MPLX LP
Form 424B5
February 07, 2017
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**Filed Pursuant to Rule 424(b)(5)**
**Registration No. 333-200621**

**The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell the notes and are not soliciting an offer to buy the notes in any jurisdiction where the offer or sale is not permitted.**

**Subject to Completion**

**Preliminary Prospectus Supplement dated February 7, 2017**

**PROSPECTUS SUPPLEMENT**

**(To Prospectus Dated November 26, 2014)**

**MPLX LP**

**$ % Senior Notes due 2027**

**$ % Senior Notes due 2047**

MPLX LP, or MPLX, we or us, is offering $ aggregate principal amount of % Senior Notes due 2027, which we refer to as the 2027 notes and $ aggregate principal amount of % Senior Notes due 2047, which we refer to as the 2047 notes. We collectively refer to the 2027 notes and the 2047 notes as the notes.

We will pay interest on each series of the notes semi-annually in arrears on and of each year they are outstanding, commencing on , 2017.

We have the option to redeem some or all of the notes of either series at any time and from time to time, as described under the heading Description of the Notes Optional Redemption.

The notes will be unsecured unsubordinated obligations of MPLX and will rank equally with all of MPLX s other unsecured unsubordinated debt from time to time outstanding, but will be effectively junior to MPLX s secured indebtedness to the extent of the value of the relevant collateral. The notes will not be the obligation of any of MPLX s subsidiaries and will be structurally subordinated to all indebtedness and other obligations of MPLX s subsidiaries, including existing or future debt obligations of MarkWest Energy Partners, L.P., which we refer to as MarkWest, and its subsidiaries.

Each series of notes is a new issue of securities with no established trading market. We do not intend to apply to list the notes on any securities exchange or to have the notes quoted on any automated quotation system.

**Investing in the notes involves risks. You should carefully consider the risk factors on page S-10 of this prospectus supplement and in the accompanying prospectus.**

| | Per 2027 Note | Total | Per 2047 Note | Total |
|---|---|---|---|---|
| Public Offering Price(1) | % | $ | % | $ |
| Underwriting discount | % | $ | % | $ |
| Proceeds (before expenses) | % | $ | % | $ |

(1) Plus accrued interest, if any, from February , 2017 if settlement occurs after that date.

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

Delivery of the notes offered hereby in book-entry form will be made only through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank, S.A./N.V. and Clearstream Banking, *société anonyme*, on or about February , 2017. This settlement date may affect trading of the notes. See Underwriting.

***Joint Book-Running Managers (2027 Notes)***

**Barclays** **Citigroup** **MUFG** **Wells Fargo Securities**
**BofA Merrill Lynch** **Mizuho Securities** **RBC Capital Markets**
**SunTrust Robinson Humphrey** **UBS Investment Bank** **US Bancorp**

***Joint Book-Running Managers (2047 Notes)***

**Barclays** **Citigroup** **MUFG** **Wells Fargo Securities**
**BNP PARIBAS** **BofA Merrill Lynch** **Mizuho Securities**
**SunTrust Robinson Humphrey** **TD Securities** **UBS Investment Bank**

**The date of this prospectus supplement is February , 2017.**

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## PROSPECTUS SUPPLEMENT



## PROSPECTUS

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## ABOUT THIS PROSPECTUS SUPPLEMENT

We provide information to you about this offering in two parts. The first part is this prospectus supplement which describes the specific terms of this offering and adds to, updates and changes information contained in the accompanying prospectus. The second part is the accompanying prospectus, which provides general information, some of which may not apply to this offering. This prospectus supplement should be read in conjunction with the accompanying prospectus. To the extent the information contained in this prospectus supplement is inconsistent with the information in the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, in the accompanying prospectus, or in any free writing prospectus that we may provide to you. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not, and the underwriters are not, making offers to sell the notes in any jurisdiction in which an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus, or any document incorporated by reference is accurate as of any date other than the date on the cover page of those respective documents. Our business, financial condition, results of operations and prospects may have changed since those respective dates.

Except as otherwise indicated, references in this prospectus supplement to MPLX, the Partnership, we, us and our refer to MPLX LP and its consolidated subsidiaries. References to MPLX LP refer to MPLX LP but not its subsidiaries. References to MarkWest refer to our wholly-owned subsidiary MarkWest Energy Partners, L.P. and its subsidiaries.

## WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act. We file annual, quarterly and current reports and other information with the Securities and Exchange Commission, or the SEC. You can read and copy these materials at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain information about the operation of the SEC s public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains information MPLX has filed electronically with the SEC, which you can access over the Internet at http://www.sec.gov. You can also obtain information about MPLX at our website at http://www.mplx.com. We do not intend for information contained on, or accessible through, our website to be part of this prospectus supplement or the accompanying prospectus, other than documents that we file with the SEC that are incorporated by reference in this prospectus supplement or the accompanying prospectus.

## INFORMATION WE INCORPORATE BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information in documents we have filed with the SEC. This means that we can disclose important information to you without actually including the specific information in the prospectus supplement or accompanying prospectus by referring you to other documents filed separately with the SEC. These other documents contain important information about us, our financial condition and results of operation. The information we incorporate by reference is considered to be a part of this prospectus supplement and the accompanying prospectus. Information that we file with the SEC after the date of this prospectus supplement will automatically update and supersede the information contained in this prospectus supplement and the accompanying prospectus. Any statement contained in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus supplement and

the accompanying prospectus to the extent that a statement contained in or omitted from this prospectus supplement or the accompanying prospectus, or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement and the accompanying prospectus.

We incorporate by reference the following documents into this prospectus supplement:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (Part II, Item 6, Part II, Item 7 and Part II, Item 8 have been superseded by recasted information filed by MPLX on a Current Report on Form 8-K on May 2, 2016 and a Current Report on Form 8-K/A on May 20, 2016);

- our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2016, June 30, 2016 and September 30, 2016;

- our Current Reports on Form 8-K and Form 8-K/A, as applicable, filed on January 4, 2016, January 29, 2016, March 4, 2016 (two reports), March 17, 2016, April 6, 2016, April 29, 2016, May 2, 2016 (two reports), May 16, 2016, May 20, 2016, August 1, 2016, August 4, 2016, August 24, 2016, September 6, 2016, October 11, 2016, and January 5, 2017;

- Item 8 of MarkWest s Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (SEC File No. 001-31239); and

- Part 1, Item 1 of MarkWest s Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2015, June 30, 2015 and September 30, 2015 (SEC File No. 001-31239).

We also incorporate by reference any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding information deemed to be furnished and not filed with the SEC) until the termination of this offering. We do not and will not, however, incorporate by reference in this prospectus supplement any documents or portions thereof that are not deemed filed with the SEC, including any information furnished pursuant to Item 2.02 or Item 7.01 of our Current Reports on Form 8-K unless, and except to the extent, specified in such current reports.

You may request a copy of these filings, other than an exhibit to these filings unless we have specifically incorporated that exhibit by reference into the filing, at no cost, by writing or telephoning MPLX at the following address or telephone number:

MPLX LP

200 E. Hardin Street

Findlay, Ohio 45840

Attention: Investor Relations

Telephone: (419) 672-6500

**DISCLOSURES REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus, including the documents incorporated herein by reference, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, or the Securities Act, and Section 21E of the Exchange Act. You can identify our forward-looking statements by words such as anticipate, believe, contemplate, could, estimate, expect, forecast, goal, intend, may, obj predict, project, seek, should, target, will, would or other similar expressions that convey the uncertainty o events or outcomes. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements contained in this prospectus supplement and the documents we have incorporated by reference.

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Forward-looking statements include, but are not limited to, statements that relate to, or statements that are subject to risks, contingencies or uncertainties that relate to:

- future levels of revenues and other income, income from operations, net income attributable to MPLX, earnings per unit, adjusted EBITDA or distributable cash flow;
- anticipated levels of regional, national and worldwide prices of crude oil, natural gas, natural gas liquids, which we refer to as NGLs, and refined products;
- anticipated levels of drilling activity, production rates and volumes of throughput and crude oil, natural gas, NGLs, refined products or other hydrocarbon-based products;
- future levels of capital, environmental or maintenance expenditures, general and administrative and other expenses;
- the success or timing of completion of ongoing or anticipated capital or maintenance projects;
- expectations regarding our merger with MarkWest and other acquisitions or divestitures of assets;
- business strategies, growth opportunities and expected investments;
- the effect of restructuring or reorganization of business components;
- the potential effects of judicial or other proceedings on our business, financial condition, results of operations and cash flows;
- the potential effects of changes in tariff rates on our business, financial condition, results of operations and cash flows;
- the adequacy of our capital resources and liquidity, including, but not limited to, availability of sufficient cash flow to pay distributions and execute our business plan;
- our ability to successfully implement our growth strategy, whether through organic growth or acquisitions;

