$340 million) held by WRSW. The transaction resulted in a minor decrease in MPC's indirect ownership interest in us.

Distributions and Reimbursements to MPC

Pursuant to our Partnership Agreement, we make cash distributions to our unitholders, including MPC. During 2020, we distributed to MPC approximately \$1,794 million and \$5 million with respect to the common units and TexNew Mex units it holds. The TexNew Mex units were eliminated effective February 1, 2021.

Under our Partnership Agreement, we reimburse MPLX GP and its affiliates, including MPC, for all costs and expenses incurred on our behalf. The amount we reimbursed in 2020 was \$2.4 million.

Transactions and Commercial and Other Agreements with MPC

We have multiple long-term, fee-based transportation and storage services agreements, as well as a variety of operating services agreements, management services agreements, licensing agreements, employee services agreements, omnibus agreements, a loan agreement, and an aircraft time-sharing agreement with MPC and its consolidated subsidiaries. See “Our L&S Contracts with MPC and Third Parties - Transportation Services Agreements, Storage Services Agreements, Terminal Services Agreements and Fuels Distribution Services Agreement with MPC” in Item 1. Business, and Item 8. Financial Statements and Supplementary Data – Note 6, for information regarding related party activities with MPC.

Director Independence

The information appearing under “Director Independence” in Item 10. Directors, Executive Officers and Corporate Governance is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Auditor Independence

Our Audit Committee has considered whether PricewaterhouseCoopers LLP is independent for purposes of providing external audit services to us and has determined that it is.

Auditor Fees

Following are the aggregate fees for professional services provided to us by PricewaterhouseCoopers LLP for the years ended December 31, 2020, and December 31, 2019:

<u><i>(In thousands)</i></u>	<u>2020</u>	<u>2019</u>
Audit	\$ 4,725	\$ 6,208
Audit-Related	—	—
Tax	1,580	2,312
All Other	10	10
Total	<u>\$ 6,315</u>	<u>\$ 8,530</u>

Audit fees for the years ended December 31, 2020, and December 31, 2019, were primarily for professional services rendered for the audit of the financial statements and of internal control over financial reporting, the performance of regulatory audits, issuance of comfort letters, the provision of consents and the review of documents filed with the SEC.

Tax fees for the years ended December 31, 2020, and December 31, 2019, were for professional services rendered for the preparation of IRS Schedule K-1 tax forms for MPLX LP unitholders and for income tax consultation services.

All Other fees for the years ended December 31, 2020, and December 31, 2019, were for subscriptions and licenses for online accounting resources provided by PricewaterhouseCoopers LLP.

Pre-Approval of Audit Services

Among other things, our Pre-Approval of Audit, Audit-Related, Tax and Permissible Non-Audit Services Policy sets forth the procedure for the Audit Committee to pre-approve all audit, audit-related, tax and permissible non-audit services, other than as provided under a de minimis exception. Under the policy, the Audit Committee may pre-approve any services to be performed by our independent auditor up to twelve months in advance and may approve in advance services by specific categories pursuant to a forecasted budget. Annually, the executive vice president and chief financial officer of our general partner will present a forecast of audit, audit-related, tax and permissible non-audit services for the ensuing fiscal year to the Audit Committee for approval in advance. The executive vice president and chief financial officer of our general partner, in coordination with the independent auditor, will provide an updated budget to the Audit Committee, as needed, throughout the ensuing fiscal year.

For unbudgeted items, the Audit Committee has delegated pre-approval authority of up to \$250,000 to the Chair of the Audit Committee; such items are reported to the full Audit Committee at its next scheduled meeting.

In 2020 and 2019, the Audit Committee pre-approved all audit, audit-related, tax and permissible non-audit services pursuant to this policy and did not use the de minimis exception.

Part IV

Item 15. Exhibits and Financial Statement Schedules

A. Documents Filed as Part of the Report

1. Financial Statements (see Part II, Item 8. of this Annual Report on Form 10-K regarding financial statements)
2. Financial Statement Schedules

Financial statement schedules required under SEC rules but not included in this Annual Report on Form 10-K are omitted because they are not applicable or the required information is contained in the consolidated financial statements or notes thereto.

