UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended March 31, 2017

OR

☐ **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 001-35054

Marathon Petroleum Corporation

(Exact name of registrant as specified in its charter)

Delaware	**27-1284632**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
539 South Main Street, Findlay, Ohio	**45840-3229**
(Address of principal executive offices)	**(Zip code)**

(419) 422-2121
(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files.) Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	☐ (Do not check if a smaller reporting company)	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 is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

There were 518,737,401 shares of Marathon Petroleum Corporation common stock outstanding as of April 27, 2017.

MARATHON PETROLEUM CORPORATION
Form 10-Q
Quarter Ended March 31, 2017

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Unless otherwise stated or the context otherwise indicates, all references in this Form 10-Q to "MPC," "us," "our," "we" or "the Company" mean Marathon Petroleum Corporation and its consolidated subsidiaries.

GLOSSARY OF TERMS

Throughout this report, the following company or industry specific terms and abbreviations are used:

ATB	Articulated tug barges
barrel	One stock tank barrel, or 42 United States gallons liquid volume, used in reference to crude oil or other liquid hydrocarbons.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization, a non-GAAP financial measure
EPA	United States Environmental Protection Agency
FASB	Financial Accounting Standards Board
IDR	Incentive Distribution Rights
LCM	Lower of cost or market
LIFO	Last in, first out, an inventory costing method
LLS	Louisiana Light Sweet crude oil, an oil index benchmark price
mbpd	Thousand barrels per day
MMbtu	One million British thermal units, an energy measurement
MMcf/d	One million cubic feet of natural gas per day
NGL	Natural gas liquids, such as ethane, propane, butanes and natural gasoline
NYSE	New York Stock Exchange
OTC	Over-the-Counter
ppm	Parts per million
RIN	Renewable Identification Number
SEC	Securities and Exchange Commission
ULSD	Ultra-low sulfur diesel
U.S. GAAP	Accounting principles generally accepted in the United States
USGC	U.S. Gulf Coast
VIE	Variable interest entity
WTI	West Texas Intermediate crude oil, an oil index benchmark price

Part I – Financial Information

Item 1. Financial Statements

Marathon Petroleum Corporation

Consolidated Statements of Income (Unaudited)

(In millions, except per share data)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenues and other income:		
Sales and other operating revenues (including consumer excise taxes)	$ 16,288	$ 12,755
Income from equity method investments	57	22
Net gain on disposal of assets	5	25
Other income	43	28
Total revenues and other income	16,393	12,830
Costs and expenses:		
Cost of revenues (excludes items below)	13,133	9,701
Purchases from related parties	122	107
Inventory market valuation adjustment	—	15
Consumer excise taxes	1,813	1,826
Impairment expense	—	129
Depreciation and amortization	536	490
Selling, general and administrative expenses	389	378
Other taxes	108	109
Total costs and expenses	16,101	12,755
Income from operations	292	75
Net interest and other financial income (costs)	(150)	(142)
Income (loss) before income taxes	142	(67)
Provision for income taxes	41	11
Net income (loss)	101	(78)
Less net income (loss) attributable to:		
Redeemable noncontrolling interest	16	—
Noncontrolling interests	55	(79)
Net income attributable to MPC	$ 30	$ 1
Per Share Data (See Note 7)		
Basic:		
Net income attributable to MPC per share	$ 0.06	$ 0.003
Weighted average shares outstanding	525	529
Diluted:		
Net income attributable to MPC per share	$ 0.06	$ 0.003
Weighted average shares outstanding	530	531
Dividends paid	$ 0.36	$ 0.32

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

Marathon Petroleum Corporation

Consolidated Statements of Comprehensive Income (Unaudited)

(In millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net income (loss)	$ 101	$ (78)
Other comprehensive income (loss):		
Defined benefit postretirement and post-employment plans:		
Actuarial changes, net of tax of $3 and $5	4	8
Prior service costs, net of tax of ($4) and ($5)	(7)	(8)
Other comprehensive income (loss)	(3)	—
Comprehensive income (loss)	98	(78)
Less comprehensive income (loss) attributable to:		
Redeemable noncontrolling interest	16	—
Noncontrolling interests	55	(79)
Comprehensive income attributable to MPC	$ 27	$ 1

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

Marathon Petroleum Corporation

Consolidated Balance Sheets (Unaudited)

(In millions, except share data)	March 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents (MPLX: $265 and $234, respectively)	$ 2,167	$ 887
Receivables, less allowance for doubtful accounts of $10 and $12 (MPLX: $276 and $304, respectively)	3,284	3,617
Inventories (MPLX: $62 and $55, respectively)	5,392	5,656
Other current assets (MPLX: $31 and $33, respectively)	199	241
Total current assets	11,042	10,401
Equity method investments (MPLX: $3,306 and $2,471, respectively)	4,704	3,827
Property, plant and equipment, net (MPLX: $11,411 and $11,408, respectively)	25,669	25,765
Goodwill (MPLX: $2,245 and $2,245, respectively)	3,586	3,587
Other noncurrent assets (MPLX: $499 and $506, respectively)	820	833
Total assets	$ 45,821	$ 44,413
Liabilities		
Current liabilities:		
Accounts payable (MPLX: $485 and $541, respectively)	$ 5,343	$ 5,593
Payroll and benefits payable (MPLX: $0 and $1, respectively)	528	530
Consumer excise taxes payable (MPLX: $2 and $3, respectively)	482	464
Accrued taxes (MPLX: $29 and $35, respectively)	135	153
Debt due within one year (MPLX: $1 and $1, respectively)	28	28
Other current liabilities (MPLX: $98 and $81, respectively)	350	378
Total current liabilities	6,866	7,146
Long-term debt (MPLX: $6,654 and $4,422, respectively)	12,570	10,544
Deferred income taxes (MPLX: $6 and $6, respectively)	3,888	3,861
Defined benefit postretirement plan obligations	1,085	1,055
Deferred credits and other liabilities (MPLX: $187 and $189, respectively)	615	604
Total liabilities	25,024	23,210
Commitments and contingencies (see Note 21)		
Redeemable noncontrolling interest	1,000	1,000
Equity		
MPC stockholders' equity:		
Preferred stock, no shares issued and outstanding (par value 0.01 per share, 30 million shares authorized)	—	—
Common stock:		
Issued – 731 million and 731 million shares (par value 0.01 per share, 1 billion shares authorized)	7	7
Held in treasury, at cost – 212 million and 203 million shares	(7,905)	(7,482)
Additional paid-in capital	11,159	11,060
Retained earnings	10,046	10,206
Accumulated other comprehensive loss	(237)	(234)
Total MPC stockholders' equity	13,070	13,557
Noncontrolling interests	6,727	6,646
Total equity	19,797	20,203
Total liabilities, redeemable noncontrolling interest and equity	$ 45,821	$ 44,413

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

Marathon Petroleum Corporation

Consolidated Statements of Cash Flows (Unaudited)

(In millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Increase (decrease) in cash and cash equivalents		
Operating activities:		
Net income (loss)	$ 101	$ (78)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Amortization of deferred financing costs and debt discount	15	15
Impairment expense	—	129
Depreciation and amortization	536	490
Inventory market valuation adjustment	—	15
Pension and other postretirement benefits, net	27	30
Deferred income taxes	(5)	(2)
Net gain on disposal of assets	(5)	(25)
Income from equity method investments	(57)	(22)
Distributions from equity method investments	61	50
Changes in the fair value of derivative instruments	28	(18)
Changes in:		
Current receivables	333	325
Inventories	264	226
Current accounts payable and accrued liabilities	(215)	(810)
All other, net	30	5
Net cash provided by operating activities	1,113	330
Investing activities:		
Additions to property, plant and equipment	(610)	(745)
Acquisitions	(220)	—
Disposal of assets	2	77
Investments – acquisitions, loans and contributions	(566)	(66)
– redemptions, repayments and return of capital	15	—
All other, net	23	7
Net cash used in investing activities	(1,356)	(727)
Financing activities:		
Commercial paper – issued	300	264
– repayments	(300)	(76)
Long-term debt – borrowings	2,241	586
– repayments	(207)	(1,145)
Debt issuance costs	(21)	(1)
Issuance of common stock	10	1
Common stock repurchased	(420)	(75)
Dividends paid	(190)	(169)
Issuance of MPLX LP common units	148	315
Distributions to noncontrolling interests	(158)	(121)
Contributions from noncontrolling interests	126	2
All other, net	(6)	(3)
Net cash provided by (used in) financing activities	1,523	(422)
Net increase (decrease) in cash and cash equivalents	1,280	(819)
Cash and cash equivalents at beginning of period	887	1,127
Cash and cash equivalents at end of period	$ 2,167	$ 308

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

Marathon Petroleum Corporation

Consolidated Statements of Equity and Redeemable Noncontrolling Interest (Unaudited)

	MPC Stockholders' Equity							
(In millions)	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Equity	Redeemable Non-controlling Interest
Balance as of December 31, 2015	$ 7	$ (7,275)	$ 11,071	$ 9,752	$ (318)	$ 6,438	$ 19,675	
Net income (loss)	—	—	—	1	—	(79)	(78)	
Dividends declared	—	—	—	(169)	—	—	(169)	
Distributions to noncontrolling interests	—	—	—	—	—	(121)	(121)	
Contributions from noncontrolling interests	—	—	—	—	—	2	2	
Shares repurchased	—	(75)	—	—	—	—	(75)	
Shares issued (returned) – stock-based compensation	—	(3)	1	—	—	—	(2)	
Stock-based compensation	—	—	15	—	—	2	17	
Impact from equity transactions of MPLX LP	—	—	(105)	—	—	355	250	
Other	—	—	—	—	—	(5)	(5)	
Balance as of March 31, 2016	$ 7	$ (7,353)	$ 10,982	$ 9,584	$ (318)	$ 6,592	$ 19,494	$ —
Balance as of December 31, 2016	$ 7	$ (7,482)	$ 11,060	$ 10,206	$ (234)	$ 6,646	$ 20,203	$ 1,000
Net income	—	—	—	30	—	55	85	16
Dividends declared	—	—	—	(190)	—	—	(190)	—
Distributions to noncontrolling interests	—	—	—	—	—	(142)	(142)	(16)
Contributions from noncontrolling interests	—	—	—	—	—	126	126	—
Other comprehensive loss	—	—	—	—	(3)	—	(3)	—
Shares repurchased	—	(420)	—	—	—	—	(420)	—
Shares issued (returned) – stock-based compensation	—	(3)	10	—	—	—	7	—
Stock-based compensation	—	—	17	—	—	—	17	—
Impact from equity transactions of MPLX LP	—	—	72	—	—	42	114	—
Balance as of March 31, 2017	$ 7	$ (7,905)	$ 11,159	$ 10,046	$ (237)	$ 6,727	$ 19,797	$ 1,000

(Shares in millions)	Common Stock	Treasury Stock
Balance as of December 31, 2015	729	(198)
Shares repurchased	—	(2)
Shares issued – stock-based compensation	1	—
Balance as of March 31, 2016	730	(200)
Balance as of December 31, 2016	731	(203)
Shares repurchased	—	(9)
Balance as of March 31, 2017	731	(212)

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

Notes to Consolidated Financial Statements (Unaudited)

1. Description of the Business and Basis of Presentation

***Description of the Business*—**Our business consists of refining and marketing, retail and midstream services conducted primarily in the Midwest, Gulf Coast, East Coast, Northeast and Southeast regions of the United States, through subsidiaries, including Marathon Petroleum Company LP (“MPC LP”), Speedway LLC and its subsidiaries (“Speedway”) and MPLX LP and its subsidiaries (“MPLX”).

See Note 9 for additional information about our operations.

***Basis of Presentation*—**All significant intercompany transactions and accounts have been eliminated.

These interim consolidated financial statements are unaudited; however, in the opinion of our management, these statements reflect all adjustments necessary for a fair statement of the results for the periods reported. All such adjustments are of a normal, recurring nature unless otherwise disclosed. These interim consolidated financial statements, including the notes, have been prepared in accordance with the rules of the SEC applicable to interim period financial statements and do not include all of the information and disclosures required by U.S. GAAP for complete financial statements.

These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2016. The results of operations for the three months ended March 31, 2017 are not necessarily indicative of the results to be expected for the full year.

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

In the first quarter of 2017, we revised our segment reporting in connection with the contribution of certain terminal, pipeline and storage assets to MPLX. See Note 3 for additional information. The operating results for these assets are now reported in our Midstream segment. Previously they were reported as part of our Refining & Marketing segment. Comparable prior period information has been recast to reflect our revised presentation. The results for the pipeline and storage assets were recast effective January 1, 2015 and the results for the terminal assets were recast effective April 1, 2016. Prior to these dates these assets were not considered businesses for accounting purposes and therefore there are no financial results from which to recast segment results. Additionally, the MPLX asset and liability balances as of December 31, 2016 reported in parentheses on our consolidated balance sheets have also been recast to reflect this transaction. See Note 9 and Note 13 for additional information.

2. Accounting Standards

Recently Adopted

In October 2016, the FASB issued an accounting standard update to amend the consolidation guidance issued in February 2015 to require that a decision maker consider, in the determination of the primary beneficiary, its indirect interest in a VIE held by a related party that is under common control on a proportionate basis only. The change was effective for our financial statements for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. We were required to apply the standard retrospective to January 1, 2016, the date on which we adopted the consolidation guidance issued in February 2015. Adoption of this accounting standard update in the first quarter of 2017 did not have an impact on our consolidated financial statements.

In March 2016, the FASB issued an accounting standard update to simplify some provisions in stock compensation accounting. The areas for simplification involve the accounting for share-based payment transactions, including income tax consequences, classifications of awards as either equity or liabilities and classification within the statement of cash flows. The changes were effective for fiscal years beginning after December 15, 2016, and interim periods within those years. Adoption of this accounting standard update in the first quarter of 2017 did not have a material impact on our consolidated financial statements.

In March 2016, the FASB issued an accounting standard update eliminating the requirement that an investor retrospectively apply equity method accounting when an investment that it had accounted for by another method initially qualifies for the equity method. This change was effective for fiscal years beginning after December 15, 2016, and interim periods within those years. Adoption of this accounting standard update in the first quarter of 2017 did not have an impact on our consolidated financial statements.

Not Yet Adopted

In March 2017, the FASB issued an update requiring that the service cost component of pension and postretirement benefit costs be presented in the same line item as other current employee compensation costs and other components of those benefit costs be presented separately from the service cost component and outside a subtotal of income from operations, if presented. The update also requires that only the service cost component of pension and postretirement benefit cost is eligible for capitalization. The update is effective for annual periods beginning after December 15, 2017 and interim periods within that annual period. Application is retrospective for the presentation of the components of these benefit costs and prospective for the capitalization of only service costs. Early adoption is permitted. We do not expect application of this accounting standard update to have a material impact on our consolidated financial statements.

In February 2017, the FASB issued an accounting standard update addressing the derecognition of nonfinancial assets. The guidance defines in substance nonfinancial assets, and states that the derecognition of business activities should be evaluated under the consolidation guidance, with limited exceptions related to conveyances of oil and gas mineral rights or contracts with customers. The standard eliminates the previous exclusion for businesses that are in-substance real estate, and eliminates some differences based on whether a transferred set is that of assets or a business and whether the transfer is to a joint venture. The standard must be implemented in conjunction with the implementation date of the revenue recognition accounting standard update, which we will implement January 1, 2018. We plan to adopt the new standard using the modified retrospective method and are in the process of determining the impact of the accounting standard update on the consolidated financial statements together with our evaluation of the new revenue recognition standard, as described further below.

In January 2017, the FASB issued an accounting standard update which simplifies the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. Under the new guidance, the recognition of an impairment charge is calculated based on the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The guidance should be applied on a prospective basis, and is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017.

In January 2017, the FASB issued an accounting standard update to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The standard is intended to narrow the definition of a business by specifying the minimum inputs and processes and by narrowing the definition of outputs. The change is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The guidance will be applied prospectively and early adoption is permitted for certain transactions.

In November 2016, the FASB issued an accounting standard update requiring that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The change is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted. Retrospective application is required. The application of this accounting standard update will not have a material impact on our statements of cash flows.

In October 2016, the FASB issued an accounting standard update that requires recognition of the income tax consequences of intra-entity transfers of assets other than inventory when the transfer occurs. The change is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted. The amendments in this accounting standard update should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. We do not expect application of this accounting standard update to have a material impact on our consolidated financial statements.

In August 2016, the FASB issued an accounting standard update related to the classification of certain cash flows. The accounting standard update provides specific guidance on eight cash flow classification issues, including debt prepayment or debt extinguishment costs, contingent consideration payments made after a business combination and distributions received from equity method investees, to reduce diversity in practice. The change is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted. We do not expect application of this accounting standard update to have a material impact on our statements of cash flows.

In June 2016, the FASB issued an accounting standard update related to the accounting for credit losses on certain financial instruments. The guidance requires that for most financial assets, losses be based on an expected loss approach which includes estimates of losses over the life of exposure that considers historical, current and forecasted information. Expanded disclosures related to the methods used to estimate the losses as well as a specific disaggregation of balances for financial assets are also required. The change is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years, with early adoption permitted for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. We do not expect application of this accounting standard update to have a material impact on our consolidated financial statements.

In February 2016, the FASB issued an accounting standard update requiring lessees to record virtually all leases on their balance sheets. The accounting standard update also requires expanded disclosures to help financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. For lessors, this amended guidance modifies the classification criteria and the accounting for sales-type and direct financing leases. The change will be effective on a modified retrospective basis for fiscal years beginning after December 15, 2018, and interim periods within those years, with early adoption permitted. We are currently evaluating the impact of this standard on our financial statements and disclosures, internal controls and accounting policies. This evaluation process includes reviewing all forms of leases, performing a completeness assessment over the lease population and analyzing the practical expedients in order to determine the best path of implementation. We expect to recognize an asset and obligation related to leases previously accounted for as operating leases.

In January 2016, the FASB issued an accounting standard update requiring unconsolidated equity investments, not accounted for under the equity method, to be measured at fair value with changes in fair value recognized in net income. The accounting standard update also requires the use of the exit price notion when measuring the fair value of financial instruments for disclosure purposes and the separate presentation of financial assets and liabilities by measurement category and form on the balance sheet and accompanying notes. The accounting standard update eliminates the requirement to disclose the methods and assumptions used in estimating the fair value of financial instruments measured at amortized cost. Lastly, the accounting standard update requires separate presentation in other comprehensive income of the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when electing to measure the liability at fair value in accordance with the fair value option for financial instruments. The changes are effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2017. Early adoption is permitted only for the guidance regarding presentation of a liability's credit risk. We do not expect application of this accounting standard update to have a material impact on our consolidated financial statements.

In May 2014, the FASB issued an accounting standard update for revenue recognition for contracts with customers. The guidance in the accounting standard update states that revenue is recognized when a customer obtains control of a good or service. Recognition of the revenue will involve a multiple step approach including identifying the contract, identifying the separate performance obligations, determining the transaction price, allocating the price to the performance obligations and then recognizing the revenue as the obligations are satisfied. Additional disclosures will be required to provide adequate information to understand the nature, amount, timing and uncertainty of reported revenues and revenues expected to be recognized. The change will be effective on a retrospective or modified retrospective basis for fiscal years beginning after December 15, 2017, and interim periods within those years, with early adoption permitted, no earlier than January 1, 2017. We are currently evaluating the impact of this standard on our financial statements and disclosures, internal controls and accounting policies. This evaluation process is primarily focused on reviewing service contracts and transaction types across our Midstream segment. We are also evaluating the election for net reporting included in the accounting standard update for consumer excise taxes. We will adopt the revenue recognition standard during the first quarter of 2018. We plan to adopt the new standard using the modified retrospective method which will result in a cumulative effect adjustment as of the date of adoption. By selecting this adoption method, we will disclose the amount by which each financial statement line item is affected by the standard in the current reporting period as compared with the guidance that was in effect before adoption.