- capital market conditions, including the cost of capital, and our ability to raise adequate capital to execute our business plan and implement our growth strategy; and

- the anticipated effects of actions of third parties such as competitors, or federal, foreign, state or local regulatory authorities, or plaintiffs in litigation.

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. Differences between actual results and any future performance suggested in our forward-looking statements could result from a variety of factors, including the following:

- changes in general economic, market or business conditions;

- changes in our economic and financial condition;

- risks and uncertainties associated with intangible assets, including any future goodwill or intangible assets impairment charges;

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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 regional, national and worldwide prices of crude oil, natural gas, NGLs and refined products;

domestic and foreign supplies of crude oil and other feedstock, natural gas, NGLs and refined products such as gasoline, diesel fuel, jet fuel, home heating oil and petrochemicals;

foreign imports and exports of crude oil, refined products, natural gas and NGLs;

midstream and refining industry overcapacity or under capacity;

changes in the cost or availability of third-party vessels, pipelines, railcars and other means of transportation for crude oil, feedstocks, natural gas, NGLs and refined products;

the price, availability and acceptance of alternative fuels and alternative-fuel vehicles and laws mandating such fuels or vehicles;

fluctuations in consumer demand for refined products, natural gas and NGLs including seasonal fluctuations;

changes in maintenance capital expenditure requirements or changes in costs of planned capital projects;

political and economic conditions in nations that consume refined products, natural gas and NGLs, including the United States, and in crude oil producing regions, including the Middle East, Africa, Canada and South America;

actions taken by our competitors and the expansion and retirement of pipeline, processing, fractionation and treating capacity in response to market conditions;

changes in fuel and utility costs for our facilities;

failure to realize the benefits projected for capital projects, or cost overruns associated with such projects;

the ability to successfully implement growth strategies, whether through organic growth or acquisitions;

accidents or other unscheduled shutdowns affecting our pipelines, processing, fractionation and treating facilities or equipment, or those of our suppliers or customers or facilities upstream or downstream of our facilities;

unusual weather conditions and natural disasters;

disruptions due to equipment interruption or failure;

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;

legislative or regulatory action, which may adversely affect our business or operations;

rulings, judgments or settlements in litigation or other legal, tax or regulatory matters, including unexpected environmental remediation costs, in excess of any reserves or insurance coverage;

political pressure and influence of environmental groups upon the policies and decisions related to the production, gathering, processing, fractionation, refining, transportation and marketing of natural gas, oil, NGLs or other hydrocarbon-based fuels;

labor and material shortages;

the ability and willingness of parties with whom we have material relationships to perform their obligations to us;

- capital market conditions, availability of equity capital, changes in the availability of unsecured credit and changes affecting the credit markets generally; and

- the other factors described in Item 1A. Risk Factors of our most recent Annual Report on Form 10-K filed with the SEC, in each case, as these risk factors are amended or supplemented by subsequent Quarterly Reports on Form 10-Q that are incorporated by reference into this prospectus supplement.

Factors that could affect strategic actions announced by Marathon Petroleum Corporation, which we refer to as MPC , including MPC s dropdown strategy and the Partnership s plans for funding such dropdowns, include, but are not limited to the following:

- the time, costs and ability to obtain regulatory or other approvals and consents and otherwise consummate such strategic actions;

- the satisfaction or waiver of conditions in the agreements governing such strategic actions;

- our ability to obtain financing for such dropdowns and our ability to agree to the terms, including purchase price, of such dropdowns with MPC;

- the ability to achieve the strategic and other objectives related to the strategic actions;

- the impact of adverse market conditions affecting the Partnership s businesses;

- adverse changes in laws including with respect to tax and regulatory matters; and

- the MPLX conflicts committee review process with respect to the timing of and value attributed to assets expected to be offered to the Partnership.