Exhibits:

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
2.1 †	Agreement and Plan of Merger, dated as of May 7, 2019, by and among Andeavor Logistics LP, Tesoro Logistics GP, LLC, MPLX LP, MPLX GP LLC and MPLX MAX LLC.	8-K	2.1	5/8/2019	001-35714		
3.1	Certificate of Limited Partnership of MPLX LP	S-1	3.1	7/2/2012	333-182500		
3.2	Amendment to the Certificate of Limited Partnership of MPLX LP	S-1/A	3.2	10/9/2012	333-182500		
3.3	Sixth Amended and Restated Agreement of Limited Partnership of MPLX LP, dated as of February 1, 2021	8-K	3.1	2/3/2021	001-35714		
Pursuant to Item 601(b)(4) of Regulation S-K, certain instruments with respect to long-term debt issues have been omitted where the amount of securities authorized under such instruments does not exceed 10 percent of the total consolidated assets of the Registrant. The Registrant hereby agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon its request.							
4.1	Indenture, dated February 12, 2015, between MPLX LP and The Bank of New York Mellon Trust Company, N.A., as Trustee	8-K	4.1	2/12/2015	001-35714		
4.2	Registration Rights Agreement, dated as of May 13, 2016, by and between MPLX LP and the Purchasers party thereto	8-K	4.1	5/16/2016	001-35714		
4.3	Description of Securities					X	
10.1*	MPLX LP 2012 Incentive Compensation Plan	S-1/A	10.3	10/9/2012	333-182500		
10.2	Omnibus Agreement, dated as of October 31, 2012, among Marathon Petroleum Corporation, Marathon Petroleum Company LP, MPL Investment LLC, MPLX Operations LLC, MPLX Terminal and Storage LLC, MPLX Pipe Line Holdings LP, Marathon Pipe Line LLC, Ohio River Pipe Line LLC, MPLX LP and MPLX GP LLC	8-K	10.2	11/6/2012	001-35714		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.3	Employee Services Agreement, dated effective as of October 1, 2012, by and among Marathon Petroleum Logistics Services LLC, MPLX GP LLC and Marathon Pipe Line LLC	S-1/A	10.6	10/9/2012	333-182500		
10.4	Employee Services Agreement, dated effective as of October 1, 2012, by and among Catlettsburg Refining LLC, MPLX GP LLC and MPLX Terminal and Storage LLC	S-1/A	10.7	10/9/2012	333-182500		
10.5	Management Services Agreement, dated effective as of September 1, 2012, by and between Hardin Street Holdings LLC and Marathon Pipe Line LLC	S-1/A	10.8	9/7/2012	333-182500		
10.6	Management Services Agreement, dated effective as of October 10, 2012, by and between MPL Louisiana Holdings LLC and Marathon Pipe Line LLC	S-1/A	10.9	10/18/2012	333-182500		
10.7	Amended and Restated Operating Agreement, dated as of October 31, 2012, between Marathon Petroleum Company LP and Marathon Pipe Line LLC	8-K	10.3	11/6/2012	001-35714		
10.8	Storage Services Agreement, dated effective as of October 1, 2012, by and between Marathon Pipe Line LLC and Marathon Petroleum Company LP (Patoka tank farm)	S-1/A	10.13	10/9/2012	333-182500		
10.9	Storage Services Agreement, dated effective as of October 1, 2012, by and between Marathon Pipe Line LLC and Marathon Petroleum Company LP (Martinsville tank farm)	S-1/A	10.14	10/9/2012	333-182500		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.10	Storage Services Agreement, dated effective as of October 1, 2012, by and between Marathon Pipe Line LLC and Marathon Petroleum Company LP (Lebanon tank farm)	S-1/A	10.15	10/9/2012	333-182500		
10.11	Storage Services Agreement, dated effective as of October 1, 2012, by and between Marathon Pipe Line LLC and Marathon Petroleum Company LP (Wood River tank farm)	S-1/A	10.16	10/9/2012	333-182500		
10.12	Storage Services Agreement, dated effective as of October 1, 2012, by and between MPLX Terminal and Storage LLC and Marathon Petroleum Company LP (Neal butane cavern)	S-1/A	10.17	10/9/2012	333-182500		
10.13	Transportation Services Agreement (Patoka to Lima Crude System), dated as of October 31, 2012, between Marathon Petroleum Company LP and Marathon Pipe Line LLC	8-K	10.4	11/6/2012	001-35714		
10.14	Transportation Services Agreement (Catlettsburg and Robinson Crude System), dated as of October 31, 2012, between Marathon Petroleum Company LP and Marathon Pipe Line LLC	8-K	10.5	11/6/2012	001-35714		
10.15	Transportation Services Agreement (Detroit Crude System), dated as of October 31, 2012, between Marathon Petroleum Company LP and Marathon Pipe Line LLC	8-K	10.6	11/6/2012	001-35714		
10.16	Transportation Services Agreement (Wood River to Patoka Crude System), dated as of October 31, 2012, between Marathon Petroleum Company LP and Marathon Pipe Line LLC	8-K	10.7	11/6/2012	001-35714		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.17	Transportation Services Agreement (Garyville Products System), dated as of October 31, 2012, between Marathon Petroleum Company LP and Marathon Pipe Line LLC	8-K	10.8	11/6/2012	001-35714		
10.18	Transportation Services Agreement (Texas City Products System), dated as of October 31, 2012, between Marathon Petroleum Company LP and Marathon Pipe Line LLC	8-K	10.9	11/6/2012	001-35714		
10.19	Transportation Services Agreement (ORPL Products System), dated as of October 31, 2012, between Marathon Petroleum Company LP and Ohio River Pipe Line LLC	8-K	10.10	11/6/2012	001-35714		
10.20	Transportation Services Agreement (Robinson Products System), dated as of October 31, 2012, between Marathon Petroleum Company LP and Marathon Pipe Line LLC	8-K	10.11	11/6/2012	001-35714		