3. MPLX LP

MPLX is a diversified, growth-oriented publicly traded master limited partnership formed by us to own, operate, develop and acquire midstream energy infrastructure assets. On December 4, 2015, MPLX and MarkWest Energy Partners, L.P. ("MarkWest") completed a merger, whereby MarkWest became a wholly-owned subsidiary of MPLX (the "MarkWest Merger"). MarkWest's operations include: natural gas gathering, processing and transportation; and NGL gathering, transportation, fractionation, storage and marketing. MPLX owns or has an interest in a network of private and common carrier crude oil and product pipeline systems and associated storage assets in the Midwest and Gulf Coast regions of the United States, a butane cavern in Neal, West Virginia and NGL storage caverns in Woodhaven, Michigan. MPLX owns an inland marine business, comprised of tow boats and barges which transport crude oil and refined products principally for MPC in the Midwest and Gulf Coast regions of the United States. MPLX also owns a light-product terminal business, which provides terminalling services principally for MPC in the Midwest and Southeast regions of the United States.

See Note 4 for information on MPLX's acquisition of the Ozark pipeline, its investment in the Bakken Pipeline system and the formation of a joint venture with Antero Midstream Partners LP ("Antero Midstream") during the first quarter of 2017.

As of March 31, 2017, we owned a 27.8 percent interest in MPLX, including a two percent general partner interest. This ownership percentage reflects the conversion at 1.09 to 1.00 of the MPLX Class B Units in July 2017. MPLX is a VIE because the limited partners of MPLX do not have substantive kick-out or substantive participating rights over the general partner. We are the primary beneficiary of MPLX because in addition to significant economic interest, we also have the power, through our 100 percent ownership of the general partner, to control the decisions that most significantly impact MPLX. We therefore consolidate MPLX and record a noncontrolling interest for the 72.2 percent interest owned by the public. The components of our noncontrolling interest consist of equity-based noncontrolling interest and redeemable noncontrolling interest. The redeemable noncontrolling interest relates to MPLX's preferred units, discussed below.

The creditors of MPLX do not have recourse to MPC's general credit through guarantees or other financial arrangements. The assets of MPLX are the property of MPLX and cannot be used to satisfy the obligations of MPC.

Reorganization Transactions

On September 1, 2016, MPC, MPLX and various affiliates initiated a series of reorganization transactions in order to simplify MPLX's ownership structure and its financial and tax reporting. In connection with these transactions, MPC contributed $225 million to MPLX and all of the issued and outstanding MPLX Class A Units, all of which were held by MarkWest Hydrocarbon L.L.C. ("MarkWest Hydrocarbon"), a subsidiary of MPLX, were exchanged for newly issued common units representing limited partner interests in MPLX. The simple average of the NYSE closing price of MPLX common units for the 10 trading days preceding September 1, 2016 was used for purposes of these transactions. As a result of these transactions, MPC increased its ownership interest in MPLX by 7 million MPLX common units, or approximately 1 percent.

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 (the "MPLX Preferred Units") for a cash price of $32.50 per unit. The aggregate net proceeds of approximately $984 million from the sale of the MPLX Preferred Units was used by MPLX for capital expenditures, repayment of debt and general partnership purposes.

The MPLX Preferred Units rank senior to all MPLX common units with respect to distributions and rights upon liquidation. The holders of the MPLX Preferred Units are entitled to receive quarterly distributions equal to $0.528125 per unit commencing for the quarter ended June 30, 2016, with a prorated amount from the date of issuance. Following the second anniversary of the issuance of the MPLX Preferred Units, the holders of the MPLX Preferred Units will receive as a distribution the greater of $0.528125 per unit or the amount of per unit distributions paid to MPLX common units. The MPLX Preferred Units are convertible into MPLX common units on a one for one basis after three years, at the purchasers' option, and after four years at MPLX's option, subject to certain conditions.

The MPLX Preferred Units are considered redeemable securities due to the existence of redemption provisions upon a deemed liquidation event which is considered outside MPLX's control. Therefore, they are presented as temporary equity in the mezzanine section of the consolidated balance sheets. We have recorded the MPLX Preferred Units at their issuance date fair value, net of issuance costs. Since the MPLX Preferred Units are not currently redeemable and not probable of becoming redeemable in the future, adjustment to the initial carrying amount is not necessary and would only be required if it becomes probable that the security would become redeemable.

Dropdowns to MPLX

On March 31, 2016, we contributed our inland marine business to MPLX in exchange for 23 million common units and 460 thousand general partner units. The number of units we received from MPLX was determined by dividing $600 million by the volume weighted average NYSE price of MPLX common units for the 10 trading days preceding March 14, 2016, pursuant to a Membership Interests Contribution Agreement. We also agreed to waive first-quarter 2016 common unit distributions, IDRs and general partner distributions with respect to the common units issued in this transaction. The contribution of our inland marine business was accounted for as a transaction between entities under common control and we did not record a gain or loss.

On March 1, 2017, we contributed certain terminal, pipeline and storage assets to MPLX in exchange for total consideration of $2.0 billion. This consideration consisted of MPLX equity and $1.5 billion in cash. We received approximately 13 million MPLX common units and 264 thousand general partner units from MPLX, which was determined by dividing $504 million by the volume weighted average NYSE price of MPLX common units for the 10 trading days preceding the closing date, pursuant to a Membership Interests Contributions Agreement. We also agreed to waive two-thirds of the first quarter 2017 common unit distributions, IDRs and general partner distributions with respect to the common units issued in the transactions. The contributions of these assets were accounted for as transactions between entities under common control and we did not record a gain or loss.

Public Offerings

On February 10, 2017, MPLX completed a public offering of $1.25 billion aggregate principal amount of 4.125% unsecured senior notes due March 2027 and $1.0 billion aggregate principal amount of 5.200% unsecured senior notes due March 2047. MPLX used the net proceeds from this offering to fund the $1.5 billion cash portion of the consideration MPLX paid MPC for the dropdown of assets on March 1, 2017, as well as for general partnership purposes. See Note 16 for more information.

ATM Program

On August 4, 2016, MPLX entered into a Second Amended and Restated Distribution Agreement (the "Distribution Agreement") providing for the continuous issuance of common units, in amounts, at prices and on terms to be determined by market conditions and other factors at the time of any offerings (such continuous offering program, or at-the-market program, referred to as the "ATM Program"). MPLX expects to use the net proceeds from sales under the ATM Program for general partnership purposes including repayment of debt and funding for acquisitions, working capital requirements and capital expenditures.

During the three months ended March 31, 2017, MPLX issued an aggregate of 4 million MPLX common units under the ATM Program, generating net proceeds of approximately $148 million. As of March 31, 2017, $570 million of MPLX common units remain available for issuance through the ATM Program under the Distribution Agreement.

Noncontrolling Interest

Changes in MPC's equity and the offsetting changes to noncontrolling interest resulting from changes in MPC's and the noncontrolling interest's ownership interests in MPLX were as follows:

	Three Months Ended March 31,	
(In millions)	2017	2016
Transfers (to) from noncontrolling interest		
Increase (decrease) in MPC's additional paid in capital for the issuance of MPLX LP common units to the public	$ 10	$ (40)
Increase in MPC's additional paid in capital for the issuance of MPLX LP common units and general partner units to MPC	96	—
Net transfers (to) from noncontrolling interests	106	(40)
Tax impact	(34)	(65)
Change in MPC's additional paid-in capital, net of tax	$ 72	$ (105)

Agreements

We have various long-term, fee-based transportation, terminal and storage services agreements with MPLX. Under these agreements, MPLX provides transportation, terminal and storage services to us, and we commit to provide MPLX with minimum quarterly throughput volumes on crude oil and refined products systems and minimum storage volumes of crude oil, refined products and butane. We also have agreements with MPLX that establish fees for operational and management services provided between us and MPLX and for executive management services and certain general and administrative services provided by us to MPLX. These transactions are eliminated in consolidation.

4. Acquisitions and Investments

Acquisition of Ozark Pipeline

On March 1, 2017, MPLX acquired the Ozark pipeline from Enbridge Pipelines (Ozark) LLC for approximately $220 million. The Ozark pipeline is a 433-mile, 22-inch crude oil pipeline originating in Cushing, Oklahoma, and terminating in Wood River, Illinois, capable of transporting approximately 230 mbpd. We account for the Ozark pipeline within the Midstream segment.

The components of the fair value consideration transferred was $220 million of cash. We are still completing our analysis of the final purchase price allocation for property, plant and equipment, intangibles and resulting goodwill, if any. Based on the preliminary fair value estimates of assets acquired and liabilities assumed at the acquisition date, substantially all of the purchase price has been allocated to property, plant and equipment.

The amounts of revenue and income from operations associated with the acquisition included in our consolidated statements of income from the acquisition date, March 1, 2017, to March 31, 2017 are as follows:

	One Month Ended March 31,	
(In millions)	2017	
Sales and other operating revenues (including consumer excise taxes)	$	7
Income from operations		2

Assuming the acquisition of the Ozark pipeline had occurred on January 1, 2016, the consolidated pro forma results would not have been materially different from reported results.

Formation of Travel Plaza Joint Venture

In the fourth quarter of 2016, Speedway and Pilot Flying J finalized the formation of a joint venture consisting of 123 travel plazas, primarily in the Southeast United States. The new entity, PFJ Southeast LLC ("PFJ Southeast"), consisted of 41 existing locations contributed by Speedway and 82 locations contributed by Pilot Flying J, all of which carry either the Pilot or Flying J brand and are operated by Pilot Flying J. We did not recognize a gain on the $273 million non-cash contribution of our travel plazas to the joint venture since the contribution was that of in-substance real estate. Our non-cash contribution consisted of $203 million of property, plant and equipment, $62 million of goodwill and $8 million of inventory.

Marine Investments

We currently have indirect ownership interests in two ocean vessel joint ventures with Crowley Maritime Corporation ("Crowley"), which were established to own and operate Jones Act vessels in petroleum product service. We have invested a total of $189 million in these two ventures as described further below.

In September 2015, we acquired a 50 percent ownership interest in a joint venture, Crowley Ocean Partners LLC ("Crowley Ocean Partners"), with Crowley. The joint venture owns and operates four new Jones Act product tankers, three of which are leased to MPC. Two of the vessels were delivered in 2015 and the remaining two were delivered in 2016. We have contributed a total of $141 million for the four vessels.

In May 2016, MPC and Crowley formed a new ocean vessel joint venture, Crowley Coastal Partners LLC ("Crowley Coastal Partners"), in which MPC has a 50 percent ownership interest. MPC and Crowley each contributed their 50 percent ownership in Crowley Ocean Partners, discussed above, into Crowley Coastal Partners. In addition, we contributed $48 million in cash and Crowley contributed its 100 percent ownership interest in Crowley Blue Water Partners LLC ("Crowley Blue Water Partners") to Crowley Coastal Partners. Crowley Blue Water Partners is an entity that owns and operates three 750 Series ATB vessels that are leased to MPC. We account for our 50 percent interest in Crowley Coastal Partners as part of our Midstream segment using the equity method of accounting.

See Note 5 for information on Crowley Coastal Partners as a VIE and Note 21 for information on our conditional guarantee of the indebtedness of Crowley Ocean Partners and Crowley Blue Water Partners.

Investment in Pipeline Company

On February 15, 2017, MPLX closed on the previously announced transaction to acquire a partial, indirect equity interest in the Dakota Access Pipeline ("DAPL") and Energy Transfer Crude Oil Company Pipeline ("ETCOP") projects, collectively referred to as the Bakken Pipeline system, through a joint venture with Enbridge Energy Partners L.P. ("Enbridge Energy Partners"). The Bakken Pipeline system is currently expected to deliver in excess of 470 mbpd of crude oil from the Bakken/Three Forks production area in North Dakota to the Midwest through Patoka, Illinois and ultimately to the Gulf Coast. MPLX contributed $500 million of the $2 billion purchase price paid by the joint venture, MarEn Bakken Company LLC ("MarEn Bakken"), to acquire a 36.75 percent indirect equity interest in the Bakken Pipeline system from Energy Transfer Partners, L.P. ("ETP") and Sunoco Logistics Partners, L.P. ("SXL"). MPLX holds, through a subsidiary, a 25 percent interest in MarEn Bakken, which equates to an approximate 9.2 percent indirect equity interest in the Bakken Pipeline system. In connection with this investment by MPLX, we have agreed to waive our right to receive IDRs of approximately $1.6 million per quarter for twelve consecutive quarters beginning with distributions declared by MPLX in the first quarter of 2017 and paid to us in the second quarter, which has been prorated to $0.8 million from the acquisition date. We account for the investment in MarEn Bakken as part of our Midstream segment using the equity method of accounting.

In connection with closing the transaction with ETP and SXL and the previous decision to indefinitely suspend the Sandpiper project, Enbridge Energy Partners canceled MPC's transportation services agreement with respect to the Sandpiper pipeline and released MPC from paying any termination fee per that agreement.

Formation of Gathering and Processing Joint Venture

Effective January 1, 2017, MarkWest and Antero Midstream formed a joint venture, Sherwood Midstream LLC ("Sherwood Midstream"), to support the development of Antero Resources Corporation's Marcellus Shale acreage in West Virginia. MarkWest has a 50 percent ownership interest in Sherwood Midstream. In connection with this transaction, MarkWest contributed certain gas processing plants currently under construction at the Sherwood Complex with a fair value of approximately $134 million and cash of approximately $20 million. Antero Midstream made an initial capital contribution of approximately $154 million.

Also effective January 1, 2017, MarkWest converted all of its ownership interests in MarkWest Ohio Fractionation Company, L.L.C. ("Ohio Fractionation"), a previously wholly-owned subsidiary, to Class A Interests and amended its LLC Agreement to create Class B-3 Interests, which were sold to Sherwood Midstream for $126 million in cash. The Class B-3 Interests provide Sherwood Midstream with the right to fractionation revenue and the obligation to pay expenses related to 20 mbpd of capacity in the Hopedale 3 fractionator.

Effective January 1, 2017, MarkWest and Sherwood Midstream formed a joint venture, Sherwood Midstream Holdings LLC ("Sherwood Midstream Holdings"), for the purpose of owning, operating and maintaining all of the shared assets for the benefit of and use in the operation of the gas plants and other assets owned by Sherwood Midstream and the gas plants and deethanization facilities owned by MarkWest. MarkWest contributed certain real property, equipment and facilities with a fair value of approximately $209 million to Sherwood Midstream Holdings in exchange for a 79 percent initial ownership interest. Sherwood Midstream contributed cash of approximately $44 million to Sherwood Midstream Holdings in exchange for a 21 percent ownership interest. MarkWest has a 10.5 percent indirect interest in Sherwood Midstream Holdings through its ownership in Sherwood Midstream. The net book value of the contributed assets was approximately $194 million. The contribution was determined to be an in-substance sale of real estate. As such, MarkWest only recognized a gain for the portion attributable to Antero Midstream's indirect interest of approximately $2 million.

We account for our direct interests in Sherwood Midstream and Sherwood Midstream Holdings as part of our Midstream segment using the equity method of accounting. We continue to consolidate Ohio Fractionation and have recognized a noncontrolling interest for Sherwood Midstream's interest in that entity.

See Note 5 for additional information related to the investments in Sherwood Midstream, Ohio Fractionation and Sherwood Midstream Holdings.

5. Variable Interest Entities

In addition to MPLX, as described in Note 3, the following entities are also VIEs.

Crowley Coastal Partners

In May 2016, Crowley Coastal Partners was formed to own an interest in both Crowley Ocean Partners and Crowley Blue Water Partners. We have determined that Crowley Coastal Partners is a VIE based on the terms of the existing financing arrangements for Crowley Blue Water Partners and Crowley Ocean Partners and the associated debt guarantees by MPC and Crowley. Our maximum exposure to loss at March 31, 2017 was $492 million, which includes our equity method investment in Crowley Coastal Partners and the debt guarantees provided to each of the lenders to Crowley Blue Water Partners and Crowley Ocean Partners. We are not the primary beneficiary of this VIE because we do not have the power to control the activities that significantly influence the economic outcomes of the entity and therefore, do not consolidate the entity.

MarkWest Utica EMG

On January 1, 2012, MarkWest Utica Operating Company, LLC (“Utica Operating”), a wholly-owned and consolidated subsidiary of MarkWest, and EMG Utica, LLC ("EMG Utica") (together the "Members"), executed agreements to form a joint venture, MarkWest Utica EMG LLC (“MarkWest Utica EMG”), to develop significant natural gas gathering, processing and NGL fractionation, transportation and marketing infrastructure in eastern Ohio.

As of March 31, 2017, MarkWest had a 56 percent legal ownership interest in MarkWest Utica EMG. MarkWest Utica EMG's inability to fund its planned activities without subordinated financial support qualify it as a VIE. Utica Operating is not deemed to be the primary beneficiary due to EMG Utica’s voting rights on significant matters. We account for our ownership interest in MarkWest Utica EMG as an equity method investment. MPLX receives engineering and construction and administrative management fee revenue and reimbursement for other direct personnel costs for operating MarkWest Utica EMG. Our maximum exposure to loss as a result of our involvement with MarkWest Utica EMG includes our equity investment, any additional capital contribution commitments and any operating expenses incurred by the subsidiary operator in excess of compensation received for the performance of the operating services. Our equity investment in MarkWest Utica EMG at March 31, 2017 was $2.21 billion.

Ohio Gathering

Ohio Gathering Company, L.L.C. (“Ohio Gathering”) is a subsidiary of MarkWest Utica EMG and is engaged in providing natural gas gathering services in the Utica Shale in eastern Ohio. Ohio Gathering is a joint venture between MarkWest Utica EMG and Summit Midstream Partners, LLC. As of March 31, 2017, we had a 34 percent indirect ownership interest in Ohio Gathering. As this entity is a subsidiary of MarkWest Utica EMG, which is accounted for as an equity method investment, MPLX reports its portion of Ohio Gathering’s net assets as a component of its investment in MarkWest Utica EMG. MPLX receives engineering and construction and administrative management fee revenue and reimbursement for other direct personnel costs for operating Ohio Gathering.

Sherwood Midstream

As described in Note 4, MarkWest and Antero Midstream formed a joint venture, Sherwood Midstream, to support the development of Antero Resources Corporation’s Marcellus Shale acreage in West Virginia. As of March 31, 2017, MarkWest had a 50 percent ownership interest in Sherwood Midstream. Sherwood Midstream’s inability to fund its planned activities without additional subordinated financial support qualify it as a VIE. MarkWest is not deemed to be the primary beneficiary, due to Antero Midstream’s voting rights on significant matters. We account for our ownership interest in Sherwood Midstream using the equity method of accounting. Our maximum exposure to loss as a result of our involvement with Sherwood Midstream includes our equity investment, any additional capital contribution commitments and any operating expenses incurred by the subsidiary operator in excess of compensation received for the performance of the operating services. Our equity investment in Sherwood Midstream at March 31, 2017 was $147 million.

Ohio Fractionation

As described in Note 4, MarkWest converted all of its ownership interests in Ohio Fractionation to Class A Interests and amended its LLC Agreement to create Class B-3 Interests, which were sold to Sherwood Midstream providing them with the right to fractionation revenue and the obligation to pay expenses related to 20 mbpd of capacity in the Hopedale 3 fractionator. Ohio Fractionation’s inability to fund its operations without additional subordinated financial support qualify it as a VIE. MarkWest has been deemed to be the primary beneficiary of Ohio Fractionation because it has control over decisions that could significantly impact its financial performance, and as a result, consolidates Ohio Fractionation.

Sherwood Midstream Holdings

As described in Note 4, MarkWest and Sherwood Midstream entered into a joint venture, Sherwood Midstream Holdings, for the purpose of owning, operating and maintaining all of the shared assets for the benefit of and use in the operation of the gas plants and other assets owned by Sherwood Midstream and the gas plants and deethanization facilities owned by MarkWest. As of March 31, 2017, MarkWest had a 79 percent direct ownership in Sherwood Midstream Holdings, in addition to a 10.5 percent indirect interest through its ownership in Sherwood Midstream. Sherwood Midstream Holdings’ inability to fund its operations without additional subordinated financial support qualify it as a VIE. We account for our ownership interest in Sherwood Midstream Holdings using the equity method of accounting as Sherwood Midstream is considered to be the general partner and controls all decisions related to Sherwood Midstream Holdings. Our maximum exposure to loss as a result of our involvement with Sherwood Midstream Holdings includes our equity investment, any additional capital contribution commitments and any operating expenses incurred by the subsidiary operator in excess of compensation received for the performance of the operating services. Our equity investment in Sherwood Midstream Holdings at March 31, 2017 was $166 million.