We do not undertake any obligation to update the forward-looking statements included or incorporated by reference in this prospectus supplement or the accompanying prospectus, unless we are required by applicable securities laws to do so.

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## SUMMARY

*The following summary information is qualified in its entirety by the information contained elsewhere in this prospectus supplement and the accompanying prospectus, including the documents we have incorporated by reference and in the indenture governing the notes, which we refer to as the indenture , as described under Description of the Notes. Because this is a summary, it does not contain all the information that may be important to you. We urge you to read this entire prospectus supplement and the accompanying prospectus as well as the other documents incorporated by reference, carefully, including the Risk Factors sections and our consolidated financial statements and the related notes.*

### Partnership Information

We are a diversified, growth-oriented master limited partnership formed in 2012 by MPC to own, operate, develop and acquire midstream energy infrastructure assets. We are engaged in the gathering, processing and transportation of natural gas; the gathering, transportation, fractionation, storage and marketing of NGLs; and the gathering, transportation and storage of crude oil and refined petroleum products. Our business consists of two segments based on the nature of services we offer Logistics and Storage focused on crude oil and refined products and Gathering and Processing focused on natural gas and NGLs.

On December 4, 2015, we completed a merger with MarkWest, which we refer to as the MarkWest Merger . As of the date of this prospectus supplement, MarkWest is one of the largest processors of natural gas in the United States and the largest processor and fractionator in the Marcellus and Utica shale plays. These assets include gathering and processing infrastructure of more than 5,000 miles of gas and NGL pipelines, over 50 gas processing plants, more than 10 NGL fractionation facilities and one condensate stabilization facility.

On March 31, 2016, we completed the acquisition of MPC s inland marine business operated by Hardin Street Marine LLC, which we refer to as HSM . The transaction was valued at $600 million, the consideration for which consisted of a fixed number of common units and general partner units of 22,534,002 and 459,878, respectively. At the closing of the acquisition, the fair value of the common units and general partner units issued was $669 million and $14 million, respectively. The general partner units were issued to MPC to maintain MPC s two percent general partner interest in us. The inland marine business is comprised of 18 tow boats and 205 barges, which transport light products, heavy oils, crude oil, renewable fuels, chemicals and feedstocks in the Midwest and U.S. Gulf Coast regions.

All of our operations and assets are located in the United States. Our principal executive offices are located at 200 E. Hardin Street, Findlay, Ohio 45840, and our telephone number at that location is (419) 672-6500.

### Strategic Relationship to MPC

We have a strategic relationship with MPC. As of December 31, 2016, MPC owned our general partner and an approximate 23.5% limited partner interest (excluding our outstanding Series A Preferred Units) in us and all of our incentive distribution rights.

MPC is an independent petroleum refining and marketing, retail and midstream company that currently owns and operates seven refineries, all located in the United States, with an aggregate crude oil refining capacity of approximately 1.8 mmbpcd. MPC distributes refined products to its customers through one of the largest terminal operations in the United States, and a combination of MPC-owned and third-party-owned trucking and rail assets. We believe that MPC is one of the largest wholesale suppliers of gasoline and distillates to resellers within its market area.

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MPC has identified eligible midstream assets and growth projects that are broadly estimated to generate annual EBITDA of $1.4 billion that can potentially be sold and/or contributed to us. As of September 30, 2016, these assets included:

- approximately 5,400 miles of additional pipelines, including pipelines leased and partially owned by MPC;
- 50% ownership interest in a blue water joint venture with Crowley Maritime Corporation;
- 61 owned and operated light product terminals with approximately 20 million barrels of storage capacity;
- 55 million barrels of storage capacity at MPC s refineries; and
- MPC s fuel distribution business.

We believe that our relationship with MPC will provide us with significant growth opportunities, as well as a base of stable cash flows.

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## Organizational Structure

The following diagram depicts our organizational structure and MPC s ownership interests in us as of December 31, 2016.