10.21	Transportation Services Agreement (Wood River Barge Dock), dated as of October 31, 2012, between Marathon Petroleum Company LP and Marathon Pipe Line LLC	8-K	10.12	11/6/2012	001-35714		
10.22*	MPC Non-Employee Director Phantom Unit Award Policy	10-K	10.26	3/25/2013	001-35714		
10.23*	MPLX GP LLC Amended and Restated Non-Management Director Compensation Policy and Equity Award Terms	10-K	10.30	2/24/2017	001-35714		
10.24	First Amendment to Amended and Restated Operating Agreement, dated as of January 1, 2015, between Marathon Petroleum Company LP and Marathon Pipe Line LLC	10-Q	10.2	5/4/2015	001-35714		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.25	Operating Agreement, dated as of January 1, 2015, between Hardin Street Transportation LLC and Marathon Pipe Line LLC	10-Q	10.3	5/4/2015	001-35714		
10.26	Transportation Services Agreement (Cornerstone Pipeline System and Utica Build-Out Projects), effective as of June 11, 2015, by and between Marathon Petroleum Company LP and Marathon Pipe Line LLC	8-K	10.1	6/17/2015	001-35714		
10.27	First Amendment to Storage Services Agreement, dated as of September 17, 2015, by and between Marathon Petroleum Company LP and Marathon Pipe Line LLC	8-K	10.1	9/23/2015	001-35714		
10.28	Employee Services Agreement, dated December 28, 2015, by and between MPLX LP and MW Logistics Services LLC	8-K	10.1	1/4/2016	001-35714		
10.29+	Second Amended and Restated Limited Liability Company Agreement of MarkWest Utica EMG, L.L.C. dated December 4, 2015, between MarkWest Utica Operating Company, L.L.C. and EMG Utica, LLC	10-K	10.48	2/26/2016	001-35714		
10.30	Amended and Restated Transportation Services Agreement, dated January 1, 2015, between Hardin Street Marine LLC and Marathon Petroleum Company LP	8-K	10.1	4/6/2016	001-35714		
10.31	First Amendment to the Amended and Restated Transportation Services Agreement, dated March 31, 2016, between Hardin Street Marine LLC and Marathon Petroleum Company LP	8-K	10.2	4/6/2016	001-35714		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.32	Amended and Restated Management Services Agreement, dated January 1, 2015, between Hardin Street Marine LLC and Marathon Petroleum Company LP	8-K	10.3	4/6/2016	001-35714		
10.33	Second Amended and Restated Employee Services Agreement, dated January 1, 2015, between Hardin Street Marine LLC and Marathon Petroleum Logistics Services LLC	8-K	10.4	4/6/2016	001-35714		
10.34*	Form of MPLX LP Performance Unit Award Agreement - Marathon Petroleum Corporation Officer	10-Q	10.9	5/1/2017	001-35714		
10.35*	Form of MPLX LP Phantom Unit Award Agreement - Marathon Petroleum Corporation Officer	10-Q	10.7	5/2/2016	001-35714		
10.36*	Form of MPLX LP Performance Unit Award Agreement	10-Q	10.8	5/1/2017	001-35714		
10.37*	Form of MPLX LP Phantom Unit Award Agreement - Officer	10-Q	10.9	5/2/2016	001-35714		
10.38	Series A Preferred Unit Purchase Agreement, dated as of April 27, 2016, by and among MPLX LP and the Purchasers party thereto	8-K	10.1	4/29/2016	001-35714		
10.39	Second Amendment to Amended and Restated Operating Agreement, dated August 1, 2016, between Marathon Petroleum Company LP and Marathon Pipe Line LLC	10-Q	10.2	10/31/2016	001-35714		
10.40	First Amendment to Employee Services Agreement, dated May 10, 2016, by and between Marathon Petroleum Logistics Services LLC, MPLX GP LLC and Marathon Pipe Line LLC	10-Q	10.1	8/3/2016	001-35714		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.41	First Amendment to Amended and Restated Transportation Services Agreement, effective as of April 1, 2016, by and between Marathon Petroleum Company LP and Hardin Street Marine LLC	10-Q	10.2	8/3/2016	001-35714		
10.42	First Amendment to Amended and Restated Management Services Agreement, effective as of November 1, 2016, between Marathon Petroleum Company LP and Hardin Street Marine LLC	10-K	10.62	2/24/2017	001-35714		
10.43	First Amendment to Transportation Services Agreement, dated November 1, 2016, between Marathon Pipeline LLC and Marathon Petroleum Company LP (Texas City Products System)	10-K	10.63	2/24/2017	001-35714		
10.44	Second Amended and Restated Employee Services Agreement, dated March 1, 2017, between Marathon Petroleum Logistics Services LLC, Marathon Pipe Line LLC and MPLX GP LLC	8-K	10.1	3/2/2017	001-35714		
10.45	Transportation Services Agreement, dated January 1, 2015, between Hardin Street Transportation LLC and Marathon Petroleum Company LP	8-K	10.2	3/2/2017	001-35714		
10.46	First Amendment to Transportation Services Agreement, dated December 1, 2016, between Hardin Street Transportation LLC and Marathon Petroleum Company LP	8-K	10.3	3/2/2017	001-35714		
10.47	Second Amendment to Transportation Services Agreement, dated January 1, 2017, between Hardin Street Transportation LLC and Marathon Petroleum Company LP	8-K	10.4	3/2/2017	001-35714		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.48	Third Amendment to Transportation Services Agreement, dated January 1, 2017, between Hardin Street Transportation LLC and Marathon Petroleum Company LP	8-K	10.5	3/2/2017	001-35714		