6. Related Party Transactions

Our related parties include:

- Crowley Blue Water Partners, in which we have a 50 percent indirect noncontrolling interest. Crowley Blue Water Partners owns and operates three Jones Act ATB vessels.
- Crowley Ocean Partners, in which we have a 50 percent indirect noncontrolling interest. Crowley Ocean Partners owns and operates Jones Act product tankers.
- Explorer Pipeline Company (“Explorer”), in which we have a 25 percent interest. Explorer owns and operates a refined products pipeline.
- Illinois Extension Pipeline Company, LLC (“Illinois Extension Pipeline”), in which we have a 35 percent noncontrolling interest. Illinois Extension Pipeline owns and operates a crude oil pipeline.
- LOCAP LLC (“LOCAP”), in which we have a 59 percent noncontrolling interest. LOCAP owns and operates a crude oil pipeline.
- LOOP LLC (“LOOP”), in which we have a 51 percent noncontrolling interest. LOOP owns and operates the only U.S. deepwater oil port.
- MarkWest Utica EMG, in which we have a 56 percent noncontrolling interest. MarkWest Utica EMG is engaged in significant natural gas processing and NGL fractionation, transportation and marketing in the state of Ohio.
- Ohio Condensate Company, L.L.C. (“Ohio Condensate”), in which we have a 60 percent noncontrolling interest. Ohio Condensate is engaged in wellhead condensate gathering, stabilization, terminalling, transportation and storage within certain defined areas of Ohio.
- Ohio Gathering, in which we have a 34 percent indirect noncontrolling interest. Ohio Gathering is a subsidiary of MarkWest Utica EMG providing natural gas gathering service in the Utica Shale region of eastern Ohio.
- PFJ Southeast, in which we have a 29 percent noncontrolling interest. PFJ Southeast owns travel plazas primarily in the Southeast United States.
- Sherwood Midstream, in which we have a 50 percent noncontrolling interest. Sherwood Midstream supports the development of Antero Resources Corporation’s Marcellus Shale acreage in West Virginia.
- Sherwood Midstream Holdings, in which we have a 90 percent direct and indirect noncontrolling interest. Sherwood Midstream Holdings owns certain infrastructure at the Sherwood Complex that is shared by and supports the operation of both the Sherwood Midstream and MarkWest gas processing plants.
- The Andersons Albion Ethanol LLC (“TAAE”), in which we have a 45 percent noncontrolling interest, The Andersons Clymers Ethanol LLC (“TACE”), in which we have a 61 percent noncontrolling interest and The Andersons Marathon Ethanol LLC (“TAME”), in which we have a 67 percent noncontrolling interest. These companies each own and operate an ethanol production facility.
- Other equity method investees.

We believe that transactions with related parties were conducted on terms comparable to those with unaffiliated parties.

Sales to related parties, which are included in “Sales and other operating revenues (including consumer excise taxes)” on the accompanying consolidated statements of income, were as follows:

	Three Months Ended March 31,	
(In millions)	2017	2016
PFJ Southeast	$ 151	$ —
Other equity method investees	3	1
Total	$ 154	$ 1

Other income from related parties, which is included in "Other income" on the accompanying consolidated statements of income, were as follows:

	Three Months Ended March 31,	
(In millions)	2017	2016
MarkWest Utica EMG	$ 4	$ 2
Ohio Gathering	4	4
Other equity method investees	3	2
Total	$ 11	$ 8

Other income from related parties consists primarily of fees received for operating transportation assets for our related parties.

Purchases from related parties were as follows:

	Three Months Ended March 31,	
(In millions)	2017	2016
Crowley Blue Water Partners	$ 14	$ —
Crowley Ocean Partners	19	6
Explorer	—	2
Illinois Extension Pipeline	25	27
LOCAP	5	6
LOOP	13	13
TAAE	8	9
TACE	16	17
TAME	17	20
Other equity method investees	5	7
Total	$ 122	$ 107

Related party purchases from Crowley Blue Water Partners and Crowley Ocean Partners consist of leasing marine equipment primarily used to transport refined products. Related party purchases from Explorer consist primarily of refined product transportation costs. Related party purchases from Illinois Extension Pipeline, LOCAP, LOOP and other equity method investees consist primarily of crude oil transportation costs. Related party purchases from TAAE, TACE and TAME consist of ethanol purchases.

Receivables from related parties, which are included in "Receivables, less allowance for doubtful accounts" on the accompanying consolidated balance sheets, were as follows:

(In millions)	March 31, 2017	December 31, 2016
MarkWest Utica EMG	$ —	$ 2
Ohio Gathering	3	2
Sherwood Midstream	14	—
PFJ Southeast	42	40
Other equity method investees	4	1
Total	$ 63	$ 45

The long-term receivable, which is included in "Other noncurrent assets" on the accompanying consolidated balance sheet, was $1 million at March 31, 2017 and $1 million at December 31, 2016.

Payables to related parties, which are included in “Accounts payable” on the accompanying consolidated balance sheets, were as follows:

(In millions)	March 31, 2017	December 31, 2016
Illinois Extension Pipeline	$ 8	$ 9
LOCAP	2	2
LOOP	5	6
MarkWest Utica EMG	28	24
Ohio Condensate	2	1
Sherwood Midstream Holdings	3	—
TAAE	2	2
TACE	2	4
TAME	1	4
Other equity method investees	—	1
Total	$ 53	$ 53

Summarized financial information, in the aggregate, for our significant equity method investments on a 100 percent basis for the three months ended March 31, 2017 and 2016 are as follows:

	Three Months Ended March 31,	
(In millions)	2017	2016
Revenues and other income	$ 77	$ 67
Income from operations	36	19
Net income	35	18

7. Income per Common Share

We compute basic earnings per share by dividing net income attributable to MPC by the weighted average number of shares of common stock outstanding. Diluted income per share assumes exercise of certain stock-based compensation awards, provided the effect is not anti-dilutive.

MPC grants certain incentive compensation awards to employees and non-employee directors that are considered to be participating securities. Due to the presence of participating securities, we have calculated our earnings per share using the two-class method.

(In millions, except per share data)	Three Months Ended March 31, 2017	2016
Basic earnings per share:		
Allocation of earnings:		
Net income attributable to MPC	$ 30	$ 1
Income allocated to participating securities	—	—
Income available to common stockholders – basic	$ 30	$ 1
Weighted average common shares outstanding	525	529
Basic earnings per share	$ 0.06	$ 0.003
Diluted earnings per share:		
Allocation of earnings:		
Net income attributable to MPC	$ 30	$ 1
Income allocated to participating securities	—	—
Income available to common stockholders – diluted	$ 30	$ 1
Weighted average common shares outstanding	525	529
Effect of dilutive securities	5	2
Weighted average common shares, including dilutive effect	530	531
Diluted earnings per share	$ 0.06	$ 0.003

The following table summarizes the shares that were anti-dilutive and, therefore, were excluded from the diluted share calculation.

(In millions)	Three Months Ended March 31, 2017	2016
Shares issued under stock-based compensation plans	2	3

8. Equity

As of March 31, 2017, we had $2.14 billion of remaining share repurchase authorization from our board of directors. We may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, accelerated share repurchases or open market solicitations for shares, some of which may be affected through Rule 10b5-1 plans. The timing and amount of future repurchases, if any, will depend upon several factors, including market and business conditions, and such repurchases may be discontinued at any time.

Total share repurchases were as follows for the three months ended March 31, 2017 and 2016:

(In millions, except per share data)	Three Months Ended March 31, 2017	2016
Number of shares repurchased	9	2
Cash paid for shares repurchased	$ 420	$ 75
Effective average cost per delivered share	$ 50.15	$ 43.96

As of March 31, 2017, we had agreements to acquire 1,184,682 common shares for $60 million, which were settled in early April 2017.

9. Segment Information

In the first quarter of 2017, we revised our segment reporting in connection with the contribution of certain terminal, pipeline and storage assets to MPLX. The operating results for these assets are now reported in our Midstream segment. Previously they were reported as part of our Refining & Marketing segment. Comparable prior period information has been recast to reflect our revised presentation. The results for the pipeline and storage assets were recast effective January 1, 2015 and the results for the terminal assets were recast effective April 1, 2016. Prior to these dates these assets were not considered businesses and therefore there are no financial results from which to recast segment results.

We have three reportable segments: Refining & Marketing; Speedway; and Midstream. Each of these segments is organized and managed based upon the nature of the products and services it offers.

- Refining & Marketing – refines crude oil and other feedstocks at our seven refineries in the Gulf Coast and Midwest regions of the United States, purchases refined products and ethanol for resale and distributes refined products through various means, including pipeline and marine transportation, terminal and storage services provided by our Midstream segment. We sell refined products to wholesale marketing customers domestically and internationally, to buyers on the spot market, to our Speedway segment and to independent entrepreneurs who operate Marathon® retail outlets.
- Speedway – sells transportation fuels and convenience merchandise in retail markets in the Midwest, East Coast and Southeast regions of the United States.
- Midstream – includes the operations of MPLX and certain other related operations. The Midstream segment gathers, processes and transports natural gas; gathers, transports, fractionates, stores and markets NGLs; and transports and stores crude oil and refined products principally for the Refining & Marketing segment.

Segment income represents income from operations attributable to the reportable segments. Corporate administrative expenses, except for those attributable to MPLX, and costs related to certain non-operating assets are not allocated to the reportable segments. In addition, certain items that affect comparability (as determined by the chief operating decision maker) are not allocated to the reportable segments.

(In millions)	Refining & Marketing	Speedway	Midstream	Total
Three Months Ended March 31, 2017				
Revenues:				
Customer	$ 11,373	$ 4,383	$ 532	$ 16,288
Intersegment[(a)]	2,590	1	344	2,935
Segment revenues	$ 13,963	$ 4,384	$ 876	$ 19,223
Segment income (loss) from operations[(b)]	$ (70)	$ 135	$ 309	$ 374
Income from equity method investments	2	13	42	57
Depreciation and amortization[(c)]	267	64	191	522
Capital expenditures and investments[(d)(e)]	192	35	1,070	1,297

(In millions)	Refining & Marketing	Speedway	Midstream	Total
Three Months Ended March 31, 2016				
Revenues:				
Customer	$ 8,406	$ 3,950	$ 399	$ 12,755
Intersegment[(a)]	2,165	1	232	2,398
Segment revenues	$ 10,571	$ 3,951	$ 631	$ 15,153
Segment income (loss) from operations[(b)]	$ (86)	$ 167	$ 189	$ 270
Income (loss) from equity method investments	(1)	—	23	22
Depreciation and amortization[(c)]	273	63	140	476
Capital expenditures and investments[(d)]	243	50	350	643

(a) Management believes intersegment transactions were conducted under terms comparable to those with unaffiliated parties.
(b) Corporate overhead expenses attributable to MPLX are included in the Midstream segment. Corporate overhead expenses are not allocated to the Refining & Marketing and Speedway segments.
(c) Differences between segment totals and MPC totals represent amounts related to unallocated items and are included in "Items not allocated to segments" in the reconciliation below.
(d) Capital expenditures include changes in capital accruals, acquisitions (including any goodwill) and investments in affiliates.
(e) In the first quarter of 2017, the Midstream segment includes $220 million for the acquisition of the Ozark pipeline and an investment of $500 million in MarEn Bakken related to the Bakken Pipeline system.

The following reconciles segment income from operations to income before income taxes as reported in the consolidated statements of income:

(In millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Segment income from operations	$ 374	$ 270
Items not allocated to segments:		
Corporate and other unallocated items[(a)]	(82)	(65)
Pension settlement expenses	—	(1)
Impairments[(b)]	—	(129)
Net interest and other financial income (costs)	(150)	(142)
Income (loss) before income taxes	$ 142	$ (67)

(a) Corporate and other unallocated items consists primarily of MPC's corporate administrative expenses and costs related to certain non-operating assets, except for corporate overhead expenses attributable to MPLX, which are included in the Midstream segment. Corporate overhead expenses are not allocated to the Refining & Marketing and Speedway segments.
(b) See Note 14 for further information on the impairment of goodwill in the three months ended March 31, 2016.

The following reconciles segment capital expenditures and investments to total capital expenditures:

(In millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Segment capital expenditures and investments	$ 1,297	$ 643
Less investments in equity method investees[(a)]	566	209
Plus items not allocated to segments:		
Corporate and Other	16	24
Capitalized interest	12	17
Total capital expenditures[(b)]	$ 759	$ 475

(a) The three months ended March 31, 2017 includes an investment of $500 million in MarEn Bakken related to the Bakken Pipeline system. The three months ended March 31, 2016 includes an adjustment of $143 million to the fair value of equity method investments acquired in connection with the MarkWest Merger.
(b) Capital expenditures include changes in capital accruals. See Note 17 for a reconciliation of total capital expenditures to additions to property, plant and equipment as reported in the consolidated statements of cash flows.

10. Other Items

Net interest and other financial income (costs) was:

	Three Months Ended March 31,	
(In millions)	2017	2016
Interest income	$ 5	$ 1
Interest expense	(163)	(153)
Interest capitalized	15	16
Other financial costs	(7)	(6)
Net interest and other financial income (costs)	$ (150)	$ (142)

11. Income Taxes

The combined federal, state and foreign income tax rate was 29 percent and (17) percent for the three months ended March 31, 2017 and 2016, respectively. The effective tax rate for the three months ended March 31, 2017 was less than the U.S. statutory rate of 35 percent primarily due to certain permanent tax differences related to equity compensation, net income attributable to noncontrolling interests and the domestic manufacturing deduction offset by state and local tax expense. The effective tax rate for the three months ended March 31, 2016 was significantly affected by permanent tax differences related to the net loss attributable to noncontrolling interest, including their proportional share of the goodwill impairment charge recorded by MPLX. The net loss attributable to noncontrolling interest reduced the effective rate for the three months ended March 31, 2016 by 51 percent from the U.S. statutory rate of 35 percent.

We are continuously undergoing examination of our income tax returns, which have been completed for our U.S. federal and state income tax returns through the 2009 and 2007 tax years, respectively. We had $10 million of unrecognized tax benefits as of March 31, 2017. Pursuant to our tax sharing agreement with Marathon Oil Corporation (“Marathon Oil”), the unrecognized tax benefits related to pre-spinoff operations for which Marathon Oil was the taxpayer remain the responsibility of Marathon Oil and we have indemnified Marathon Oil accordingly. See Note 21 for indemnification information.

12. Inventories

(In millions)	March 31, 2017	December 31, 2016
Crude oil and refinery feedstocks	$ 2,148	$ 2,208
Refined products	2,674	2,810
Materials and supplies	414	485
Merchandise	156	153
Total	$ 5,392	$ 5,656

Inventories are carried at the lower of cost or market value. The cost of inventories of crude oil and refinery feedstocks, refined products and merchandise is determined primarily under the LIFO method. There were no liquidations of LIFO inventories for the three months ended March 31, 2017 and 2016.

13. Property, Plant and Equipment

(In millions)	March 31, 2017	December 31, 2016[(a)]
Refining & Marketing	$ 18,835	$ 18,590
Speedway	5,105	5,078
Midstream	13,684	13,521
Corporate and Other	782	817
Total	38,406	38,006
Less accumulated depreciation	12,737	12,241
Property, plant and equipment, net	$ 25,669	$ 25,765

(a) Prior period balances have been recast in connection with the March 1, 2017 contribution of assets to MPLX. See Note 1 for additional information.

14. Fair Value Measurements

Fair Values—Recurring

The following tables present assets and liabilities accounted for at fair value on a recurring basis as of March 31, 2017 and December 31, 2016 by fair value hierarchy level. We have elected to offset the fair value amounts recognized for multiple derivative contracts executed with the same counterparty, including any related cash collateral as shown below; however, fair value amounts by hierarchy level are presented on a gross basis in the following tables.

	March 31, 2017					
	Fair Value Hierarchy					
(In millions)	Level 1	Level 2	Level 3	Netting and Collateral[(a)]	Net Carrying Value on Balance Sheet[(b)]	Collateral Pledged Not Offset
Commodity derivative instruments, assets	$ 390	$ —	$ 2	$ (391)	$ 1	$ 78
Other assets	2	—	—	N/A	2	—
Total assets at fair value	$ 392	$ —	$ 2	$ (391)	$ 3	$ 78
Commodity derivative instruments, liabilities[(c)]	$ 416	$ —	$ 2	$ (419)	$ (1)	$ —
Embedded derivatives in commodity contracts[(c)]	—	—	44	—	44	—
Contingent consideration, liability[(d)]	—	—	131	N/A	131	—
Total liabilities at fair value	$ 416	$ —	$ 177	$ (419)	$ 174	$ —

(In millions)	December 31, 2016 Fair Value Hierarchy Level 1	Level 2	Level 3	Netting and Collateral[(a)]	Net Carrying Value on Balance Sheet[(b)]	Collateral Pledged Not Offset
Commodity derivative instruments, assets	$ 688	$ —	$ —	$ (688)	$ —	$ 126
Other assets	2	—	—	N/A	2	—
Total assets at fair value	$ 690	$ —	$ —	$ (688)	$ 2	$ 126
Commodity derivative instruments, liabilities	$ 712	$ —	$ 6	$ (712)	$ 6	$ —
Embedded derivatives in commodity contracts[(c)]	—	—	54	—	54	—
Contingent consideration, liability[(d)]	—	—	130	N/A	130	—
Total liabilities at fair value	$ 712	$ —	$ 190	$ (712)	$ 190	$ —

(a) Represents the impact of netting assets, liabilities and cash collateral when a legal right of offset exists. As of March 31, 2017, cash collateral of $28 million was netted with the mark-to-market derivative liabilities. As of December 31, 2016, $24 million was netted with mark-to-market derivative liabilities.

(b) We have no derivative contracts which are subject to master netting arrangements reflected gross on the balance sheet.

(c) Level 3 includes $6 million and $13 million classified as current at March 31, 2017 and December 31, 2016, respectively.

(d) Includes $131 million and $130 million classified as current at March 31, 2017 and December 31, 2016, respectively.

Commodity derivatives in Level 1 are exchange-traded contracts for crude oil and refined products measured at fair value with a market approach using the close-of-day settlement prices for the market. Commodity derivatives are covered under master netting agreements with an unconditional right to offset. Collateral deposits in futures commission merchant accounts covered by master netting agreements related to Level 1 commodity derivatives are classified as Level 1 in the fair value hierarchy.

Level 3 instruments include OTC NGL contracts and embedded derivatives in commodity contracts. The embedded derivative liability relates to a natural gas purchase agreement 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 $0.24 to $1.16 per gallon and (2) the probability of renewal of 50 percent for the first five-year term and 75 percent for the second five-year term of the gas purchase agreement and the related keep-whole processing agreement. For these contracts, increases in forward NGL prices result in a decrease in the fair value of the derivative assets and an increase in the fair value of the derivative liabilities. The forward prices for the individual NGL products generally increase or decrease in a positive correlation with one another. Increases or decreases in forward NGL prices result in an increase or decrease in the fair value of the embedded derivative. An increase in the probability of renewal would result in an increase in the fair value of the related embedded derivative liability.

The contingent consideration represents the fair value as of March 31, 2017 and December 31, 2016 of the remaining amount we expect to pay to BP related to the earnout provision associated with our 2013 acquisition of BP's refinery in Texas City, Texas and related logistics and marketing assets. We refer to these assets as the "Galveston Bay Refinery and Related Assets." The amount of cash to be paid under the arrangement is based on both a market-based crack spread and refinery throughput volumes for the months during which the earnout applies, as well as established thresholds that cap the annual and total payment. The earnout payment cannot exceed $250 million per year for the last three years of the arrangement, with the total cumulative payment capped at $700 million over the six-year period commencing in 2014. Any excess or shortfall from the annual cap for a current year's earnout calculation will not affect subsequent years' calculations. The fair value of the remaining contingent consideration as of March 31, 2017 and December 31, 2016 was estimated using an income approach and is therefore a Level 3 liability. The fair value calculation at December 31, 2016 used significant unobservable inputs including: (1) an estimate of forecasted monthly refinery throughput volumes; (2) an internal and external monthly crack spread forecast; and (3) a range of risk-adjusted discount rates. An increase or decrease in forecasts for the crack spread or refinery throughput volumes may result in a corresponding increase or decrease in the fair value of the contingent consideration liability. Increases to the fair value as a result of increasing forecasts for both of these unobservable inputs, however, are limited as the earnout payment is subject to annual caps. An increase or decrease in the discount rate may result in a decrease or increase to the fair value of the contingent consideration liability, respectively. The fair value of the contingent consideration liability is reassessed each quarter, with changes in fair value recorded in cost of revenues. The fair value of the remaining contingent consideration as of March 31, 2017 was calculated using actual crack spread and refinery throughput data resulting in a value of $131 million when capped by the maximum total payout of $700 million. The balance of $131 million was paid on April 12, 2017.