## Earnings Update

### *Unaudited Financial Results*

On February 1, 2017, we announced unaudited financial results for the fourth quarter and year ended December 31, 2016. The selected financial results described below have been prepared by, and are the responsibility of, MPLX LP s management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or performed any procedures with respect to the selected financial results. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto. As a result, reported results may differ from the unaudited results described below. Our fourth quarter and fiscal 2016 consolidated financial results should be read in conjunction with our Quarterly Report on Form 10-Q for the period ended September 30, 2016 and our Annual Report on Form 10-K for the year ended December 31, 2015 and our Current Report on Form 8-K filed on May 2, 2016 and our Current Report on Form 8-K/A filed on May 20, 2016, which are incorporated by reference herein. Information as of and for the fourth quarter and year ended December 31, 2016 is not necessarily indicative of results for any other periods.

### *Selected Fourth-Quarter and Full-Year 2016 Financial Results (Unaudited)*

MPLX revenues and other income for the fourth quarter of 2016 were $714 million. Net income attributable to MPLX for the fourth quarter of 2016 was $133 million. Fourth quarter 2016 adjusted EBITDA (as defined below) attributable to MPLX was $391 million. Fourth quarter net cash flow from operating activities and distributable cash flow, or DCF, attributable to MPLX were $356 million and $318 million, respectively. MPLX declared a distribution of $0.52 per common unit and declared total distributions of $242 million on its outstanding common units and general partner interests, resulting in a distribution coverage ratio of 1.25x for the fourth quarter 2016.

For the year ended December 31, 2016, MPLX revenues and other income were $2,590 million. Net income attributable to MPLX was $233 million. Adjusted EBITDA attributable to MPLX for the year ended December 31, 2016 was $1,419 million. Net cash flow from operating activities and distributable cash flow attributable to MPLX for the year ended December 31, 2016 were $1,288 million and $1,140 million, respectively. MPLX declared distributions per common unit of $2.05 and declared total distributions of $897 million on its outstanding common units and general partner interests, resulting in a distribution coverage ratio of 1.23x for the year ended December 31, 2016.

As of December 31, 2016, we had cash and cash equivalents of $234 million, total assets of $16,646 million, total debt of $4,423 million and total equity of $10,319 million. As of December 31, 2016, we had no borrowings outstanding under our revolving credit facility, resulting in a total unused revolving credit availability of approximately $2.0 billion. Our ratio of consolidated total debt (calculated without regard to aggregate unamortized discounts of $435 million) to last twelve months pro forma adjusted EBITDA (which is pro forma for acquisitions and includes non-controlling interest) was 3.4x as of December 31, 2016.

***Non-GAAP Financial Information***

In addition to our financial information presented in accordance with U.S. generally accepted accounting principles (GAAP), management utilizes additional non-GAAP measures to facilitate comparisons of past performance and future periods. The foregoing Select Fourth-Quarter and Full-Year 2016 Financial Results (unaudited) include the non-GAAP measures of adjusted EBITDA, DCF and distribution coverage ratio. The amount of adjusted EBITDA and DCF generated is considered by the board of directors of our general partner in approving the Partnership s cash distribution. Adjusted EBITDA and DCF should not be considered separately from or as a substitute for net income, income from operations, or cash flow as reflected in our financial statements. The GAAP measures most directly comparable to adjusted EBITDA and DCF are net income and net cash provided by operating activities.

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) non-cash equity-based compensation; (v) impairment expense; (vi) net interest and other financial costs; (vii) loss (income) from equity investments; (viii) distributions from unconsolidated subsidiaries; (ix) unrealized derivative losses (gains); and (x) acquisition costs. In general, we define DCF as adjusted EBITDA adjusted for (i) deferred revenue impacts; (ii) net interest and other financial costs; (iii) maintenance capital expenditures; and (iv) other non-cash items.

The Partnership makes a distinction between realized or unrealized gains and losses on derivatives. During the period when a derivative contract is outstanding, we record changes in the fair value of the derivative as an unrealized gain or loss. When a derivative contract matures or is settled, we reverse the previously recorded unrealized gain or loss and record the realized gain or loss of the contract.

Adjusted EBITDA is a financial performance measure used by management, industry analysts, investors, lenders, and rating agencies to assess the financial performance and operating results of our ongoing business operations. Additionally, we believe adjusted EBITDA provides useful information to investors for trending, analyzing and benchmarking our operating results from period to period as compared to other companies that may have different financing and capital structures.