10.49	Third Amended and Restated Terminal Services Agreement, dated March 1, 2017, between MPLX Terminals LLC and Marathon Petroleum Company LP	8-K	10.6	3/2/2017	001-35714		
10.50	Third Amended and Restated Employee Services Agreement, effective December 21, 2015, between MPLX Terminals LLC and Marathon Petroleum Logistics Services LLC	8-K	10.7	3/2/2017	001-35714		
10.51*	Form of MPLX LP Phantom Unit Award Agreement - Officer, Cliff Vesting	10-Q	10.1	8/3/2017	001-35714		
10.52*	Amended Restricted Stock Award Agreement	10-Q	10.2	10/30/2017	001-35714		
10.53*	MPLX LP Executive Change in Control Severance Benefits Plan	10-Q	10.3	10/30/2017	001-35714		
10.54	Transportation Services Agreement, dated November 1, 2017, between Marathon Pipe Line LLC and Marathon Petroleum Company LP	8-K	10.1	11/7/2017	001-35714		
10.55	Fourth Amendment to Transportation Services Agreement, dated November 1, 2017, between Hardin Street Transportation LLC and Marathon Petroleum Company LP	8-K	10.2	11/7/2017	001-35714		
10.56+	Storage Services Agreement, dated as of October 1, 2017, by and between Marathon Petroleum Company LP, Blanchard Refining Company LLC and Galveston Bay Refining Logistics LLC.	8-K	10.1	2/2/2018	001-35714		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.57+	Storage Services Agreement, dated as of October 1, 2017, by and between Marathon Petroleum Company LP and Garyville Refining Logistics LLC.	8-K	10.2	2/2/2018	001-35714		
10.58	Master Amendment to Storage Services Agreements, dated as of October 1, 2017, by and between Marathon Petroleum Company LP, Blanchard Refining Company LLC, Galveston Bay Refining Logistics LLC and the other parties named therein.	8-K	10.3	2/2/2018	001-35714		
10.59+	Fuels Distribution Services Agreement, dated as of September 26, 2017, by and between Marathon Petroleum Company LP and MPLX Fuels Distribution LLC.	8-K	10.4	2/2/2018	001-35714		
10.60	First Amendment to Fuels Distribution Services Agreement, dated as of September 26, 2017, by and between Marathon Petroleum Company LP and MPLX Fuels Distribution LLC.	8-K	10.5	2/2/2018	001-35714		
10.61*	MPLX LP 2018 Incentive Compensation Plan	8-K	10.1	3/5/2018	001-35714		
10.62*	Form of MPLX LP Performance Unit Award Agreement - Marathon Petroleum Corporation Officer	10-Q	10.8	4/30/2018	001-35714		
10.63*	Form of MPLX LP Phantom Unit Award Agreement - Marathon Petroleum Corporation Officer	10-Q	10.9	4/30/2018	001-35714		
10.64*	Form of MPLX LP Performance Unit Award Agreement	10-Q	10.10	4/30/2018	001-35714		
10.65*	Form of MPLX LP Phantom Unit Award Agreement - Officer	10-Q	10.11	4/30/2018	001-35714		
10.66*	Form of MPLX LP Phantom Unit Award Agreement - Officer - Three Year Cliff Vesting	10-Q	10.12	4/30/2018	001-35714		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.67*	MPLX LP 2018 Incentive Compensation Plan MPC Non-Employee Director Phantom Unit Award Policy	10-K	10.78	2/28/2019	001-35714		
10.68*	MPLX GP LLC Amended and Restated Non-Management Director Compensation Policy and Director Equity Award Terms	10-K	10.79	2/28/2019	001-35714		
10.69*	First Amendment to the MPLX 2018 Incentive Compensation Plan	10-K	10.75	2/28/2020	001-35714		
10.70*	MPLX LP 2018 Incentive Compensation Plan Phantom Unit Award Agreement Officer Grant (3-year pro-rata vesting)	10-Q	10.1	5/9/2019	001-35714		
10.71*	MPLX LP 2018 Incentive Compensation Plan Performance Unit Award Agreement 2019-2021 Performance Cycle	10-Q	10.2	5/9/2019	001-35714		
10.72*	MPLX LP 2018 Incentive Compensation Plan Phantom Unit Award Agreement Marathon Petroleum Corporation Officer (3-year pro-rata vesting)	10-Q	10.3	5/9/2019	001-35714		
10.73*	2018 Incentive Compensation Plan Performance Unit Award Agreement 2019-2021 Performance Cycle Marathon Petroleum Corporation Officer	10-Q	10.4	5/9/2019	001-35714		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.74	<u>Amended and Restated Credit Agreement, dated as of July 26, 2019, by and among MPLX, as borrower, Wells Fargo Bank, National Association, as administrative agent, each of Wells Fargo Securities, LLC, JPMorgan Chase Bank, N.A., Barclays Bank PLC, BofA Securities, Inc., Citigroup Global Markets Inc., Mizuho Bank, Ltd., MUFG Bank, Ltd. and Royal Bank of Canada, as joint lead arrangers and joint bookrunners, JPMorgan Chase Bank, N.A., as syndication agent, each of Bank of America, N.A., Barclays Bank PLC, Citigroup Global Markets Inc., Mizuho Bank, Ltd., MUFG Bank, Ltd. and Royal Bank of Canada, as documentation agents, and the other lenders and issuing banks that are parties thereto</u>	8-K	10.1	8/1/2019	001-35714		
10.75	<u>Amended and Restated Loan Agreement dated as of July 31, 2019 by and between MPLX LP and MPC Investment LLC.</u>	8-K	10.2	8/1/2019	001-35714		
10.76	<u>Fourth Amended and Restated Omnibus Agreement, dated as of October 30, 2017, among Andeavor, Tesoro Refining & Marketing Company LLC, Tesoro Companies, Inc., Tesoro Alaska Company LLC, Tesoro Logistics LP and Tesoro Logistics GP, LLC</u>	8-K	10.2	10/31/2017	001-35143 (ANDX)		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.77	<u>First Amendment to Fourth Amended and Restated Omnibus Agreement, dated as of January 30, 2019, among Andeavor LLC, Marathon Petroleum Company LP, Tesoro Refining & Marketing Company LLC, Tesoro Companies, Inc., Tesoro Alaska Company LLC, Andeavor Logistics LP and Tesoro Logistics GP, LLC</u>	10-K	10.77	2/28/2019	001-35054		