The following is a reconciliation of the beginning and ending balances recorded for liabilities classified as Level 3 in the fair value hierarchy.

	Three Months Ended March 31,	
(In millions)	2017	2016
Beginning balance	$ 190	$ 342
Unrealized and realized (gains) losses included in net income	(12)	12
Settlements of derivative instruments	(3)	4
Ending balance	$ 175	$ 358
The amount of total (gains) losses for the period included in earnings attributable to the change in unrealized (gains) losses relating to assets still held at the end of period:		
Derivative instruments	$ (13)	$ 5
Contingent consideration agreement	1	7
Total	$ (12)	$ 12

Fair Values - Nonrecurring

The following table shows the values of assets, by major category, measured at fair value on a nonrecurring basis in periods subsequent to their initial recognition.

	Three Months Ended March 31,			
	2017		2016	
(In millions)	Fair Value	Impairment	Fair Value	Impairment
Goodwill	$ —	$ —	$ —	$ 129

During the first quarter of 2016, MPLX, our consolidated subsidiary, determined that an interim impairment analysis of the goodwill recorded in connection with the MarkWest Merger was necessary based on consideration of a number of first quarter events and circumstances, including i) continued deterioration of near term commodity prices as well as longer term pricing trends, ii) recent guidance on reductions to forecasted capital spending, the slowing of drilling activity and the resulting reduced production growth forecasts released or communicated by MPLX's producer customers and iii) increases in the cost of capital. The combination of these factors was considered to be a triggering event requiring an interim impairment test. Based on the first step of the interim goodwill impairment analysis, the fair value for three of the reporting units to which goodwill was assigned in connection with the MarkWest Merger was less than their respective carrying value. In step two of the impairment analysis, the implied fair values of the goodwill were compared to the carrying values within those reporting units. Based on this assessment, it was determined that goodwill was impaired in two of the reporting units. Accordingly, MPLX recorded an impairment charge of approximately $129 million in the first quarter of 2016. In the second quarter of 2016, we completed our purchase price allocation, which resulted in an additional $1 million of impairment expense that would have been recorded in the first quarter of 2016 had the purchase price allocation been completed as of that date. This adjustment to the impairment expense was the result of completing an evaluation of the deferred tax liabilities associated with the MarkWest Merger and their impact on the resulting goodwill that was recognized.

The fair value of the reporting units for the first quarter 2016 interim goodwill impairment analysis was determined based on applying the discounted cash flow method, which is an income approach, and the guideline public company method, which is a market approach. The discounted cash flow fair value estimate was based on known or knowable information at the interim measurement date. The significant assumptions that were used to develop the estimates of the fair values under the discounted cash flow method include management's best estimates of the expected future results and discount rates, which ranged from 10.5 percent to 11.5 percent. 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.

Fair Values – Reported

The following table summarizes financial instruments on the basis of their nature, characteristics and risk at March 31, 2017 and December 31, 2016, excluding the derivative financial instruments and contingent consideration reported above.

	March 31, 2017		December 31, 2016	
(In millions)	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets:				
Investments	$ 22	$ 2	$ 25	$ 2
Other	22	22	21	21
Total financial assets	$ 44	$ 24	$ 46	$ 23
Financial liabilities:				
Long-term debt[a]	$ 13,114	$ 12,350	$ 10,892	$ 10,297
Deferred credits and other liabilities	122	110	121	109
Total financial liabilities	$ 13,236	$ 12,460	$ 11,013	$ 10,406

[a] Excludes capital leases and debt issuance costs, however, includes amount classified as debt due within one year.

Our current assets and liabilities include financial instruments, the most significant of which are trade accounts receivable and payables. We believe the carrying values of our current assets and liabilities approximate fair value. Our fair value assessment incorporates a variety of considerations, including (1) the short-term duration of the instruments, (2) our investment-grade credit rating and (3) our historical incurrence of and expected future insignificance of bad debt expense, which includes an evaluation of counterparty credit risk.

Fair values of our financial assets included in investments and other financial assets and of our financial liabilities included in deferred credits and other liabilities are measured primarily using an income approach and most inputs are internally generated, which results in a Level 3 classification. Estimated future cash flows are discounted using a rate deemed appropriate to obtain the fair value. Other financial assets primarily consist of environmental remediation receivables. Deferred credits and other liabilities primarily consist of a liability resulting from a financing arrangement for the construction of MPLX's steam methane reformer ("SMR") at the Javelina gas processing and fractionation complex in Corpus Christi, Texas, insurance liabilities and environmental remediation liabilities.

Fair value of fixed-rate long-term debt is measured using a market approach, based upon the average of quotes for our debt from major financial institutions and a third-party valuation service. Because these quotes cannot be independently verified to the market, they are considered Level 3 inputs. Fair value of variable-rate long-term debt approximates the carrying value.

15. Derivatives

For further information regarding the fair value measurement of derivative instruments, including any effect of master netting agreements or collateral, see Note 14. We do not designate any of our commodity derivative instruments as hedges for accounting purposes.

Derivatives that are not designated as accounting hedges may include commodity derivatives used to hedge price risk on (1) inventories, (2) fixed price sales of refined products, (3) the acquisition of foreign-sourced crude oil, (4) the acquisition of ethanol for blending with refined products, (5) the sale of NGLs and (6) the purchase of natural gas.

The following table presents the gross fair values of derivative instruments, excluding cash collateral, and where they appear on the consolidated balance sheets as of March 31, 2017 and December 31, 2016:

(In millions)	March 31, 2017	
Balance Sheet Location	Asset	Liability
Commodity derivatives		
Other current assets	$ 392	$ 416
Other current liabilities[(a)]	—	8
Deferred credits and other liabilities[(a)]	—	38

(In millions)	December 31, 2016	
Balance Sheet Location	Asset	Liability
Commodity derivatives		
Other current assets	$ 688	$ 712
Other current liabilities[(a)]	—	13
Deferred credits and other liabilities[(a)]	—	47

(a) Includes embedded derivatives.

The tables below summarize open commodity derivative contracts for crude oil, natural gas and refined products as of March 31, 2017.

	Position	Total Barrels *(In thousands)*
Crude Oil[(a)]		
Exchange-traded	Long	59,205
Exchange-traded	Short	(56,633)
OTC	Short	(52)

(a) 80 percent of the exchange-traded contracts expire in the second quarter of 2017.

	Position	MMbtu
Natural Gas		
OTC	Long	1,431,472

	Position	Total Gallons *(In thousands)*
Refined Products[(a)]		
Exchange-traded	Long	254,058
Exchange-traded	Short	(133,098)
OTC	Short	(81,257)

(a) 100 percent of the exchange-traded contracts expire in the second quarter of 2017.

The following table summarizes the effect of all commodity derivative instruments in our consolidated statements of income:

(In millions) Income Statement Location	Gain (Loss) Three Months Ended March 31, 2017	2016
Sales and other operating revenues	$ 16	$ 6
Cost of revenues	(24)	(63)
Total	$ (8)	$ (57)

16. Debt

Our outstanding borrowings at March 31, 2017 and December 31, 2016 consisted of the following:

(In millions)	March 31, 2017	December 31, 2016
Marathon Petroleum Corporation:		
Commercial paper	$ —	$ —
364-day bank revolving credit facility due July 2017	—	—
Trade receivables securitization facility due July 2019	—	—
Bank revolving credit facility due 2020	—	—
Term loan agreement due 2019	—	200
Senior notes, 2.700% due December 2018	600	600
Senior notes, 3.400% due December 2020	650	650
Senior notes, 5.125% due March 2021	1,000	1,000
Senior notes, 3.625%, due September 2024	750	750
Senior notes, 6.500%, due March 2041	1,250	1,250
Senior notes, 4.750%, due September 2044	800	800
Senior notes, 5.850% due December 2045	250	250
Senior notes, 5.000%, due September 2054	400	400
MPLX LP:		
MPLX term loan facility due 2019	250	250
MPLX bank revolving credit facility due 2020	—	—
MPLX senior notes, 5.500%, due February 2023	710	710
MPLX senior notes, 4.500%, due July 2023	989	989
MPLX senior notes, 4.875%, due December 2024	1,149	1,149
MPLX senior notes, 4.000%, due February 2025	500	500
MPLX senior notes, 4.875%, due June 2025	1,189	1,189
MarkWest senior notes, 4.500% - 5.500%, due 2023 - 2025	63	63
MPLX senior notes, 4.125%, due March 2027	1,250	—
MPLX senior notes, 5.200%, due March 2047	1,000	—
Capital lease obligations due 2017-2028	312	319
Total	13,112	11,069
Unamortized debt issuance costs	(64)	(44)
Unamortized discount[(a)]	(450)	(453)
Amounts due within one year	(28)	(28)
Total long-term debt due after one year	$ 12,570	$ 10,544

(a) Includes $409 million and $420 million of unamortized discount as of March 31, 2017 and December 31, 2016, respectively, related to the difference between the fair value and the principal amount of assumed MarkWest debt.

During the three months ended March 31, 2017, we borrowed and repaid $300 million under the commercial paper program. At March 31, 2017, we had no amounts outstanding under the commercial paper program.

There were no borrowings or letters of credit outstanding under the MPC bank revolving credit facility at March 31, 2017. At March 31, 2017, we had no amounts outstanding under our trade receivables securitization facility.

At March 31, 2017, MPLX had no outstanding borrowings and $3 million letters of credit outstanding under the MPLX bank revolving credit facility, resulting in total availability of $2 billion.

MPC Term Loan Agreement

On March 31, 2017, we repaid the remaining $200 million outstanding under the MPC term loan agreement with available cash on hand. Under the provisions of the MPC term loan agreement, the loan may be prepaid in whole or in part without premium or penalty. The maturity date of the MPC term loan agreement was September 24, 2019.

MPLX Senior Notes

On February 10, 2017, MPLX completed a public offering of $1.25 billion aggregate principal amount of 4.125% unsecured senior notes due March 2027 and $1.0 billion aggregate principal amount of 5.200% unsecured senior notes due March 2047. The net proceeds, which were approximately $2.22 billion after deducting underwriting discounts, were used by MPLX to fund the $1.5 billion cash portion of the consideration paid to MPC for the dropdown of assets on March 1, 2017, as well as for general partnership purposes. Interest is payable semi-annually in arrears on March 1 and September 1 of each year, commencing on September 1, 2017.

17. Supplemental Cash Flow Information

	Three Months Ended March 31,	
(In millions)	2017	2016
Net cash provided by operating activities included:		
Interest paid (net of amounts capitalized)	$ 157	$ 160
Net income taxes paid to (refunded from) taxing authorities	4	(128)
Non-cash investing and financing activities:		
Contribution of assets to joint venture[(a)]	328	—

(a) MarkWest's contribution of assets to Sherwood Midstream and Sherwood Midstream Holdings. See Note 4.

The consolidated statements of cash flows exclude changes to the consolidated balance sheets that did not affect cash. The following is a reconciliation of additions to property, plant and equipment to total capital expenditures:

	Three Months Ended March 31,	
(In millions)	2017	2016
Additions to property, plant and equipment per consolidated statements of cash flows	$ 610	$ 745
Asset retirement expenditures	1	—
Decrease in capital accruals	(72)	(137)
Total capital expenditures before acquisitions	539	608
Acquisitions[(a)]	220	(133)
Total capital expenditures	$ 759	$ 475

(a) The three months ended March 31, 2017 reflects the acquisition of the Ozark pipeline. The three months ended March 31, 2016 reflects adjustments to the fair values of the property, plant and equipment, intangibles and goodwill acquired in connection with the MarkWest Merger.

18. Accumulated Other Comprehensive Loss

The following table shows the changes in accumulated other comprehensive loss by component. Amounts in parentheses indicate debits.

(In millions)	Pension Benefits	Other Benefits	Gain on Cash Flow Hedge	Workers Compensation	Total
Balance as of December 31, 2015	$ (255)	$ (70)	$ 4	$ 3	$ (318)
Other comprehensive income (loss) before reclassifications	—	—	—	—	—
Amounts reclassified from accumulated other comprehensive loss:					
Amortization – prior service credit[a]	(11)	(1)	—	—	(12)
– actuarial loss[a]	10	1	—	—	11
– settlement loss[a]	1	—	—	—	1
Tax effect	—	—	—	—	—
Other comprehensive income (loss)	—	—	—	—	—
Balance as of March 31, 2016	$ (255)	$ (70)	$ 4	$ 3	$ (318)

(In millions)	Pension Benefits	Other Benefits	Gain on Cash Flow Hedge	Workers Compensation	Total
Balance as of December 31, 2016	$ (233)	$ (7)	$ 4	$ 2	$ (234)
Other comprehensive income (loss) before reclassifications	(1)	—	—	—	(1)
Amounts reclassified from accumulated other comprehensive loss:					
Amortization – prior service credit[a]	(10)	(1)	—	—	(11)
– actuarial loss[a]	9	—	—	—	9
– settlement loss[a]	—	—	—	—	—
Tax effect	—	—	—	—	—
Other comprehensive income (loss)	(2)	(1)	—	—	(3)
Balance as of March 31, 2017	$ (235)	$ (8)	$ 4	$ 2	$ (237)

(a) These accumulated other comprehensive loss components are included in the computation of net periodic benefit cost. See Note 19.

19. Defined Benefit Pension and Other Postretirement Plans

The following summarizes the components of net periodic benefit costs:

	Three Months Ended March 31,			
	Pension Benefits		Other Benefits	
(In millions)	2017	2016	2017	2016
Components of net periodic benefit cost:				
Service cost	$ 31	$ 28	$ 7	$ 8
Interest cost	19	19	8	9
Expected return on plan assets	(26)	(25)	—	—
Amortization – prior service credit	(10)	(11)	(1)	(1)
– actuarial loss	9	10	—	1
– settlement loss	—	1	—	—
Net periodic benefit cost	$ 23	$ 22	$ 14	$ 17

During the three months ended March 31, 2017, we made no contributions to our funded pension plans. We have no required funding requirements for our funded pension plans for 2017, but may make voluntary contributions at our discretion. Benefit payments related to unfunded pension and other postretirement benefit plans were $2 million and $7 million, respectively, during the three months ended March 31, 2017.

20. Stock-Based Compensation Plans

Stock Option Awards

The following table presents a summary of our stock option award activity for the three months ended March 31, 2017:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2016	9,531,440	$ 28.93
Granted	726,061	50.99
Exercised	(463,376)	22.45
Forfeited, canceled or expired	(45,795)	41.54
Outstanding at March 31, 2017	9,748,330	30.82

The grant date fair value of stock option awards granted during the three months ended March 31, 2017 was $14.24 per share. The fair value of stock options granted to our employees is estimated on the date of the grant using the Black Scholes option-pricing model, which employs various assumptions.

Restricted Stock Awards

The following table presents a summary of restricted stock award activity for the three months ended March 31, 2017:

	Shares of Restricted Stock (“RS”)		Restricted Stock Units (“RSU”)	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2016	1,250,343	$ 41.51	361,117	$ 28.26
Granted	115,017	50.60	9,046	52.05
RS’s Vested/RSU’s Issued	(101,913)	40.99	—	—
Forfeited	(29,316)	41.16	—	—
Outstanding at March 31, 2017	1,234,131	42.40	370,163	28.84

Performance Unit Awards

The following table presents a summary of the activity for performance unit awards to be settled in shares for the three months ended March 31, 2017:

	Number of Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2016	6,255,178	$ 0.78
Granted	2,584,750	0.92
Exercised	(1,854,728)	0.85
Canceled	—	—
Outstanding at March 31, 2017	6,985,200	0.81

The performance unit awards granted during the three months ended March 31, 2017 have a grant date fair value of $0.92 per unit, as calculated using a Monte Carlo valuation model.

MPLX Awards

During the three months ended March 31, 2017, MPLX granted equity-based compensation awards under the MPLX LP 2012 Incentive Compensation Plan. The compensation expense for these awards is not material to our consolidated financial statements.

21. Commitments and Contingencies

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. Some of these matters are discussed below. For matters for which we have not recorded an accrued liability, we are unable to estimate a range of possible loss because the issues involved have not been fully developed through pleadings and discovery. However, the ultimate resolution of some of these contingencies could, individually or in the aggregate, be material.

Environmental matters—We are subject to federal, state, local and foreign 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 and certain other locations including presently or formerly owned or operated retail marketing sites. Penalties may be imposed for noncompliance.

At March 31, 2017 and December 31, 2016, accrued liabilities for remediation totaled $129 million and $132 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. Receivables for recoverable costs from certain states, under programs to assist companies in clean-up efforts related to underground storage tanks at presently or formerly owned or operated retail marketing sites, were $58 million at both March 31, 2017 and December 31, 2016.

We are involved in a number of environmental enforcement matters arising in the ordinary course of business. While the outcome and impact on us cannot be predicted with certainty, management believes the resolution of these environmental matters will not, individually or collectively, have a material adverse effect on our consolidated results of operations, financial position or cash flows.

MarkWest Environmental Proceeding – In July 2015, representatives from the EPA and the United States Department of Justice conducted a raid on a pipeline launcher/receiver site of MarkWest Liberty Midstream & Resources, L.L.C., a wholly-owned subsidiary of MPLX ("MarkWest Liberty Midstream"), utilized for pipeline maintenance operations in Washington County, Pennsylvania pursuant to a search warrant issued by a magistrate of the United States District Court for the Western District of Pennsylvania. As part of this initiative, the U.S. Attorney's Office for the Western District of Pennsylvania, with the assistance of EPA's Criminal Investigation Division proceeded with an investigation of MarkWest's launcher/receiver, pipeline and compressor station operations. In response to the investigation, MarkWest initiated independent studies which demonstrated that there was no risk to worker safety and no threat of public harm associated with MarkWest's launcher/receiver operations. These findings were supported by a subsequent inspection and review by the Occupational Safety and Health Administration. After providing these studies, and other substantial documentation related to MarkWest's pipeline and compressor stations, and arranging site visits and conducting several meetings with the government's representatives, on September 13, 2016, the U.S. Attorney's Office for the Western District of Pennsylvania rendered a declination decision, dropping its criminal investigation and declining to pursue charges in this matter.

MarkWest Liberty Midstream continues to discuss with the EPA and the State of Pennsylvania civil enforcement allegations associated with permitting or other related regulatory obligations for its launcher/receiver and compressor station facilities in the region. In connection with these discussions, MarkWest Liberty Midstream received an initial proposal from the EPA to settle all civil claims associated with this matter for the combination of a proposed cash penalty of approximately $2.4 million and proposed supplemental environmental projects with an estimated cost of approximately $3.6 million. MarkWest Liberty Midstream has submitted a response asserting that this action involves novel issues surrounding primarily minor source emissions from facilities that the agencies themselves considered de minimis were not the subject of regulation and consequently that the settlement proposal is excessive. MarkWest will continue to negotiate with the EPA regarding the amount and scope of the proposed settlement.

Other Lawsuits—We are a co-defendant in four lawsuits consolidated for pre-trial purposes in a multi-district litigation pending in the 56th District Court, Galveston County, Texas. Plaintiffs allege personal injuries from a fire that occurred at our Galveston Bay refinery on January 11, 2016. Discovery has commenced in the matters and trial is scheduled for the first case on September 11, 2017. The remaining three cases are scheduled for trials commencing October 10, 2017, October 30, 2017 and December 4, 2017, respectively. At this time, the ultimate outcome of this litigation and liability remains uncertain and we are unable to provide a reasonable estimate of the potential loss or range of loss, if any, given that the litigation is in a preliminary stage. If these lawsuits are resolved unfavorably in their entirety, it could materially impact our consolidated results of operations, financial position or cash flows. However, management does not believe the ultimate resolution of this litigation will have a material adverse effect.