DCF is a financial performance measure used by management as a key component in the determination of cash distributions paid to unitholders. We believe DCF is an important financial measure for unitholders as an indicator of cash return on investment and to evaluate whether the partnership is generating sufficient cash flow to support quarterly distributions. In addition, DCF is commonly used by the investment community because the market value of publicly traded partnerships is based, in part, on DCF and cash distributions paid to unitholders.

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Distribution coverage ratio is a financial performance measure used by management to reflect the relationship between the Partnership s financial operating performance and cash distribution capability. We define the distribution coverage ratio as the ratio of DCF attributable to the general partner and limited partner unitholders to the total general partner and limited partner distribution declared.

Adjusted EBITDA, distribution coverage ratio and DCF should not be considered as alternatives to U.S. GAAP net income or net cash provided by operating activities. Adjusted EBITDA, distribution coverage ratio and DCF 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 U.S. GAAP. Adjusted EBITDA, distribution coverage ratio and DCF should not be considered in isolation or as substitutes for analysis of our results as reported under U.S. GAAP. Additionally, because adjusted EBITDA, distribution coverage ratio and DCF may be defined differently by other companies in our industry, our definitions of adjusted EBITDA, distribution coverage ratio and DCF may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

The following are reconciliations of adjusted EBITDA and DCF to their most comparable measures calculated and presented in accordance with GAAP for the fourth quarter and year ended December 31, 2016.

**Reconciliation of Adjusted EBITDA Attributable to MPLX LP and DCF Attributable to GP and LP Unitholders from Net income (loss) (unaudited)**

| *(In Millions)* | **Three Months Ended December 31, 2016** | **Year Ended December 31, 2016** |
|---|---|---|
| **Net income** | $ 132 | $ 258 |
| Depreciation and amortization | 139 | 546 |
| (Benefit) provision for income taxes | | (12) |
| Amortization of deferred financing costs | 12 | 46 |
| Non-cash equity-based compensation | 1 | 10 |
| Impairment expense | | 130 |
| Net interest and other financial costs | 53 | 215 |
| (Income) loss from equity investments | 2 | 74 |
| Distributions from unconsolidated subsidiaries | 39 | 150 |
| Unrealized derivative loss (gain)[a] | 13 | 36 |
| Acquisition costs | | (1) |
| **Adjusted EBITDA** | **391** | **1,452** |
| Adjusted EBITDA attributable to noncontrolling interests | | (3) |
| Adjusted EBITDA attributable to HSM[b] | | (30) |
| **Adjusted EBITDA attributable to MPLX LP** | **391** | **1,419** |
| Deferred revenue impacts | 2 | 8 |
| Net interest and other financial costs | (53) | (215) |
| Maintenance capital expenditures | (20) | (68) |

| | | | | |
|---|---|---|---|---|
| Other | | (2) | | (4) |
| **DCF** | | **318** | | **1,140** |
| Preferred unit distributions | | (16) | | (41) |
| **DCF attributable to GP and LP unitholders** | **$** | **302** | **$** | **1,099** |

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

(b) The Adjusted EBITDA adjustments related to HSM are excluded from adjusted EBITDA attributable to MPLX LP and DCF prior to the March 31, 2016 HSM acquisition.

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**Reconciliation of Adjusted EBITDA Attributable to MPLX LP and DCF Attributable to GP and LP Unitholders from Net Cash Provided by Operating Activities (unaudited)**

| *(In Millions)* | Year Ended December 31, 2016 |
|---|---|
| **Net cash provided by operating activities** | $ 1,288 |
| Changes in working capital items | (89) |
| All other, net | (20) |
| Non-cash equity-based compensation | 10 |
| Net gain on disposal of assets | 1 |
| Current income taxes expense | 5 |
| Net interest and other financial costs | 215 |
| Asset retirement expenditures | 5 |
| Unrealized derivative losses[a] | 36 |
| Acquisition costs | (1) |
| Other | 2 |
| **Adjusted EBITDA** | **1,452** |
| Adjusted EBITDA attributable to noncontrolling interests | (3) |
| Adjusted EBITDA attributable to HSM[b] | (30) |
| **Adjusted EBITDA attributable to MPLX LP** | **1,419** |
| Deferred revenue impacts | 8 |
| Net interest and other financial costs | (215 |