10.78	<u>Waiver and Second Amendment to Fourth Amended and Restated Omnibus Agreement, dated as of July 29, 2019, by and among MPC, Andeavor Logistics LP, Tesoro Logistics GP, LLC, Tesoro Refining & Marketing Company LLC, Tesoro Companies, Inc., Tesoro Alaska Company LLC and Marathon Petroleum Company LP.</u>	8-K	10.3	8/1/2019	001-35054		
10.79	<u>Third Amended and Restated Schedules to Fourth Amended and Restated Omnibus Agreement, effective August 6, 2018, by and among Andeavor, Tesoro Refining & Marketing Company LLC, Tesoro Companies, Inc., Tesoro Alaska Company LLC, Andeavor Logistics LP and Tesoro Logistics GP, LLC</u>	10-Q	10.2	11/17/2018	001-35143 (ANDX)		
10.80*	<u>Form of MPLX LP Replacement Award for 2017 ANDX Award</u>	10-Q	10.47	11/4/2019	001-35143 (ANDX)		
10.81*	<u>Form of MPLX LP Replacement Award for 2018 ANDX Award</u>	10-Q	10.48	11/4/2019	001-35143 (ANDX)		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.82	<u>Keep-Whole Commodity Fee Agreement, dated as of December 7, 2014, among Tesoro Refining & Marketing Company LLC, QEP Field Services, LLC, QEPM Gathering I, LLC and Green River Processing, LLC</u>	8-K	10.9	12/8/2014	001-35143 (ANDX)		
10.83	<u>First Amendment to Keep-Whole Commodity Fee Agreement, dated as of February 1, 2016, among QEP Field Services, LLC, QEPM Gathering I, LLC, Green River Processing, LLC, and Tesoro Refining & Marketing Company LLC</u>	8-K	10.3	2/3/2016	001-35143 (ANDX)		
10.84	<u>Amendment No. 1 to Fuel Distribution and Supply Agreement, dated October 15, 2014, by and between Western Refining Wholesale, LLC and Western Refining Southwest, Inc.</u>	10-Q	10.20	8/7/2018	001-35143 (ANDX)		
10.85	<u>Product Supply Agreement, dated October 15, 2014, by and among Western Refining Southwest, Inc., Western Refining Company, L.P. and Western Refining Wholesale, LLC</u>	8-K	10.1	10/16/2014	001-36114 (WNRL)		
10.86	<u>Amendment No. 1 to Product Supply Agreement, dated October 15, 2014, by and among Western Refining Southwest, Inc., Western Refining Company, L.P. and Western Refining Wholesale, LLC</u>	10-Q	10.7	8/7/2018	001-35143 (ANDX)		
10.87	<u>Amendment No. 2 to Product Supply Agreement, dated October 15, 2014, by and among Western Refining Southwest, Inc., Western Refining Company, L.P. and Western Refining Wholesale, LLC</u>	10-Q	10.8	8/7/2018	001-35143 (ANDX)		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.88	Amendment No. 3 to Product Supply Agreement, dated October 15, 2014, by and among Western Refining Southwest, Inc., Western Refining Company, L.P. and Western Refining Wholesale, LLC	10-Q	10.9	8/7/2018	001-35143 (ANDX)		
10.89	Amendment No. 4 to Product Supply Agreement, dated October 15, 2014, by and among Western Refining Southwest, Inc., Western Refining Company, L.P. and Western Refining Wholesale, LLC	10-Q	10.10	8/7/2018	001-35143 (ANDX)		
10.90	Amendment No. 5 to Product Supply Agreement, dated October 15, 2014, by and among Western Refining Southwest, Inc., Western Refining Company, L.P. and Western Refining Wholesale, LLC	10-Q	10.11	8/7/2018	001-35143 (ANDX)		
10.91	Fourth Amendment to Third Amended and Restated Terminal Services Agreement, dated March 1, 2017, between MPLX Terminals LLC and Marathon Petroleum Company LP	10-K	10.102	2/28/2020	001-35714		
10.92	Fifth Amendment to Third Amended and Restated Terminal Services Agreement, dated March 1, 2017, between MPLX Terminals LLC and Marathon Petroleum Company LP	10-K	10.103	2/28/2020	001-35714		
10.93	Sixth Amendment to Third Amended and Restated Terminal Services Agreement, dated March 1, 2017, between MPLX Terminals LLC and Marathon Petroleum Company LP	10-Q	10.2	11/6/2020	001-35714		
10.94*	Form of 2020 MPLX LP Phantom Unit Award Agreement - MPLX Officer	10-Q	10.1	5/7/2020	001-35714		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.95*	Form of 2020 MPLX LP Phantom Unit Award Agreement - MPC Officer	10-Q	10.2	5/7/2020	001-35714		
10.96*	Form of 2020 MPLX LP Performance Unit Award Agreement 2020-2022 Performance Cycle - MPLX Officer	10-Q	10.3	5/7/2020	001-35714		
10.97*	Form of MPLX LP Performance Unit Award Agreement 2020-2022 Performance Cycle - MPC Officer	10-Q	10.4	5/7/2020	001-35714		
10.98	Redemption Agreement, dated July 31, 2020, between MPLX LP and Western Refining Southwest, Inc.	10-Q	10.1	8/3/2020	001-35714		
10.99	Terminal Services Agreement, dated as of November 1, 2020, by and among the MPLX LP and Marathon Petroleum Corporation subsidiaries party thereto.	8-K	10.1	11/5/2020	001-35714		
10.100	Amendment to Amended and Restated Transportation Services Agreement, executed as of September 10, 2020, by and between Marathon Petroleum Company LP and Hardin Street Marine LLC	10-Q	10.3	11/6/2020	001-35714		
10.101	Notice of and Consent to Assignment, effective October 1, 2020, by and among Marathon Petroleum Company LP, Marathon Petroleum Trading and Supply LLC and Hardin Street Transportation LLC	10-Q	10.4	11/6/2020	001-35714		
10.102	Notice of and Consent to Assignment, effective October 1, 2020, by and among Marathon Petroleum Company LP, Marathon Petroleum Trading and Supply LLC and Marathon Pipe Line LLC	10-Q	10.5	11/6/2020	001-35714		