In May 2015, the Kentucky attorney general filed a lawsuit against our wholly-owned subsidiary, MPC LP in the United States District Court for the Western District of Kentucky asserting claims under federal and state antitrust statutes, the Kentucky Consumer Protection Act, and state common law. The complaint, as amended in July 2015, alleges that MPC LP used deed restrictions, supply agreements with customers and exchange agreements with competitors to unreasonably restrain trade in areas within Kentucky and seeks declaratory relief, unspecified damages, civil penalties, restitution and disgorgement of profits. At this early stage, the ultimate outcome of this litigation remains uncertain, and neither the likelihood of an unfavorable outcome nor the ultimate liability, if any, can be determined, and we are unable to estimate a reasonably possible loss (or range of loss) for this matter. We intend to vigorously defend ourselves in this matter.

In May 2007, the Kentucky attorney general filed a lawsuit against us and Marathon Oil in state court in Franklin County, Kentucky for alleged violations of Kentucky's emergency pricing and consumer protection laws following Hurricanes Katrina and Rita in 2005. The lawsuit alleges that we overcharged customers by $89 million during September and October 2005. The complaint seeks disgorgement of these sums, as well as penalties, under Kentucky's emergency pricing and consumer protection laws. We are vigorously defending this litigation. We believe that this is the first lawsuit for damages and injunctive relief under the Kentucky emergency pricing laws to progress this far and it contains many novel issues. In May 2011, the Kentucky attorney general amended his complaint to include a request for immediate injunctive relief as well as unspecified damages and penalties related to our wholesale gasoline pricing in April and May 2011 under statewide price controls that were activated by the Kentucky governor on April 26, 2011 and which have since expired. The court denied the attorney general's request for immediate injunctive relief, and the remainder of the 2011 claims likely will be resolved along with those dating from 2005. If the lawsuit is resolved unfavorably in its entirety, it could materially impact our consolidated results of operations, financial position or cash flows. However, management does not believe the ultimate resolution of this litigation will have a material adverse effect.

We are 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 us cannot be predicted with certainty, we believe that the resolution of these other lawsuits and proceedings will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Guarantees—We have provided certain guarantees, direct and indirect, of the indebtedness of other companies. Under the terms of most of these guarantee arrangements, we would be required to perform should the guaranteed party fail to fulfill its obligations under the specified arrangements. In addition to these financial guarantees, we also have various performance guarantees related to specific agreements.

Guarantees related to indebtedness of equity method investees—We hold interests in an offshore oil port, LOOP, and a crude oil pipeline system, LOCAP. Both LOOP and LOCAP have secured various project financings with throughput and deficiency agreements. Under the agreements, we are required to advance funds if the investees are unable to service their debt. Any such advances are considered prepayments of future transportation charges. The duration of the agreements vary but tend to follow the terms of the underlying debt, which extend through 2037. Our maximum potential undiscounted payments under these agreements for the debt principal totaled $172 million as of March 31, 2017.

We hold an interest in a refined products pipeline through our investment in Centennial, and have guaranteed our portion of the payment of Centennial's principal, interest and prepayment costs, if applicable, under a Master Shelf Agreement, which is scheduled to expire in 2024. The guarantee arose in order for Centennial to obtain adequate financing. Our maximum potential undiscounted payments under this agreement for debt principal totaled $24 million as of March 31, 2017.

In connection with our 50 percent indirect interest in Crowley Ocean Partners, we have agreed to conditionally guarantee our portion of the obligations of the joint venture and its subsidiaries under a senior secured term loan agreement. The term loan agreement provides for loans of up to $325 million to finance the acquisition of four product tankers. MPC's liability under the guarantee for each vessel is conditioned upon the occurrence of certain events, including if we cease to maintain an investment grade credit rating or the charter for the relevant product tanker ceases to be in effect and is not replaced by a charter with an investment grade company on certain defined commercial terms. As of March 31, 2017, our maximum potential undiscounted payments under this agreement for debt principal totaled $163 million.

In connection with our 50 percent indirect interest in Crowley Blue Water Partners, we have agreed to provide a conditional guarantee of up to 50 percent of its outstanding debt balance in the event there is no charter agreement in place with an investment grade customer for the entity's three vessels as well as other financial support in certain circumstances. The maximum exposure under these arrangements is 50 percent of the amount of the debt, which was $139 million as of March 31, 2017.

Marathon Oil indemnifications—In conjunction with our spinoff from Marathon Oil, we have entered into arrangements with Marathon Oil providing indemnities and guarantees with recorded values of $2 million as of March 31, 2017, which consist of unrecognized tax benefits related to MPC, its consolidated subsidiaries and the refining, marketing and transportation business operations prior to our spinoff which are not already reflected in the unrecognized tax benefits described in Note 11, and other contingent liabilities Marathon Oil may incur related to taxes. Furthermore, the separation and distribution agreement and other agreements with Marathon Oil to effect our spinoff provide for cross-indemnities between Marathon Oil and us. In general, Marathon Oil is required to indemnify us for any liabilities relating to Marathon Oil's historical oil and gas exploration and production operations, oil sands mining operations and integrated gas operations, and we are required to indemnify Marathon Oil for any liabilities relating to Marathon Oil's historical refining, marketing and transportation operations. The terms of these indemnifications are indefinite and the amounts are not capped.

Other guarantees—We have entered into other guarantees with maximum potential undiscounted payments totaling $83 million as of March 31, 2017, which primarily consist of a commitment to contribute cash to an equity method investee for certain catastrophic events, up to $50 million per event, in lieu of procuring insurance coverage and leases of assets containing general lease indemnities and guaranteed residual values.

General guarantees associated with dispositions – Over the years, we have sold various assets in the normal course of our 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 us to perform upon the occurrence of a triggering event or condition. These guarantees and indemnifications are part of the normal course of selling assets. We are 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.

Contractual commitments and contingencies**—**At March 31, 2017, our contractual commitments to acquire property, plant and equipment and advance funds to equity method investees totaled $722 million, which includes $131 million of contingent consideration associated with the acquisition of the Galveston Bay Refinery and Related Assets. See Note 14 for additional information on the contingent consideration.

Certain natural gas processing and gathering arrangements require us to construct 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 producer customers may have the right to cancel the processing arrangements with us if there are significant delays that are not due to force majeure. As of March 31, 2017, management does not believe there are any indications that we 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.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the unaudited consolidated financial statements and accompanying footnotes included under Item 1. Financial Statements and in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2016.

Management's Discussion and Analysis of Financial Condition and Results of Operations includes various forward-looking statements concerning trends or events potentially affecting our business. You can identify our forward-looking statements by words such as "anticipate," "believe," "design," "estimate," "objective," "expect," "forecast," "outlook," "goal," "guidance," "imply," "intend," "plan," "predict," "prospective," "project," "opportunity," "potential," "position," "pursue," "strategy," "seek," "target," "could," "may," "should," "would," "will" or other similar expressions that convey the uncertainty of future events or outcomes. In accordance with "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, these statements are accompanied by cautionary language identifying important factors, though not necessarily all such factors, which could cause future outcomes to differ materially from those set forth in forward-looking statements. For additional risk factors affecting our business, see Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2016.

Corporate Overview

We are an independent petroleum refining and marketing, retail and midstream services company. We currently own and operate seven refineries, all located in the United States, with an aggregate crude oil refining capacity of approximately 1.8 million barrels per calendar day. Our refineries supply refined products to resellers and consumers within our market areas, including the Midwest, Gulf Coast, Northeast, East Coast and Southeast regions of the United States. We are one of the largest wholesale suppliers of gasoline and distillates to resellers within our market area.

We have two strong retail brands: Speedway® and Marathon®. We believe that Speedway LLC, a wholly-owned subsidiary, operates the second largest chain of company-owned and operated retail gasoline and convenience stores in the United States, with approximately 2,730 convenience stores in 21 states throughout the Midwest, East Coast and Southeast. The Marathon brand is an established motor fuel brand in the Midwest and Southeast regions of the United States, and is available through approximately 5,500 retail outlets operated by independent entrepreneurs in 19 states.

Through our ownership interests in MPLX and its wholly-owned subsidiary, MarkWest, we believe we are one of the largest processors of natural gas in the United States, the largest processor and fractionator in the Marcellus and Utica shale regions and we distribute refined products through one of the largest private domestic fleets of inland petroleum product barges. Our integrated midstream energy asset network links producers of natural gas and NGLs from some of the largest supply basins in the United States to domestic and international markets. Our midstream gathering and processing operations include: natural gas gathering, processing and transportation; and NGL gathering, transportation, fractionation, storage and marketing. Our assets include approximately 7,700 MMcf/d of natural gas processing capacity and 500 mbpd of fractionation capacity. We also own more than 5,600 miles of gas gathering and NGL pipelines and have ownership interests in more than 50 gas processing plants, more than 10 NGL fractionation facilities and two condensate stabilization facilities. We own, lease or have ownership interests in approximately 10,800 miles of crude oil and refined product pipelines, an inland marine business and one of the largest light product terminal operations in the United States to deliver crude oil to our refineries and other locations and refined products from our refineries to wholesale and retail market areas.

In the first quarter of 2017, we revised our segment reporting in connection with the contribution of certain terminal, pipeline and storage assets to MPLX. The operating results for these assets are now reported in our Midstream segment. Previously they were reported as part of our Refining & Marketing segment. Comparable prior period information has been recast to reflect our revised presentation. The results for the pipeline and storage assets were recast effective January 1, 2015 and the results for the terminal assets were recast effective April 1, 2016. Prior to these dates these assets were not considered businesses for accounting purposes and therefore there are no financial results from which to recast segment results.

Our operations consist of three reportable segments: Refining & Marketing; Speedway; and Midstream. Each of these segments is organized and managed based upon the nature of the products and services it offers.

- Refining & Marketing—refines crude oil and other feedstocks at our seven refineries in the Gulf Coast and Midwest regions of the United States, purchases refined products and ethanol for resale and distributes refined products through various means, including pipeline and marine transportation, terminal and storage services provided by our Midstream segment. We sell refined products to wholesale marketing customers domestically and internationally, to buyers on the spot market, to our Speedway business segment and to independent entrepreneurs who operate Marathon® retail outlets.
- Speedway—sells transportation fuels and convenience merchandise in retail markets in the Midwest, East Coast and Southeast regions of the United States.

- Midstream – includes the operations of MPLX and certain other related operations. The Midstream segment gathers, processes and transports natural gas; gathers, transports, fractionates, stores and markets NGLs; and transports and stores crude oil and refined products, principally for the Refining & Marketing segment.

Strategic Actions to Enhance Shareholder Value

On January 3, 2017, we announced plans to significantly accelerate the dropdown of assets with an estimated $1.4 billion of MLP-eligible annual EBITDA to MPLX, subject to requisite approvals and regulatory clearances, including tax clearance, and market and other conditions. We expect these dropdowns to be valued consistent with recent industry precedent valuation multiples ranging between 7.0x and 9.0x EBITDA, subject to the MPLX conflicts committee review process and receipt of customary fairness opinions. We also expect MPLX to finance the dropdown transactions in the aggregate with debt and equity in approximately equal proportions. The equity financing is expected to be funded through MPLX common units issued to us. In conjunction with the completion of the dropdowns, we also expect to exchange our economic interests in the general partner of MPLX, including incentive distribution rights, for newly issued MPLX common units. These actions are designed to unlock the value inherent in our midstream platform and to provide the ongoing return of capital to shareholders in a manner consistent with maintaining an investment-grade credit profile. See “MPLX LP - Dropdowns to MPLX” for information on the first of these dropdowns, which was completed on March 1, 2017.

Additionally, a special committee of our board of directors, with the assistance of an independent financial advisor, will conduct a full and thorough review of Speedway to ensure optimum value is being delivered to shareholders over the long term. We expect to provide an update on the review by mid-2017.

Executive Summary

Results

Select results for the three months ended March 31, 2017 and 2016 are reflected in the following table.

	Three Months Ended March 31,	
(In millions, except per share data)	2017	2016
Refining & Marketing	$ (70)	$ (86)
Speedway	135	167
Midstream	309	189
Items not allocated to segments	(82)	(195)
Income from operations	$ 292	$ 75
Net income attributable to MPC	$ 30	$ 1
Net income attributable to MPC per diluted share	$ 0.06	$ 0.003

Net income attributable to MPC was $30 million, or $0.06 per diluted share, in the first quarter of 2017 compared to $1 million, or $0.003 per diluted share, for the first quarter of 2016.

Refining & Marketing segment income from operations improved $16 million in the first quarter of 2017 compared to the first quarter of 2016. The increase was primarily due to a $1.78 per barrel increase in the gross margin offset by higher direct operating costs including increased turnaround activity. The increase in gross margin resulted primarily from higher crack spreads and favorable changes in volumetric gains, offset by less favorable product price realizations as compared with the spot market reference prices. The Chicago and Gulf Coast LLS 6-3-2-1 blended crack spread increased $3.10 per barrel to $7.72 per barrel in the first quarter of 2017 from $4.62 per barrel in the first quarter of 2016.

Speedway segment income from operations decreased $32 million in the first quarter of 2017 compared to the first quarter of 2016. The decrease was primarily due to the absence of a $24 million gain from the sale of a retail location in the first quarter 2016 and lower light product and merchandise gross margin, partially offset by lower operating expenses. Speedway's light product margin decreased to 15.66 cents per gallon in the first quarter of 2017 from 16.82 cents per gallon in the first quarter of 2016.

Midstream segment income from operations increased $120 million in the first quarter of 2017 compared to the first quarter of 2016. The increase was primarily due to increased processing and fractionation activity and the earnings from equity investments in new and existing pipeline and marine operations. Comparability of the Midstream segment's results to the first quarter of 2016 was also affected by the drop of certain terminal assets to MPLX during the quarter. These assets were considered a business effective April 1, 2016. As a result, no financial results are available for the light product terminals business prior to that date and the first quarter of 2016 does not reflect any results for these assets in the Midstream segment. There is an offsetting income from operations impact of the terminals dropdown included in the Refining & Marketing segment.

Items not allocated to segments in the first quarter of 2016 reflects a $129 million non-cash goodwill impairment charge recorded by MPLX.

MPLX LP

As of March 31, 2017, we owned a 27.8 percent interest in MPLX, including a two percent general partner interest. This ownership percentage assumes the conversion at 1.09 to 1.00 of the MPLX Class B Units in July 2017. On December 4, 2015, MPLX completed the MarkWest Merger. The total value of consideration transferred was $8.61 billion, consisting of $7.33 billion in equity and $1.28 billion in cash. At closing, we made a payment of $1.23 billion to MarkWest common unitholders and the remaining $50 million will be paid in equal amounts, the first of which was paid in July 2016 and the second of which will be paid in July 2017, in connection with the conversion of the MPLX Class B Units to MPLX common units. Our financial results and operating statistics reflect the results of MarkWest from the date of the MarkWest Merger.

Reorganization Transactions

On September 1, 2016, MPC, MPLX and various affiliates initiated a series of reorganization transactions in order to simplify MPLX's ownership structure and its financial and tax reporting. In connection with these transactions, MPC contributed $225 million to MPLX and all of the issued and outstanding MPLX Class A Units, all of which were held by MarkWest Hydrocarbon, a subsidiary of MPLX, were exchanged for newly issued common units representing limited partner interests in MPLX. The simple average of the NYSE closing price of MPLX common units for the last 10 trading days preceeding September 1, 2016 was used for purposes of these transactions. As a result of these transactions, MPC increased its ownership interest in MPLX by 7 million MPLX common units, or approximately 1 percent.

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 (the "MPLX Preferred Units") for a cash price of $32.50 per unit. The aggregate net proceeds of approximately $984 million from the sale of the MPLX Preferred Units was used by MPLX for capital expenditures, repayment of debt and general partnership purposes.

The MPLX Preferred Units rank senior to all MPLX common units with respect to distributions and rights upon liquidation. The holders of the MPLX Preferred Units are entitled to receive quarterly distributions equal to $0.528125 per unit commencing for the quarter ended June 30, 2016, with a prorated amount from the date of issuance. Following the second anniversary of the issuance of the MPLX Preferred Units, the holders of the MPLX Preferred Units will receive as a distribution the greater of $0.528125 per unit or the amount of per unit distributions paid to common units. The MPLX Preferred Units are convertible into MPLX common units on a one for one basis after three years, at the purchasers' option, and after four years at MPLX's option, subject to certain conditions.

The MPLX Preferred Units are considered redeemable securities due to the existence of redemption provisions upon a deemed liquidation event which is considered outside our control. Therefore, they are presented as temporary equity in the mezzanine section of the consolidated balance sheets. We have recorded the MPLX Preferred Units at their issuance date fair value, net of issuance costs. Since the MPLX Preferred Units are not currently redeemable and not probable of becoming redeemable in the future, adjustment to the initial carrying amount is not necessary and would only be required if it becomes probable that the security would become redeemable.

Dropdowns to MPLX

On March 1, 2017, we contributed certain terminal, pipeline and storage assets to MPLX in exchange for total consideration of $2.0 billion. This consideration consisted of MPLX equity and $1.5 billion in cash. We received approximately 13 million common units and 264 thousand general partner units from MPLX, which was determined by dividing $504 million by the volume weighted average NYSE price of MPLX common units for the 10 trading days preceding the closing date, pursuant to the Membership Interests Contributions Agreement. We also agreed to waive two-thirds of the first quarter 2017 common unit distributions, IDRs and general partner distributions with respect to the common units issued in the transactions. The contributions of these assets were accounted for as transactions between entities under common control and we did not record a gain or loss.

On March 31, 2016, we contributed our inland marine business to MPLX in exchange for 23 million MPLX common units and 460 thousand general partner units. The number of units we received from MPLX was determined by dividing $600 million by the volume weighted average NYSE price of MPLX common units for the 10 trading days preceding March 14, 2016, pursuant to the Membership Interests Contribution Agreement. We also agreed to waive first-quarter 2016 common unit distributions, IDRs and general partner distributions, with respect to the common units issued in this transaction. The contribution of our inland marine business was accounted for as a transaction between entities under common control and we did not record a gain or loss.

Public Offerings

On February 10, 2017, MPLX completed a public offering of $1.25 billion aggregate principal amount of 4.125% unsecured senior notes due March 2027 and $1.0 billion aggregate principal amount of 5.200% unsecured senior notes due March 2047. The net proceeds were used to fund the $1.5 billion cash portion of the consideration MPLX paid MPC for the dropdown of assets on March 1, 2017, as well as for general partnership purposes. See Note 16 to the unaudited consolidated financial statements for more information.

ATM Program

On August 4, 2016, MPLX entered into a second amended and restated distribution agreement (the “Distribution Agreement”) providing for the continuous issuance of common units, in amounts, at prices and on terms to be determined by market conditions and other factors at the time of any offerings under its ATM Program. MPLX expects to use the net proceeds from sales under the ATM Program for general partnership purposes including repayment of debt and funding for acquisitions, working capital requirements and capital expenditures.

During the three months ended March 31, 2017, MPLX issued an aggregate of 4 million common units under the ATM Program, generating net proceeds of approximately $148 million. As of March 31, 2017, $570 million of MPLX common units remains available for issuance through the ATM Program under the Distribution Agreement.

Distributions from MPLX

The following table summarizes the cash distributions we received from MPLX during the first three months of 2017 and 2016.

	Three Months Ended March 31,	
(In millions)	2017	2016
Cash distributions received from MPLX:		
General partner distributions, including IDRs	$ 57	$ 40
Limited partner distributions	45	29
Total	$ 102	$ 69

The market value of the 99.6 million MPLX common units we owned at March 31, 2017 was $3.59 billion based on the March 31, 2017 closing unit price of $36.08. We also believe there is substantial value attributable to our two percent general partnership interest, including the IDRs.

On April 26, 2017, MPLX declared a quarterly cash distribution of $0.5400 per common unit payable on May 15, 2017. As a result, MPLX will make distributions totaling $263 million to its limited and general partners. MPC’s portion of these distributions is approximately $114 million.

See Note 3 to the unaudited consolidated financial statements for additional information on MPLX.