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
10.103	Notice of and Consent to Assignment, effective October 1, 2020, by and among Marathon Petroleum Company LP, Marathon Petroleum Trading and Supply LLC and Marathon Pipe Line LLC (Commingled)	10-Q	10.6	11/6/2020	001-35714		
10.104	HSM Services Agreement, dated as of October 1, 2020, by and among Marathon Petroleum Company LP, Marathon Petroleum Trading and Supply LLC and Hardin Street Marine LLC					X	
10.105*	Form of MPLX LP Phantom Unit Award Agreement 2021-2023 Performance Cycle - MPLX Officer					X	
10.106	Amendment to Amended and Restated Transportation Services Agreement, executed as of February 15, 2021, by and between Marathon Petroleum Company LP and Hardin Street Marine LLC					X	
21.1	List of Subsidiaries					X	
23.1	Consent of Independent Registered Public Accounting Firm					X	
24.1	Power of Attorney of Directors and Officers of MPLX GP LLC					X	
31.1	Certification of Chief Executive Officer pursuant to Rule 13(a)-14 and 15(d)-14 under the Securities Exchange Act of 1934					X	
31.2	Certification of Chief Financial Officer pursuant to Rule 13(a)-14 and 15(d)-14 under the Securities Exchange Act of 1934					X	
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350						X

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith	Furnished Herewith
		Form	Exhibit	Filing Date	SEC File No.		
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350						X
101.INS	Inline XBRL Instance Document					X	
101.SCH	Inline XBRL Taxonomy Extension Schema					X	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase					X	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase					X	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase					X	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase					X	
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)						

† The exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K and will be provided to the Securities and Exchange Commission upon request.

* Indicates management contract or compensatory plan, contract or arrangement in which one or more directors or executive officers of the Registrant may be participants.

+ Application has been made to the Securities and Exchange Commission for confidential treatment of certain provisions of these exhibits. Omitted material for which confidential treatment has been requested and has been filed separately with the Securities and Exchange Commission.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 26, 2021

MPLX LP

By: MPLX GP LLC
Its general partner

By: /s/ C. Kristopher Hagedorn

C. Kristopher Hagedorn
Vice President and Controller of MPLX GP LLC
(the general partner of MPLX LP)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on February 26, 2021 on behalf of the registrant and in the capacities indicated.

Signature	Title
<u>/s/ Michael J. Hennigan</u> Michael J. Hennigan	Chairman of the Board, President and Chief Executive Officer of MPLX GP LLC (the general partner of MPLX LP) (principal executive officer)
<u>/s/ Pamela K.M. Beall</u> Pamela K.M. Beall	Director, Executive Vice President and Chief Financial Officer of MPLX GP LLC (the general partner of MPLX LP) (principal financial officer)
<u>/s/ C. Kristopher Hagedorn</u> C. Kristopher Hagedorn	Vice President and Controller of MPLX GP LLC (the general partner of MPLX LP) (principal accounting officer)
<u>*</u> Michael L. Beatty	Director of MPLX GP LLC (the general partner of MPLX LP)
<u>*</u> Christopher A. Helms	Director of MPLX GP LLC (the general partner of MPLX LP)
<u>*</u> Maryann T. Mannen	Director of MPLX GP LLC (the general partner of MPLX LP)
<u>*</u> Garry L. Peiffer	Director of MPLX GP LLC (the general partner of MPLX LP)
<u>*</u> Dan D. Sandman	Director of MPLX GP LLC (the general partner of MPLX LP)
<u>*</u> Frank M. Semple	Director of MPLX GP LLC (the general partner of MPLX LP)
<u>*</u> J. Michael Stice	Director of MPLX GP LLC (the general partner of MPLX LP)
<u>*</u> John P. Surma	Director of MPLX GP LLC (the general partner of MPLX LP)
<u>*</u> Donald C. Templin	Director of MPLX GP LLC (the general partner of MPLX LP)

* The undersigned, by signing his name hereto, does sign and execute this report pursuant to the Power of Attorney executed by the above-named directors and officers of the general partner of the registrant, which is being filed herewith on behalf of such directors and officers.

By: /s/ Michael J. Hennigan February 26, 2021
Michael J. Hennigan
Attorney-in-Fact

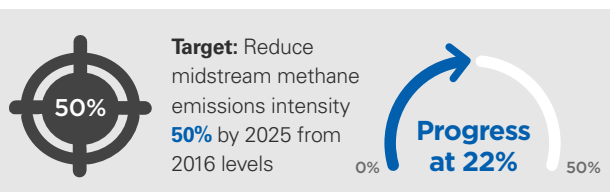
Challenging Ourselves to Lead in Sustainable Energy

At MPLX, our commitment to sustainability means taking actions that create shared value with our stakeholders – empowering people to achieve more, contributing to progress in our communities and protecting the environment we all share.

Focus on Methane

Lowering methane emissions to maximize climate benefits and increase revenue

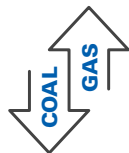
Newly constructed systems designed with lower potential for methane emissions



Natural Gas Lowers Carbon Intensity

Provides baseload stability for wind and solar

Helped facilitate approximately **250 million** tonnes of CO₂e reductions per year from coal to gas switching in the U.S.