Acquisitions and Investments

On March 1, 2017, MPLX closed on its previously announced transaction with Enbridge Pipelines (Ozark) LLC, under which an affiliate of MPLX has purchased the Ozark pipeline for approximately $220 million. The Ozark pipeline is a 433-mile, 22-inch crude oil pipeline originating in Cushing, Oklahoma, and terminating in Wood River, Illinois, capable of transporting approximately 230 mbpd.

On February 15, 2017, MPLX closed on the previously announced transaction to acquire a partial, indirect equity interest in the Dakota Access Pipeline (“DAPL”) and Energy Transfer Crude Oil Company Pipeline (“ETCOP”) projects, collectively referred to as the Bakken Pipeline system, through a joint venture with Enbridge Energy Partners L.P. (“Enbridge Energy Partners”). The Bakken Pipeline system is currently expected to deliver in excess of 470 mbpd of crude oil from the Bakken/Three Forks production area in North Dakota to the Midwest through Patoka, Illinois and ultimately to the Gulf Coast. MPLX contributed $500 million of the $2 billion purchase price paid by the joint venture to acquire a 36.75 percent indirect equity interest in the Bakken Pipeline system from Energy Transfer Partners, L.P. (“ETP”) and Sunoco Logistics Partners, L.P. (“SXL”). MPLX holds, through a subsidiary, a 25 percent interest in the joint venture, which equates to an approximate 9.2 percent indirect equity interest in the Bakken Pipeline system.

In connection with closing the transaction with ETP and SXL and the previous decision to indefinitely suspend the Sandpiper project, Enbridge Energy Partners canceled MPC’s transportation services agreement with respect to the Sandpiper pipeline and released MPC from paying any termination fee per that agreement.

Effective January 1, 2017, MarkWest, and Antero Midstream formed a joint venture, Sherwood Midstream, to support the development of Antero Resources Corporation’s Marcellus Shale acreage in West Virginia. MarkWest has a 50 percent ownership interest in Sherwood Midstream. In connection with this transaction, MarkWest contributed certain gas processing plants currently under construction at the Sherwood Complex with a fair value of approximately $134 million and cash of approximately $20 million. Antero Midstream made an initial capital contribution of approximately $154 million.

Also effective January 1, 2017, MarkWest converted all of its ownership interests in Ohio Fractionation, a previously wholly-owned subsidiary, to Class A Interests and amended its LLC Agreement to create Class B-3 Interests, which were sold to Sherwood Midstream for $126 million in cash. The Class B-3 Interests provide Sherwood Midstream with the right to fractionation revenue and the obligation to pay expenses related to 20 mbpd of capacity in the Hopedale 3 fractionator.

Effective January 1, 2017, MarkWest and Sherwood Midstream formed a joint venture, Sherwood Midstream Holdings, for the purpose of owning, operating and maintaining all of the shared assets for the benefit of and use in the operation of the gas plants and other assets owned by Sherwood Midstream and the gas plants and de-ethanization facilities owned by MarkWest. MarkWest contributed certain real property, equipment and facilities with a fair value of approximately $209 million to Sherwood Midstream Holdings in exchange for a 79 percent initial ownership interest. Sherwood Midstream contributed cash of approximately $44 million to Sherwood Midstream Holdings in exchange for a 21 percent ownership interest. MarkWest has a 10.5 percent indirect interest in Sherwood Midstream Holdings through its ownership in Sherwood Midstream. The net book value of the contributed assets was approximately $194 million. The contribution was determined to be an in-substance sale of real estate. As such, MarkWest only recognized a gain for the portion attributable to Antero Midstream’s indirect interest of approximately $2 million.

We account for the investments in Sherwood Midstream and Sherwood Midstream Holdings as part of our Midstream segment using the equity method of accounting and we continue to consolidate Ohio Fractionation.

See Note 5 to the unaudited consolidated financial statements for additional information related to the investments in Sherwood Midstream, Ohio Fractionation and Sherwood Midstream Holdings.

In the fourth quarter of 2016, Speedway and Pilot Flying J finalized the formation of a joint venture consisting of 123 travel plazas, primarily in the Southeast United States. The new entity, PFJ Southeast, consisted of 41 existing locations contributed by Speedway and 82 locations contributed by Pilot Flying J, all of which carry either the Pilot or Flying J brand and are operated by Pilot Flying J. Our non-cash contribution was $273 million based on the book value of the assets we contributed to the joint venture.

We currently have indirect ownership interests in two ocean vessel joint ventures with Crowley, which were established to own and operate Jones Act vessels in petroleum product service.

In September 2015, we acquired a 50 percent ownership interest in a joint venture, Crowley Ocean Partners, with Crowley. The joint venture owns and operates four new Jones Act product tankers, three of which are leased to MPC. Two of the vessels were delivered in 2015 and the remaining two were delivered in 2016. We have contributed a total of $141 million for the four vessels.

In May 2016, MPC and Crowley formed a new ocean vessel joint venture, Crowley Coastal Partners, in which MPC has a 50 percent ownership interest. MPC and Crowley each contributed their 50 percent ownership in Crowley Ocean Partners, discussed above, into Crowley Coastal Partners. In addition, we contributed $48 million in cash and Crowley contributed its 100 percent ownership interest in Crowley Blue Water Partners to Crowley Coastal Partners. Crowley Blue Water Partners is an entity that owns and operates three 750 Series ATB vessels that are leased to MPC. We account for our 50 percent interest in Crowley Coastal Partners as part of our Midstream segment using the equity method of accounting.

See Note 5 to the unaudited consolidated financial statements for information on Crowley Coastal Partners as a VIE and Note 21 to the unaudited consolidated financial statements for information on our conditional guarantee of the indebtedness of Crowley Ocean Partners and Crowley Blue Water Partners.

On December 4, 2015, MPLX merged with MarkWest, whereby MarkWest became a wholly-owned subsidiary of MPLX. Each common unit of MarkWest issued and outstanding immediately prior to the effective time of the MarkWest Merger was converted into a right to receive 1.09 common units of MPLX representing limited partner interests in MPLX, plus a one-time cash payment of $6.20 per unit. Each Class B unit of MarkWest outstanding immediately prior to the merger was converted into the right to receive one Class B unit of MPLX having substantially similar rights, including conversion and registration rights, and obligations that the Class B units of MarkWest had immediately prior to the merger. At closing, we contributed $1.23 billion in cash to MPLX to pay the cash consideration to MarkWest common unitholders. We will contribute an additional total of $50 million in cash to MPLX for the cash consideration to be paid upon the conversion of the MPLX Class B Units to MPLX common units in equal installments, the first of which was paid in July 2016 and the second of which will be paid in July 2017.

Share Repurchases

Since January 1, 2012, our board of directors has approved $10.0 billion in total share repurchase authorizations and we have repurchased a total of $7.86 billion of our common stock, leaving $2.14 billion available for repurchases. During the three months ended March 31, 2017, we acquired 9 million common shares at an average cost per share of $50.15 under these authorizations. See Note 8 to the unaudited consolidated financial statements.

We may utilize various methods to effect the repurchases, which could include open market repurchases, negotiated block transactions, accelerated share repurchases or open market solicitations for shares, some of which may be affected through Rule 10b5-1 plans. The timing and amount of future repurchases, if any, will depend upon several factors, including market and business conditions, and such repurchases may be discontinued at any time.

Liquidity

As of March 31, 2017, we had cash and cash equivalents of $1.90 billion, excluding MPLX's cash and cash equivalents of $265 million, unused $3.5 billion bank revolving credit facilities and full availability under our $750 million trade receivables facility based on eligible trade receivables. As of March 31, 2017, we do not have any commercial paper borrowings outstanding. We do not intend to have outstanding commercial paper borrowings in excess of available capacity under our bank revolving credit facility. MPLX had no borrowings and $3 million letters of credit outstanding under its $2.0 billion bank revolving credit facility as of March 31, 2017.

The above discussion contains forward-looking statements with respect to the announced strategic initiatives to enhance shareholder value, the ATM Program and our share repurchase authorizations. Factors that could affect our strategic initiatives include, but are not limited to, the time, costs and ability to obtain regulatory or other approvals and consents and otherwise consummate the strategic initiatives; the satisfaction or waiver of conditions in the agreements governing the strategic initiatives; our ability to achieve the strategic and other objectives related to the strategic initiatives; the impact of adverse market conditions affecting MPC's and MPLX's midstream businesses; adverse changes in laws including with respect to tax and regulatory matters; inability to agree with the MPLX conflicts committee with respect to the timing of and value attributed to assets expected to be offered to MPLX. Factors that could affect the ATM program and the timing of any issuances under the ATM Program include, but are not limited to, market conditions, availability of liquidity and the market prices of MPLX common units. Factors that could affect the share repurchase authorizations and the timing of any repurchases include, but are not limited to, business conditions, availability of liquidity and the market price of our common stock. These factors, among others, could cause actual results to differ materially from those set forth in the forward-looking statements. For additional information on forward-looking statements and risks that can affect our business, see "Disclosures Regarding Forward-Looking Statements" and Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2016.

Overview of Segments

Refining & Marketing

Refining & Marketing segment income from operations depends largely on our Refining & Marketing gross margin and refinery throughputs.

Our Refining & Marketing gross margin is the difference between the prices of refined products sold and the costs of crude oil and other charge and blendstocks refined, including the costs to transport these inputs to our refineries and the costs of products purchased for resale. The crack spread is a measure of the difference between market prices for refined products and crude oil, commonly used by the industry as a proxy for the refining margin. Crack spreads can fluctuate significantly, particularly when prices of refined products do not move in the same relationship as the cost of crude oil. As a performance benchmark and a comparison with other industry participants, we calculate Midwest (Chicago) and USGC crack spreads that we believe most closely track our operations and slate of products. LLS prices and a 6-3-2-1 ratio of products (6 barrels of LLS crude oil producing 3 barrels of unleaded regular gasoline, 2 barrels of ULSD and 1 barrel of three percent residual fuel oil) are used for these crack-spread calculations.

Our refineries can process significant amounts of sour crude oil, which typically can be purchased at a discount to sweet crude oil. The amount of this discount, the sweet/sour differential, can vary significantly, causing our Refining & Marketing gross margin to differ from crack spreads based on sweet crude oil. In general, a larger sweet/sour differential will enhance our Refining & Marketing gross margin.

Future crude oil differentials will be dependent on a variety of market and economic factors, as well as U.S. energy policy.

The following table provides sensitivities showing an estimated change in annual net income due to potential changes in market conditions.

(In millions, after-tax)		
LLS 6-3-2-1 crack spread sensitivity[(a)] *(per $1.00/barrel change)*	$	450
Sweet/sour differential sensitivity[(b)] *(per $1.00/barrel change)*		225
LLS-WTI differential sensitivity[(c)] *(per $1.00/barrel change)*		80
Natural gas price sensitivity[(d)] *(per $1.00/million British thermal unit change)*		130

(a) Weighted 40 percent Chicago and 60 percent USGC LLS 6-3-2-1 crack spreads and assumes all other differentials and pricing relationships remain unchanged.
(b) LLS (prompt) - [delivered cost of sour crude oil: Arab Light, Kuwait, Maya, Western Canadian Select and Mars].
(c) Assumes 20 percent of crude oil throughput volumes are WTI-based domestic crude oil.
(d) This is consumption based exposure for our Refining & Marketing segment and does not include the sales exposure for our Midstream segment.

In addition to the market changes indicated by the crack spreads, the sweet/sour differential and the discount of WTI to LLS, our Refining & Marketing gross margin is impacted by factors such as:

- the selling prices realized for refined products;
- the types of crude oil and other charge and blendstocks processed;
- our refinery yields;
- the cost of products purchased for resale;
- the impact of commodity derivative instruments used to hedge price risk; and
- the potential impact of LCM adjustments to inventories in periods of declining prices.

Inventories are carried at the lower of cost or market value. Costs of crude oil, refinery feedstocks and refined products are aggregated on a consolidated basis for purposes of assessing if the LIFO cost basis of these inventories may have to be written down to market values.

Refining & Marketing segment income from operations is also affected by changes in refinery direct operating costs, which include turnaround and major maintenance, depreciation and amortization and other manufacturing expenses. Changes in manufacturing costs are primarily driven by the cost of energy used by our refineries, including purchased natural gas, and the level of maintenance costs. Planned major maintenance activities, or turnarounds, requiring temporary shutdown of certain refinery operating units, are periodically performed at each refinery. Costs for planned turnaround, major maintenance and engineering projects are expensed in the period incurred. We had significantly more planned turnaround and major maintenance activities at our Texas City and Garyville refineries, partially offset by lower planned turnaround and major maintenance at our Galveston Bay and Robinson refineries, during the first three months of 2017 compared to the same period in 2016.

Speedway

Our retail marketing gross margin for gasoline and distillate, which is the price paid by consumers less the cost of refined products, including transportation, consumer excise taxes and bankcard processing fees, impacts the Speedway segment profitability. Numerous factors impact gasoline and distillate demand, including local competition, transportation fuel prices, seasonal demand fluctuations, the available wholesale supply, the level of economic activity in our marketing areas and weather conditions. Market demand increases for gasoline and distillate generally increase the product margin we can realize.

The gross margin on merchandise sold at convenience stores historically has been less volatile and has contributed substantially to Speedway's gross margin. Speedway's convenience stores offer a wide variety of merchandise, including prepared foods, beverages and non-food items.

Midstream

NGL and natural gas prices are volatile and are impacted by changes in fundamental supply and demand, as well as market uncertainty, availability of NGL transportation and fractionation capacity and a variety of additional factors that are beyond our control. Our profitability is affected by prevailing commodity prices primarily as a result of processing or conditioning at our own or third-party processing plants, purchasing and selling or gathering and transporting volumes of natural gas at index-related prices and the cost of third-party transportation and fractionation services. To the extent that commodity prices influence the level of natural gas drilling by our producer customers, such prices also affect profitability.

The profitability of our pipeline transportation operations primarily depends on tariff rates and the volumes shipped through the pipelines. The profitability of our marine operations primarily depends on the quantity and availability of our vessels and barges. The profitability of our light product terminal operations primarily depends on the throughput volumes at these terminals. A majority of the crude oil and refined product shipments on our pipelines and marine vessels and the refined product throughput at our terminals serve our Refining & Marketing segment. The volume of crude oil that we transport is directly affected by the supply of, and refiner demand for, crude oil in the markets served directly by our crude oil pipelines, terminals and marine operations. Key factors in this supply and demand balance are the production levels of crude oil by producers in various regions or fields, the availability and cost of alternative modes of transportation, the volumes of crude oil processed at refineries and refinery and transportation system maintenance levels. The volume of refined products that we transport is directly affected by the production levels of, and user demand for, refined products in the markets served by our refined product pipelines and marine operations. In most of our markets, demand for gasoline and distillate peaks during the summer driving season, which extends from May through September of each year, and declines during the fall and winter months. As with crude oil, other transportation alternatives and system maintenance levels influence refined product movements.

Results of Operations

Consolidated Results of Operations

(In millions)	Three Months Ended March 31, 2017	2016	Variance
Revenues and other income:			
Sales and other operating revenues (including consumer excise taxes)	$ 16,288	$ 12,755	$ 3,533
Income from equity method investments	57	22	35
Net gain on disposal of assets	5	25	(20)
Other income	43	28	15
Total revenues and other income	16,393	12,830	3,563
Costs and expenses:			
Cost of revenues (excludes items below)	13,133	9,701	3,432
Purchases from related parties	122	107	15
Inventory market valuation adjustment	—	15	(15)
Consumer excise taxes	1,813	1,826	(13)
Impairment expense	—	129	(129)
Depreciation and amortization	536	490	46
Selling, general and administrative expenses	389	378	11
Other taxes	108	109	(1)
Total costs and expenses	16,101	12,755	3,346
Income from operations	292	75	217
Net interest and other financial income (costs)	(150)	(142)	(8)
Income (loss) before income taxes	142	(67)	209
Provision for income taxes	41	11	30
Net income (loss)	101	(78)	179
Less net income (loss) attributable to:			
Redeemable noncontrolling interest	16	—	16
Noncontrolling interests	55	(79)	134
Net income attributable to MPC	$ 30	$ 1	$ 29

Net income attributable to MPC increased $29 million in the first quarter of 2017 compared to the first quarter of 2016 as increases in income from operations for our Midstream and Refining & Marketing segments were partially offset by a decrease in our Speedway segment income from operations. See Segment Results for additional information.

Sales and other operating revenues (including consumer excise taxes) increased $3.53 billion in the first quarter of 2017 compared to the first quarter of 2016. The increase was primarily due to higher average refined product sales prices, which increased $0.45 per gallon, partially offset by a decrease in refined product sales volumes.

Income from equity method investments increased $35 million in the first quarter of 2017 compared to the first quarter of 2016. The increase is primarily due to increases in income from new and existing pipeline, retail and marine affiliates.

Net gain on disposal of assets decreased $20 million in the first quarter of 2017 compared to the first quarter of 2016, primarily due to the sale of a Speedway retail location in the first quarter of 2016.

Other income increased $15 million in the first quarter of 2017 compared to the first quarter of 2016, primarily due to increases in sales of excess sulfur credits, RIN sales and operating fees.

Cost of revenues increased $3.43 billion in the first quarter of 2017 compared to the first quarter of 2016. The increase was primarily due to:

- an increase in refined product cost of sales of $3.38 billion primarily due to an increase in raw material costs; and
- an increase in refinery direct operating costs of $144 million, or $1.34 per barrel of total refinery throughput, primarily due to increases in planned turnaround and major maintenance activity and other manufacturing costs in 2017.

Purchases from related parties increased $15 million in the first quarter of 2017 compared to the first quarter of 2016, primarily due to:

- an increase in transportation services provided by Crowley Blue Water Partners, which is a new marine joint venture established in May 2016, of $14 million;
- an increase in transportation services provided by Crowley Ocean Partners of $13 million;
- a decrease in transportation services provided by pipeline affiliates of $7 million; and
- a decrease in volumes of ethanol purchased from TAME, TACE and TAAE of $5 million.

Inventory market valuation adjustment increased costs and expenses by $15 million for the first quarter of 2016. There was no such effect in the first quarter of 2017.

Consumer excise taxes decreased $13 million in the first quarter of 2017 compared to the first quarter of 2016, primarily due to decreases in taxable refined product sales volumes.

Impairment expense reflects a $129 million impairment charge recorded by MPLX in the first quarter of 2016.

Depreciation and amortization increased $46 million in the first quarter of 2017 compared to the first quarter of 2016, primarily due to accelerated depreciation as a result of the decommissioning of an MPLX gas processing facility in conjunction with an expansion project at the Houston Complex.

Selling, general and administrative expenses increased $11 million in the first quarter of 2017 compared to the first quarter of 2016, primarily due to increases in certain first quarter employee benefit expenses.

Other taxes were consistent in the first quarter of 2017 compared to the first quarter of 2016.

Net interest and other financial costs increased $8 million in the first quarter of 2017 compared to the first quarter of 2016, primarily due to the MPLX senior notes issued in February 2017, partially offset by decreased borrowings on the MPLX bank revolving credit facility and the MPC term loan agreement.

Provision for income taxes increased $30 million in the first quarter of 2017 compared to the first quarter of 2016, primarily due to an increase in income before income taxes of $209 million in the first quarter of 2017. The combined federal, state and foreign income tax rate was 29 percent and (17) percent for the three months ended March 31, 2017 and 2016, respectively. The effective tax rate for the three months ended March 31, 2017 was slightly less than the U.S. statutory rate of 35 percent primarily due to certain permanent tax differences related to equity compensation, net income attributable to noncontrolling interests and the domestic manufacturing deduction, offset by state and local tax expense. The effective tax rate for the three months ended March 31, 2016 was significantly affected by permanent tax differences related to the net loss attributable to noncontrolling interest, including their proportional share of the goodwill impairment charge recorded by MPLX. The net loss attributable to noncontrolling interest reduced the effective rate for the first three months ended March 31, 2016 by 51 percent from the U.S. statutory rate of 35 percent.

Segment Results

Revenues

Revenues, including intersegment sales, are summarized by segment in the following table.

	Three Months Ended March 31,			
(In millions)	2017		2016	
Refining & Marketing	$	13,963	$	10,571
Speedway		4,384		3,951
Midstream		876		631
Segment revenues	$	19,223	$	15,153
Items included in both revenues and costs:				
Consumer excise taxes	$	1,813	$	1,826

Refining & Marketing segment revenues increased $3.39 billion in the first quarter of 2017 compared to the first quarter of 2016. The increase was primarily due to an increase in refined product sales prices partially offset by a decrease in refined product sales volumes. The table below shows our Refining & Marketing segment refined product sales volumes, sales destined for export and average sales prices.