Positioned for Potential Conversions for Renewable Products

Nationwide network positioned for potential conversions for renewable products



~10% of natural gas produced in the U.S. passes through our network



20% of Compensation Linked to ESG Performance

GHG intensity, Diversity, Equity and Inclusion, and environmental and safety metrics

Industry-Leading Community Engagement

- Earning Your Trust Program
- Award-winning **Pipeline Finder app**
- Achieved landowner **pipeline awareness of 98%**



API'S DISTINGUISHED PIPELINE SAFETY AWARD

Reconciliation Data: Reconciliation of Adjusted EBITDA from Net (loss)/income

(In millions)

	2020	2019
Net (loss)/income	\$ (687)	\$ 1,462
Provision for income taxes	2	—
Amortization of deferred financing costs	61	42
(Gain)/loss on extinguishment of debt	(19)	—
Net interest and other financial costs	854	873
Income from operations	211	2,377
Depreciation and amortization	1,377	1,254
Non-cash equity-based compensation	14	22
Impairment expense	2,165	1,197
Loss/(income) from equity method investments ⁽¹⁾	936	(290)
Distributions/adjustments related to equity method investments	499	562
Unrealized derivative losses/(gains) ⁽²⁾	3	(1)
Restructuring expenses	37	—
Acquisition costs	—	14
Other	6	1
Adjusted EBITDA	5,248	5,136

(1) Includes impairment expense related to various equity method investments of \$1.3 billion and \$42 million in 2020 and 2019, respectively.

(2) MPLX makes a distinction between realized and unrealized gains and losses on derivatives. During the period when a derivative contract is outstanding, changes in the fair value of the derivative are recorded as an unrealized gain or loss. When a derivative contract matures or is settled, the previously recorded unrealized gain or loss is reversed and the realized gain or loss of the contract is recorded.

Non-GAAP Financial Measures Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP financial measure. We define Adjusted EBITDA as net income adjusted for depreciation and amortization, provision/ (benefit) for income taxes, amortization of deferred financing costs, extinguishment of debt, non-cash equity-based compensation, impairment expense, net interest and other financial costs, income/(loss) from equity method investments, distributions and adjustments related to equity method investments, unrealized derivative gains/(losses), acquisition costs, noncontrolling interests and other adjustments as deemed necessary. A reconciliation of Adjusted EBITDA to net (loss)/income, its most directly comparable GAAP financial measure, is shown above. Adjusted EBITDA is not defined by GAAP and should not be considered in isolation of or as an alternative to net (loss)/income or other financial measures prepared in accordance with GAAP.



MPLX LP
200 EAST HARDIN ST.
FINDLAY, OH 45840

COMPANY INFORMATION

Stock Exchange Listing

New York Stock Exchange
Common Unit Symbol
MPLX

Principal Unit Transfer Agent

Computershare
Unitholder correspondence
should be mailed to:
P.O. Box 505000
Louisville, KY 40233-5000

Overnight correspondence

should be mailed to:
462 South 4th St., Suite 1600
Louisville, KY 40202
(877) 373-6374
(toll free - U.S., Canada, Puerto Rico)
(781) 575-2879
(other non-U.S. jurisdictions)
web.queries@computershare.com

Annual Report on Form 10-K

Additional copies of the
MPLX LP 2020 Annual Report
may be obtained by contacting:
Corporate Communications
539 South Main St.
Findlay, OH 45840
(419) 421-3577

Distributions

Distributions on units, as may be
declared by the Board of Directors,
are typically paid mid-month in
February, May, August and November.

Disclosures Regarding Forward-Looking Statements

This summary annual report wrap includes forward-looking statements. You can identify our forward-looking statements by words such as “believe,” “expect,” “forecast,” “goal,” “intend,” “objective,” “opportunity,” “outlook,” “position,” “potential,” “strategy,” “target,” “will” or other similar expressions that convey the uncertainty of future events or outcomes. We have based our forward-looking statements on our current expectations, estimates and projections about our industry and our partnership. We caution that these statements are not guarantees of future performance and you should not rely unduly on them, as they involve risks, uncertainties and assumptions that we cannot predict. In addition, we have based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. While our management considers these assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. Accordingly, our actual results may differ materially from the future performance that we have expressed or forecast in our forward-looking statements. In addition, the sections entitled “Disclosures Regarding Forward Looking Statements” and “Risk Factors”, which are included in our attached Form 10-K for the year ended Dec. 31, 2020, contain cautionary language identifying important factors, though not necessarily all such factors, that could cause future outcomes to differ materially from those set forth in the forward-looking statements.

Tax Reporting

MPLX unitholders can access
Schedule K-1 tax information
by contacting:
Tax Package Support
P.O. Box 799060
Dallas, TX 75379-9060
(800) 232-0011
www.taxpackagesupport.com/mplx

Headquarters

200 East Hardin St.
Findlay, OH 45840
(419) 421-2414

MPLX LP Website: www.MPLX.com

Investor Relations Office

539 South Main St.
Findlay, OH 45840
IR@marathonpetroleum.com

Kristina Kazarian
Vice President, Investor Relations
(419) 421-2071

Independent Accountants

PricewaterhouseCoopers LLP
406 Washington St., Suite 200
Toledo, OH 43604