	Three Months Ended March 31,			
	2017		2016	
Refining & Marketing segment:				
Refined product sales volumes (thousands of barrels per day)[(a)]		2,070		2,148
Refined product sales destined for export (thousands of barrels per day)		226		261
Average refined product sales prices (dollars per gallon)	$	1.68	$	1.23

(a) Includes intersegment sales and sales destined for export.

The table below shows the average refined product benchmark prices for our marketing areas.

	Three Months Ended March 31,			
(Dollars per gallon)	2017		2016	
Chicago spot unleaded regular gasoline	$	1.49	$	1.00
Chicago spot ultra-low sulfur diesel		1.52		1.07
USGC spot unleaded regular gasoline		1.55		1.06
USGC spot ultra-low sulfur diesel		1.56		1.03

Refining & Marketing intersegment sales to our Speedway segment increased $425 million in the first quarter of 2017 compared to the first quarter of 2016. The increase was primarily due to higher refined product sales prices partially offset by lower volumes. The lower sales volumes to Speedway were mainly due to Speedway's contribution of 41 travel centers to a new joint venture, PFJ Southeast, in the fourth quarter of 2016. The refined product sales to PFJ Southeast continue to be reported in the Refining & Marketing segment totals above, but are no longer considered sales to the Speedway segment. The table below shows our Refining & Marketing intersegment sales to our Speedway segment.

	Three Months Ended March 31,	
	2017	2016
Refining & Marketing intersegment sales to Speedway:		
Intersegment sales (in millions)	$ 2,590	$ 2,165
Refined product sales volumes (millions of gallons)	1,336	1,448
Average refined product sales prices (dollars per gallon)	$ 1.93	$ 1.49

Speedway segment revenues increased $433 million in the first quarter of 2017 compared to the first quarter of 2016, primarily due to an increase in gasoline and distillate sales of $453 million for the first quarter, partially offset by a decrease in merchandise sales of $25 million. The increase in gasoline and distillate sales was primarily due to an increase in average gasoline and distillate selling prices of $0.44 per gallon, partially offset by a volume decrease of 90 million gallons. The decrease in gasoline and distillate sales volumes and merchandise sales is primarily attributable to the contribution of 41 travel centers to PFJ Southeast in the fourth quarter of 2016. Speedway's share of the results from PFJ Southeast are reported as income from equity method investments.

The following table includes certain revenue statistics for the Speedway segment.

	Three Months Ended March 31,	
	2017	2016
Convenience stores at period-end[(a)]	2,731	2,771
Gasoline & distillate sales (millions of gallons)[(a)]	1,393	1,483
Average gasoline & distillate sales prices (dollars per gallon)	$ 2.25	$ 1.81
Merchandise sales (in millions)[(a)]	$ 1,127	$ 1,152
Same store gasoline sales volume (period over period)	(1.0%)	1.0%
Same store merchandise sales (period over period)[(b)]	2.1%	3.1%

(a) First quarter 2017 statistics do not reflect any information for the 41 travel centers Speedway contributed to PFJ Southeast, whereas they are reflected in the first quarter 2016 operating statistics.

(b) Excludes cigarettes.

Midstream segment revenue increased $245 million in the first quarter of 2017 compared to the first quarter of 2016. The increase was primarily due to higher natural gas and NGL prices and increased processing and fractionation volumes. The comparison also reflects the absence of any revenues for the terminal services provided to the Refining & Marketing segment in the first quarter of 2016 versus the inclusion of revenues for these services in the first quarter of 2017. These assets were not considered a business prior to April, 1, 2016 and therefore, no financial results for these assets were available from which to recast first quarter 2016 Midstream segment results.

The following table includes operating statistics for the Midstream segment.

	Three Months Ended March 31, 2017	2016
Midstream intersegment sales to Refining & Marketing (in millions)	$ 344	$ 232
Crude oil and refined product pipeline throughputs (mbpd)[(a)]	2,888	2,818
Terminal throughput (mbpd)[(b)]	59,793	—
Gathering system throughput (MMcf/d)	3,184	3,345
Natural gas processed (MMcf/d)	6,132	5,636
C2 (ethane) + NGLs (natural gas liquids) fractionated (mbpd)	367	321
Natural Gas NYMEX HH ($ per MMBtu)	$ 3.06	$ 1.99
C2 + NGL Pricing ($ per gallon)[(c)]	$ 0.64	$ 0.38

(a) On owned common-carrier pipelines and private pipelines contributed to MPLX, excluding equity method investments.
(b) Includes the results of the terminal assets beginning on April 1, 2016, the date the assets became a business.
(c) 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.

Income from Operations

Income from operations by segment and income before income taxes are presented in the following table.

(In millions)	Three Months Ended March 31, 2017	2016
Income from Operations by segment		
Refining & Marketing	$ (70)	$ (86)
Speedway	135	167
Midstream[(a)]	309	189
Items not allocated to segments:		
Corporate and other unallocated items[(a)]	(82)	(65)
Pension settlement expenses	—	(1)
Impairment expense	—	(129)
Income from operations	292	75
Net interest and other financial income (costs)	(150)	(142)
Income (loss) before income taxes	$ 142	$ (67)

(a) Corporate overhead expenses attributable to MPLX are included in the Midstream segment. Corporate overhead expenses are not allocated to the Refining & Marketing and Speedway segments.

Refining & Marketing segment income from operations improved $16 million in the first quarter of 2017 compared to the first quarter of 2016. The increase was primarily due to a $1.78 per barrel increase in the gross margin offset by higher direct operating costs including increased turnaround activity. The increase in gross margin resulted primarily from higher crack spreads and favorable changes in volumetric gains, offset by less favorable product price realizations as compared with the spot market reference prices. The Chicago and Gulf Coast LLS 6-3-2-1 blended crack spread increased $3.10 per barrel to $7.72 per barrel in the first quarter of 2017 from $4.62 per barrel in the first quarter of 2016.

The following table presents certain market indicators that we believe are helpful in understanding the results of our Refining & Marketing segment's business.

(Dollars per barrel)	Three Months Ended March 31, 2017	2016
Chicago LLS 6-3-2-1 crack spread[(a)(b)]	$ 6.62	$ 4.11
USGC LLS 6-3-2-1 crack spread[(a)]	8.46	4.97
Blended 6-3-2-1 crack spread[(a)(c)]	7.72	4.62
LLS	53.39	35.29
WTI	51.78	33.63
LLS—WTI crude oil differential[(a)]	1.61	1.66
Sweet/Sour crude oil differential[(a)(d)]	6.84	6.77

(a) All spreads and differentials are measured against prompt LLS.
(b) Calculation utilizes USGC three percent residual fuel oil price as a proxy for Chicago three percent residual fuel oil price.
(c) Blended Chicago/USGC crack spread is 40 percent/60 percent based on our refining capacity by region.
(d) LLS (prompt) - [delivered cost of sour crude oil: Arab Light, Kuwait, Maya, Western Canadian Select and Mars].

Based on the market indicators above and our refinery throughputs, we estimate the following impacts on Refining & Marketing segment income from operations for the first quarter of 2017 compared to the first quarter of 2016:

- The USGC LLS 6-3-2-1 crack spread increased $3.49 per barrel for the first quarter, which had a positive impact on segment income of $299 million.
- The Chicago LLS 6-3-2-1 crack spread increased $2.51 per barrel for the first quarter, which had a positive impact on segment income of $142 million.
- The sweet/sour crude oil differential increased $0.07 per barrel in the first quarter, which had a positive impact on segment income of $15 million.
- The LLS-WTI crude oil differential decreased $0.05 per barrel for the first quarter, which had a negative impact on segment income of $12 million.

The above market indicators use spot market values and an estimated mix of crude purchases and product sales. Differences in our results compared to these market indicators, including the effects of product price realizations, the mix of crudes purchased and their costs, market structure on our crude oil acquisition prices, and other items like refinery yields and other feedstock variances, had an estimated negative impact on Refining & Marketing segment income of $230 million for the first quarter of 2017 compared to the first quarter of 2016.

The following table summarizes our refinery throughputs.

	Three Months Ended March 31, 2017	2016
Refinery Throughputs (thousands of barrels per day):		
Crude oil refined	1,511	1,603
Other charge and blendstocks	197	171
Total	1,708	1,774
Sour crude oil throughput percent	67	61
WTI-priced crude oil throughput percent	15	18

Crude oil throughputs decreased 92 mbpd in the first quarter of 2017 compared to the first quarter of 2016. The decrease in the first quarter was primarily due to increased planned turnaround and major maintenance activity at the Garyville refinery in 2017.

The following table includes certain key operating statistics for the Refining & Marketing segment.

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Refining & Marketing gross margin (dollars per barrel)[a][b]	$ 11.65	$ 9.87
Refinery direct operating costs (dollars per barrel):[c]		
Planned turnaround and major maintenance	$ 3.10	$ 2.43
Depreciation and amortization	1.63	1.54
Other manufacturing[d]	4.72	4.14
Total	$ 9.45	$ 8.11

(a) Sales revenue less cost of refinery inputs and purchased products, divided by total refinery throughputs.
(b) Excludes LCM inventory valuation charge for the first quarter of 2016. Comparable prior period information for gross margin has been recast in connection with the contribution of certain pipeline assets to MPLX on March 1, 2017.
(c) Per barrel of total refinery throughputs.
(d) Includes utilities, labor, routine maintenance and other operating costs.

Refinery direct operating costs increased $1.34 per barrel in the first quarter of 2017 compared to the first quarter of 2016, primarily due to increases in planned turnaround and major maintenance costs of $0.67 per barrel and other manufacturing costs of $0.58 per barrel. The increase in planned turnaround and major maintenance costs was primarily attributable to higher turnaround costs incurred by the Texas City and Garyville refineries, partially offset by a decrease in turnaround costs incurred by the Galveston Bay and Robinson refineries in the first quarter of 2017. Other manufacturing costs increased mainly due to higher energy, catalyst and routine maintenance expenses.

We purchase RINs to satisfy a portion of our Renewable Fuel Standard compliance. Our expense associated with RINs increased to $97 million in the first quarter of 2017 from $63 million in the first quarter of 2016. The increase for the first quarter of 2017 was primarily due to the effect of increased purchases and prices for bio-mass based diesel RINs and increased RIN obligation requirements published by the EPA.

Speedway segment income from operations decreased $32 million in the first quarter of 2017 compared to the first quarter of 2016. The decrease was primarily due to the absence of a $24 million gain from the sale of retail location in the first quarter of 2016 and lower light product and merchandise gross margin, partially offset by lower operating expenses. Speedway's light product margin decreased to 15.66 cents per gallon in the first quarter of 2017 from 16.82 cents per gallon in the first quarter of 2016.

The following table includes margin statistics for the Speedway segment.

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Gasoline and distillate sales (millions of gallons)[a]	1,393	1,483
Gasoline & distillate gross margin (dollars per gallon)[a][b]	$ 0.1566	$ 0.1682
Merchandise gross margin (in millions)[a]	$ 320	$ 330
Merchandise gross margin percent[a]	28.4%	28.6%

(a) First quarter 2017 statistics do not reflect any information for the 41 travel centers Speedway contributed to PFJ Southeast, whereas they are reflected in the first quarter 2016 operating statistics.
(b) The price paid by consumers less the cost of refined products, including transportation, consumer excise taxes and bankcard processing fees, divided by gasoline and distillate sales volume.

Midstream segment income from operations increased $120 million in the first quarter of 2017 compared to the first quarter of 2016. The increase was primarily due to increased processing and fractionation activity and the earnings from equity investments in new and existing pipeline and marine operations. Comparability of the Midstream segment's results to the first quarter of 2016 was also affected by the drop of certain terminal assets to MPLX during the quarter. These assets were considered a business effective April 1, 2016. As a result, no financial results are available for the light product terminals business prior to that date and the first quarter of 2016 does not reflect any results for these assets in the Midstream segment.

Corporate and other unallocated items increased $17 million in the first quarter of 2017, largely due to an increase in certain first-quarter employee benefit expenses along with less corporate costs allocated to the segments.

Items not allocated to segments in the first quarter of 2016 also reflects a $129 million non-cash goodwill impairment charge recorded by MPLX.

Liquidity and Capital Resources

Cash Flows

Our cash and cash equivalents balance was $2.17 billion at March 31, 2017 compared to $887 million at December 31, 2016. Net cash provided by (used in) operating activities, investing activities and financing activities for the first three months of 2017 and 2016 are presented in the following table.

	Three Months Ended March 31,	
(In millions)	2017	2016
Net cash provided by (used in):		
Operating activities	$ 1,113	$ 330
Investing activities	(1,356)	(727)
Financing activities	1,523	(422)
Total	$ 1,280	$ (819)

Net cash provided by operating activities increased $783 million in the first quarter of 2017 compared to the first quarter of 2016, primarily due to a favorable change in working capital of $687 million and an increase in operating results. Changes in working capital, excluding changes in short-term debt, were a net $410 million source of cash in the first quarter of 2017 compared to a net $277 million use of cash in the first quarter of 2016. The changes in working capital for the first quarter of 2017 were primarily due to decreases in current receivables and inventories partially offset by a decrease in accounts payable and accrued liabilities. Changes from December 31, 2016 to March 31, 2017 per the consolidated balance sheets were as follows:

- Current receivables decreased $333 million from year-end 2016, primarily due to lower refined product volumes, partially offset by higher prices.
- Inventories decreased $264 million from year-end 2016, primarily due to decreases in refined product, material and supplies, and crude oil inventories.
- Accounts payable decreased $250 million from year-end 2016, primarily due to the timing of costs incurred for certain major maintenance activity and capital projects, partially offset by increases in crude purchase prices and volumes.

The net $277 million use of cash in the first quarter of 2016 was primarily due to a decrease in accounts payable and accrued liabilities, partially offset by decreases in current receivables and inventory. Changes from December 31, 2015 to March 31, 2016 per the consolidated balance sheets were as follows:

- Accounts payable decreased $660 million from year-end 2015, primarily due to lower crude oil volumes and prices.
- Current receivables decreased $325 million from year-end 2015, primarily due to lower crude oil volumes and prices.
- Inventories decreased $242 million from year-end 2015, primarily due to decreases in crude oil and refined product inventory volumes.

Net cash used in investing activities was $629 million higher in the first quarter of 2017 compared to the first quarter of 2016 primarily due to investments and acquisitions made during the quarter which are described further below.

The consolidated statements of cash flows exclude changes to the consolidated balance sheets that did not affect cash. A reconciliation of additions to property, plant and equipment to reported total capital expenditures and investments follows.

	Three Months Ended March 31,	
(In millions)	2017	2016
Additions to property, plant and equipment per consolidated statements of cash flows	$ 610	$ 745
Asset retirement expenditures	1	—
Decrease in capital accruals	(72)	(137)
Total capital expenditures	539	608
Acquisitions[a]	220	10
Investments in equity method investees[b]	566	66
Total capital expenditures and investments	$ 1,325	$ 684

[a] The three months ended March 31, 2017 includes the $220 million acquisition of the Ozark pipeline. The three months ended March 31, 2016 includes adjustments to the fair values of the property, plant and equipment, intangibles and goodwill acquired in connection with the MarkWest Merger.

[b] The three months ended March 31, 2017 includes an investment of $500 million in MarEn Bakken related to the Bakken Pipeline system. The three months ended March 31, 2016 includes an adjustment of $143 million to the fair value of equity method investments acquired in connection with the MarkWest Merger.

Capital expenditures and investments are summarized by segment below.

	Three Months Ended March 31,	
(In millions)	2017	2016
Refining & Marketing	$ 192	$ 243
Speedway	35	50
Midstream[a]	1,070	350
Corporate and Other[b]	28	41
Total	$ 1,325	$ 684

[a] Includes $220 million for the acquisition of the Ozark pipeline and an investment of $500 million in MarEn Bakken related to the Bakken Pipeline system.

[b] Includes capitalized interest of $12 million and $17 million for the three months ended March 31, 2017 and 2016, respectively.

Net cash contributed to equity method investments increased $485 million for the first quarter of 2017 compared to the first quarter of 2016, primarily due to MPLX's investment of $500 million for a partial interest in the Bakken Pipeline system. Net cash used for acquisitions increased due to MPLX's acquisition of the Ozark pipeline for $220 million. Net cash used for additions to property, plant and equipment decreased $135 million primarily due to decreased capital expenditures in all segments. Cash from disposal of assets decreased $75 million primarily due to the absence of a first quarter 2016 sale of a Speedway retail location.

Financing activities were a net $1.52 billion source of cash in the first quarter of 2017 compared to a net $422 million use of cash in the first quarter of 2016. In 2017, sources of cash from financing activities included long-term debt borrowings, proceeds from issuances of MPLX common units and contributions from noncontrolling interests which were partially offset by uses of cash in financing activities which included common stock repurchases, long-term debt repayments, dividend payments and distributions to noncontrolling interests.

Long-term debt borrowings and repayments, including debt issuance costs, were a net $2.01 billion source of cash in the first quarter of 2017 compared to a net $560 million use of cash in the first quarter of 2016. During the first quarter of 2017, MPLX issued $2.25 billion of senior notes and we repaid the remaining $200 million balance under the MPC term loan agreement. During the first quarter of 2016, MPLX repaid amounts outstanding under the MPLX bank revolving credit facility.

Cash used in common stock repurchases increased $345 million in the first quarter of 2017 compared to the first quarter of 2016 as cash proceeds from the dropdown of certain terminal, pipeline and storage assets to MPLX on March 1, 2017 supported share repurchases of $420 million in March of 2017. The table below summarizes our total share repurchases for these periods. See Note 8 to the unaudited consolidated financial statements for further discussion of the share repurchase authorizations.

	Three Months Ended March 31,	
(In millions, except per share data)	2017	2016
Number of shares repurchased	9	2
Cash paid for shares repurchased	$ 420	$ 75
Effective average cost per delivered share	$ 50.15	$ 43.96

Cash used in dividend payments increased $21 million in the first quarter of 2017 compared to the first quarter of 2016, primarily due to a $0.04 per share increase in our quarterly dividend payment, partially offset by a decrease in the number of outstanding shares of our common stock attributable to share repurchases. Our dividend payments were $0.36 per common share in the first quarter of 2017 compared to $0.32 per common share in the first quarter of 2016.

Cash used in distributions to noncontrolling interests increased $37 million in the first quarter of 2017 compared to the first quarter of 2016. The distributions increased primarily due to an increase in total MPLX common units outstanding and distributions paid on the MPLX Preferred Units.

Cash provided by contributions from noncontrolling interests increased $124 million in the first quarter of 2017 compared to the first quarter of 2016 primarily due to MarkWest's sale of a noncontrolling interest in Ohio Fractionation to Sherwood Midstream.

Derivative Instruments

See Item 3. Quantitative and Qualitative Disclosures about Market Risk for a discussion of derivative instruments and associated market risk.

Capital Resources

Our liquidity totaled $6.15 billion at March 31, 2017 consisting of:

	March 31, 2017		
(In millions)	Total Capacity	Outstanding Borrowings	Available Capacity
Bank revolving credit facility[(a)]	$ 2,500	$ —	$ 2,500
364 day bank revolving credit facility	1,000	—	$ 1,000
Trade receivables facility	750	—	750
Total	$ 4,250	$ —	$ 4,250
Cash and cash equivalents[(b)]			1,902
Total liquidity			$ 6,152

(a) Excludes MPLX's $2.0 billion bank revolving credit facility, which had $2.0 billion available as of March 31, 2017.
(b) Excludes $265 million of MPLX cash and cash equivalents.

Because of the alternatives available to us, including internally generated cash flow and access to capital markets and a commercial paper program, we believe that our short-term and long-term liquidity is adequate to fund not only our current operations, but also our near-term and long-term funding requirements, including capital spending programs, the repurchase of shares of our common stock, dividend payments, defined benefit plan contributions, repayment of debt maturities and other amounts that may ultimately be paid in connection with contingencies.

As discussed in the "Strategic Actions to Enhance Shareholder Value" section in the Corporate Overview, we expect MPLX to finance the planned dropdown transactions in the aggregate with debt and equity in approximately equal proportions. The equity financing will be funded through MPLX common units issued to us. In conjunction with the completion of the dropdowns, we also expect to exchange our economic interests in the general partner of MPLX, including incentive distribution rights, for newly issued MPLX common units. Cash proceeds from the dropdowns and ongoing MPLX common unit distributions to us are expected to fund the substantial ongoing return of capital to MPC shareholders in a manner consistent with maintaining an investment-grade credit profile.

On February 10, 2017, MPLX completed a public offering of $1.25 billion aggregate principal amount of 4.125% unsecured senior notes due March 2027 and $1.0 billion aggregate principal amount of 5.200% unsecured senior notes due March 2047. Interest is payable semi-annually in arrears on March 1st and September 1st of each year, commencing on September 1, 2017.

We may, 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.

We established a commercial paper program that allows us to have a maximum of $2.0 billion in commercial paper outstanding. We do not intend to have outstanding commercial paper borrowings in excess of available capacity under our bank revolving credit facility. As of March 31, 2017, we had no commercial paper borrowings outstanding.

The MPC bank revolving credit facility and MPLX credit agreement, which provides for the MPLX bank revolving credit facility and the MPLX term loan facility ("MPLX Credit Agreement"), contain representations and warranties, affirmative and negative covenants and events of default that we consider usual and customary for agreements of these types. The financial covenant included in the MPC bank revolving credit facility requires us to maintain, as of the last day of each fiscal quarter, a ratio of Consolidated Net Debt to Total Capitalization (as defined in the MPC bank revolving credit facility) of no greater than 0.65 to 1.00. As of March 31, 2017, we were in compliance with this financial covenant with a ratio of Consolidated Net Debt to Total Capitalization of 0.26 to 1.00, as well as the other covenants contained in the MPC bank revolving credit facility.

The financial covenant included in the MPLX Credit Agreement requires MPLX to maintain a ratio of Consolidated Total Debt (as defined in the MPLX Credit Agreement) as of the end of each fiscal quarter to Consolidated EBITDA (as defined in the MPLX Credit Agreement) for the prior four fiscal quarters of not greater than 5.0 to 1.0 (or 5.5 to 1.0 during the six-month period following certain acquisitions). Consolidated EBITDA is subject to adjustments for certain acquisitions completed and capital projects undertaken during the relevant period. As of March 31, 2017, MPLX was in compliance with this debt covenant with a ratio of Consolidated Total Debt to Consolidated EBITDA of 3.87 to 1.0, as well as the other covenants contained in the MPLX Credit Agreement.

Our intention is to maintain an investment-grade credit profile. As of March 31, 2017, the credit ratings on our senior unsecured debt were at or above investment grade level as follows.

Company	Rating Agency	Rating
MPC	Moody's	Baa2 (negative outlook)
	Standard & Poor's	BBB (stable outlook)
	Fitch	BBB (negative watch)
MPLX	Moody's	Baa3 (stable outlook)
	Standard & Poor's	BBB- (stable outlook)
	Fitch	BBB- (stable outlook)

The ratings 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.

Neither the MPC bank revolving credit facility, MPLX Credit Agreement nor our trade receivables facility 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 of our senior unsecured debt ratings would increase the applicable interest rates, yields and other fees payable under the MPC bank revolving credit facility, MPLX Credit Agreement, our trade receivables facility and debt held by our ocean vessel joint venture with Crowley. In addition, a downgrade of our senior unsecured debt rating to below investment grade levels could, under certain circumstances, decrease the amount of trade receivables that are eligible to be sold under our trade receivables facility, impact our ability to purchase crude oil on an unsecured basis or result in us having to post letters of credit under existing transportation services agreements.

Debt-to-Total-Capital Ratio

Our debt-to-total capital ratio (total debt to total debt-plus-equity) was 38 percent at March 31, 2017 and 33 percent at December 31, 2016.

(In millions)	March 31, 2017	December 31, 2016
Debt due within one year	$ 28	$ 28
Long-term debt	12,570	10,544
Total debt	$ 12,598	$ 10,572
Calculation of debt-to-total-capital ratio:		
Total debt	$ 12,598	$ 10,572
Redeemable noncontrolling interest	1,000	1,000
Total equity	19,797	20,203
Total capital	$ 33,395	$ 31,775
Debt-to-total-capital ratio	38%	33%

Capital Requirements

Our board originally approved a 2017 capital spending and investment plan of $1.7 billion for MPC, excluding MPLX. This budget includes spending on refining and marketing, retail and non-MPLX midstream projects as well as amounts designated for corporate projects. The remaining midstream projects are included in the MPLX budget. During the first quarter of 2017, MPLX updated its capital investment plan for organic growth capital to a range of $1.8 billion to $2.0 billion, up from $1.4 billion to $1.7 billion. The increase includes capital to support the development of the Argo I plant in the Delaware Basin, the Sherwood Complex in the Northeast and an expansion of the Ozark pipeline. MPLX maintenance capital is forecast to be approximately $150 million, an increase of $50 million versus previous guidance, primarily due to expenditures related to assets MPLX acquired during the quarter. Approximately $100 million of this increase will result in a corresponding reduction to MPC's capital spending forecast as the spending relates to the assets that were contributed to MPLX on March 1, 2017. During the three months ended March 31, 2017, our capital expenditures and investments totaled $593 million, excluding MPLX's acquisitions of a partial interest in the Bakken Pipeline system for $500 million and the Ozark pipeline for approximately $220 million and capitalized interest. We continuously evaluate our capital budget and make changes as conditions warrant.

During the second quarter of 2017, we paid BP $131 million for the fourth year's contingent earnout related to our 2013 acquisition of the Galveston Bay Refinery. This second quarter payment represents the final payment under the agreement. See Note 14 to the unaudited consolidated financial statements.

Centennial experienced a significant reduction in shipment volumes in the second half of 2011 that has continued through the first quarter of 2017. At March 31, 2017, Centennial was not shipping product. As a result, we continued to evaluate the carrying value of our equity investment in Centennial. We concluded that no impairment was required given our assessment of its fair value based on market participant assumptions for various potential uses and future cash flows of Centennial's assets. If market conditions were to change and the owners of Centennial are unable to find an alternative use for the assets, there could be a future impairment of our Centennial interest. As of March 31, 2017, our equity investment in Centennial was $34 million and we had a $24 million guarantee associated with 50 percent of Centennial's outstanding debt. See Note 21 to the unaudited consolidated financial statements for additional information on the debt guarantee.

During the three months ended March 31, 2017, we made no voluntary contributions to our funded pension plan. We have no required funding for 2017, but may make additional voluntary contributions for future years at our discretion depending on the funding status and the plan asset performance.

On April 26, 2017, our board of directors approved a dividend of $0.36 per share on common stock. The dividend is payable June 12, 2017, to shareholders of record as of the close of business on May 17, 2017.

During March of 2017, we paid $420 million to acquire 9 million common shares through open market share repurchases at an effective average cost of $50.15 per delivered share. These share repurchases were supported by cash proceeds from the dropdown of certain terminal, pipeline and storage assets to MPLX on March 1, 2017. See Note 8 to the unaudited consolidated financial statements.

We may utilize various methods to effect additional share repurchases, which could include open market purchases, negotiated block transactions, accelerated share repurchases or open market solicitations for shares, some of which may be affected through Rule 10b5-1 plans. The timing and amount of future share repurchases, if any, will depend upon several factors, including market and business conditions, and such repurchases may be discontinued at any time.

Contractual Cash Obligations

As of March 31, 2017, our contractual cash obligations included long-term debt, capital and operating lease obligations, purchase obligations and other long-term liabilities. During the first three months of 2017, our long-term debt commitments increased $3.95 billion due to the public offering of the MPLX senior notes in February 2017, partially offset by repayment of $200 million of outstanding borrowings under the MPC term loan agreement.

Our transportation services agreement for the Sandpiper pipeline was terminated in February 2017. As a result, we had a decrease in our long-term transportation commitments of $2.15 billion.

There were no other material changes to our contractual cash obligations outside the ordinary course of business.

Off-Balance Sheet Arrangements

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 below. 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 liquidity and capital resources.

We have provided various guarantees related to equity method investees. In conjunction with our spinoff from Marathon Oil, we entered into various indemnities and guarantees to Marathon Oil. These arrangements are described in Note 21 to the unaudited consolidated financial statements.

Our opinions concerning liquidity and capital resources and our ability to avail ourselves in the future of the financing options mentioned in the above forward-looking statements are based on currently available information. If this information proves to be inaccurate, future availability of financing may be adversely affected. Factors that affect the availability of financing include our performance (as measured by various factors, including cash provided by operating activities), the state of worldwide debt and equity markets, investor perceptions and expectations of past and future performance, the global financial climate, and, in particular, with respect to borrowings, the levels of our outstanding debt and credit ratings by rating agencies. The discussion of liquidity and capital resources above also contains forward-looking statements regarding expected capital requirements, including our capital budget and investment spending, costs for projects under construction, project completion dates and expectations or projections about strategies and goals for growth, upgrades and expansion, the carrying value of our Centennial equity investment, future contributions to our funded pension plans and share repurchases. Some factors that could cause actual results to differ materially from those included in our forward-looking statements regarding capital requirements include: the availability of liquidity; business conditions; a further decline or improvement in the long-term outlook of the potential uses of Centennial's assets and the pursuit of different strategic alternatives for such assets; our ability to achieve the strategic and other objectives related to the strategic initiatives discussed herein; adverse changes in laws including with respect to tax and regulatory matters; inability to agree with the MPLX conflicts committee with respect to the timing of and value attributed to assets identified for dropdown; changes to the expected construction costs and timing of projects; delays in obtaining third-party approvals; changes in labor, materials and equipment costs and availability; planned and unplanned outages; the delay of, cancellation of or failure to implement planned capital projects; project cost overruns; disruptions or interruptions of our refining operations due to the shortage of skilled labor or unforeseen hazards such as weather conditions, acts of war or terrorist acts and the governmental or military response; continued/further volatility in and/or degradation of market and industry conditions; the availability and pricing of crude oil and other feedstocks; slower growth in domestic and Canadian crude supply; completion of pipeline capacity to areas outside the U.S. Midwest; consumer demand for refined products; transportation logistics; the reliability of processing units and other equipment; MPC's ability to successfully implement growth opportunities, modifications to MPLX earnings and distribution growth objectives; compliance with federal and state environmental, economic, health and safety, energy and other policies and regulations, including the cost of compliance with the Renewable Fuel Standard, and/or enforcement actions initiated thereunder; changes to MPC's capital budget; other risk factors inherent to MPC's industry. These factors, among others, could cause actual results to differ materially from those set forth in the forward-looking statements. For additional information on forward-looking statements and risks that can affect our business, see "Disclosures Regarding Forward-Looking Statements" and Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2016.

Transactions with Related Parties

We believe that transactions with related parties were conducted under terms comparable to those with unrelated parties.

Environmental Matters and Compliance Costs

We have incurred and may continue to incur substantial capital, operating and maintenance, and remediation expenditures as a result of environmental laws and regulations. If these expenditures, as with all costs, are not ultimately reflected in the prices of our products and 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 the age and location of its operating facilities, marketing areas, production processes and whether it is also engaged in the petrochemical business or the marine transportation of crude oil and refined products.

On March 3, 2014, the EPA signed the final Tier 3 fuel standards. The final Tier 3 fuel standards require, among other things, a lower annual average sulfur level in gasoline to no more than 10 ppm beginning in calendar year 2017. In addition, gasoline refiners and importers may not exceed a maximum per-gallon sulfur standard of 80 ppm while retailers may not exceed a maximum per-gallon sulfur standard of 95 ppm. We anticipate that we will spend an estimated $650 million between 2014 and 2019 to comply with these standards, which includes estimated capital expenditures of approximately $200 million in 2017.

There have been no other significant changes to our environmental matters and compliance costs during the three months ended March 31, 2017.

Critical Accounting Estimates

There have been no significant changes to our critical accounting estimates during the three months ended March 31, 2017.

Accounting Standards Not Yet Adopted

As discussed in Note 2 to the unaudited consolidated financial statements, certain new financial accounting pronouncements will be effective for our financial statements in the future.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

For a detailed discussion of our risk management strategies and our derivative instruments, see Item 7A. Quantitative and Qualitative Disclosures about Market Risk in our Annual Report on Form 10-K for the year ended December 31, 2016.

See Notes 14 and 15 to the unaudited consolidated financial statements for more information about the fair value measurement of our derivatives, as well as the amounts recorded in our consolidated balance sheets and statements of income. We do not designate any of our commodity derivative instruments as hedges for accounting purposes.

Sensitivity analysis of the effects on income from operations ("IFO") of hypothetical 10 percent and 25 percent increases and decreases in commodity prices for open commodity derivative instruments as of March 31, 2017 is provided in the following table.

	Change in IFO from a Hypothetical Price Increase of		Change in IFO from a Hypothetical Price Decrease of	
(In millions)	10%	25%	10%	25%
As of March 31, 2017				
Crude	$ 27	$ 69	$ 36	$ 128
Refined products	21	53	(20)	(50)
Embedded derivatives	(4)	(11)	4	11

We remain at risk for possible changes in the market value of commodity derivative instruments; however, such risk should be mitigated by price changes in the underlying physical commodity. Effects of these offsets are not reflected in the above sensitivity analysis.

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. Changes to the portfolio after March 31, 2017 would cause future IFO effects to differ from those presented above.

Sensitivity analysis of the effect of a hypothetical 100-basis-point change in interest rates on long-term debt, including the portion classified as current and excluding capital leases, as of March 31, 2017 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.

(In millions)	Fair Value as of March 31, 2017[(a)]	Change in Fair Value[(b)]	Change in Net Income for the Three Months Ended March 31, 2017[(c)]
Long-term debt			
Fixed-rate	$ 12,863	$ 1,118	n/a
Variable-rate	250	n/a	1

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

(b) Assumes a 100-basis-point decrease in the weighted average yield-to-maturity at March 31, 2017.

(c) Assumes a 100-basis-point change in interest rates. The change to net income was based on the weighted average balance of debt outstanding for the three months ended March 31, 2017.

At March 31, 2017, our portfolio of long-term debt was comprised of fixed-rate instruments and variable-rate borrowings under the MPLX term loan 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 the MPLX term loan facility, but may affect our results of operations and cash flows.

Item 4. 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 13(a)-15(e) and 15(d)-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 March 31, 2017, the end of the period covered by this report.

Internal Control over Financial Reporting and Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2017, 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.

Supplementary Statistics (Unaudited)

(In millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Income from Operations by segment		
Refining & Marketing[a]	$ (70)	$ (86)
Speedway	135	167
Midstream[a][b]	309	189
Items not allocated to segments:		
Corporate and other unallocated items[a][b]	(82)	(65)
Pension settlement expenses	—	(1)
Impairments[c]	—	(129)
Income from operations	$ 292	$ 75
Capital Expenditures and Investments[d]		
Refining & Marketing	$ 192	$ 243
Speedway	35	50
Midstream[e]	1,070	350
Corporate and Other[f]	28	41
Total	$ 1,325	$ 684

(a) We revised our operating segment presentation in the first quarter of 2017 in connection with the contribution of certain terminal, pipeline and storage assets to MPLX. The operating results for these assets, which were previously included in the Refining & Marketing segment, are now included in the Midstream segment. Comparable prior period information has been recast to reflect our revised presentation. The results for the pipeline and storage assets were recast effective January 1, 2015 and the results for the terminal assets were recast effective April 1, 2016. Prior to these dates these assets were not considered businesses and therefore there are no financial results from which to recast segment results.

(b) Corporate overhead expenses attributable to MPLX are included in the Midstream segment. Corporate overhead expenses are not allocated to the Refining & Marketing and Speedway segments.

(c) See Note 14 to the unaudited consolidated financial statements for further information on the goodwill impairment recognized in the first three months ended March 31, 2016.

(d) Capital expenditures include changes in capital accruals, acquisitions and investments in affiliates.

(e) The three months ended March 31, 2017 includes $220 million for the acquisition of the Ozark pipeline and an investment of $500 million in MarEn Bakken related to the Bakken Pipeline system.

(f) Includes capitalized interest of $12 million and $17 million for the three months ended March 31, 2017 and 2016, respectively.

Supplementary Statistics (Unaudited)

	Three Months Ended March 31,	
	2017	2016
MPC Consolidated Refined Product Sales Volumes (mbpd)[a]	2,085	2,158
Refining & Marketing Operating Statistics		
Refining & Marketing refined product sales volume (mbpd)[b]	2,070	2,148
Refining & Marketing gross margin (dollars per barrel)[c][d]	$ 11.65	$ 9.87
Crude oil capacity utilization percent[e]	83	89
Refinery throughputs (mbpd):[f]		
Crude oil refined	1,511	1,603
Other charge and blendstocks	197	171
Total	1,708	1,774
Sour crude oil throughput percent	67	61
WTI-priced crude oil throughput percent	15	18
Refined product yields (mbpd):[f]		
Gasoline	867	899
Distillates	544	571
Propane	28	32
Feedstocks and special products	224	234
Heavy fuel oil	29	30
Asphalt	56	44
Total	1,748	1,810
Refinery direct operating costs (dollars per barrel):[g]		
Planned turnaround and major maintenance	$ 3.10	$ 2.43
Depreciation and amortization	1.63	1.54
Other manufacturing[h]	4.72	4.14
Total	$ 9.45	$ 8.11
Refining & Marketing Operating Statistics By Region - Gulf Coast		
Refinery throughputs (mbpd):[i]		
Crude oil refined	850	991
Other charge and blendstocks	222	217
Total	1,072	1,208
Sour crude oil throughput percent	84	75
WTI-priced crude oil throughput percent	4	3
Refined product yields (mbpd):[i]		
Gasoline	499	533
Distillates	309	375
Propane	21	25
Feedstocks and special products	243	280
Heavy fuel oil	18	18
Asphalt	14	8
Total	1,104	1,239
Refinery direct operating costs (dollars per barrel):[g]		
Planned turnaround and major maintenance	$ 4.31	$ 2.62
Depreciation and amortization	1.35	1.17
Other manufacturing[h]	4.62	3.74
Total	$ 10.28	$ 7.53

Supplementary Statistics (Unaudited)

	Three Months Ended March 31, 2017	2016
Refining & Marketing Operating Statistics By Region – Midwest		
Refinery throughputs (mbpd):[i]		
Crude oil refined	661	612
Other charge and blendstocks	30	36
Total	691	648
Sour crude oil throughput percent	45	39
WTI-priced crude oil throughput percent	29	42
Refined product yields (mbpd):[i]		
Gasoline	368	366
Distillates	235	196
Propane	8	9
Feedstocks and special products	35	34
Heavy fuel oil	11	12
Asphalt	42	36
Total	699	653
Refinery direct operating costs (dollars per barrel):[g]		
Planned turnaround and major maintenance	$ 0.98	$ 1.76
Depreciation and amortization	1.93	2.03
Other manufacturing[h]	4.50	4.36
Total	$ 7.41	$ 8.15
Speedway Operating Statistics[j]		
Convenience stores at period-end	2,731	2,771
Gasoline and distillate sales (millions of gallons)	1,393	1,483
Gasoline and distillate gross margin (dollars per gallon)[k]	$ 0.1566	$ 0.1682
Merchandise sales (in millions)	$ 1,127	$ 1,152
Merchandise gross margin (in millions)	$ 320	$ 330
Merchandise gross margin percent	28.4%	28.6%
Same store gasoline sales volume (period over period)	(1.0%)	1.0%
Same store merchandise sales (period over period)[l]	2.1%	3.1%
Midstream Operating Statistics		
Crude oil and refined product pipeline throughputs (mbpd)[m]	2,888	2,818
Terminal throughput (mbpd)[n]	59,793	—
Gathering system throughput (MMcf/d)[o]	3,184	3,345
Natural gas processed (MMcf/d)[o]	6,132	5,636
C2 (ethane) + NGLs (natural gas liquids) fractionated (mbpd)[o]	367	321

(a) Total average daily volumes of refined product sales to wholesale, branded and retail customers.
(b) Includes intersegment sales.
(c) Sales revenue less cost of refinery inputs and purchased products, divided by total refinery throughputs.
(d) Excludes LCM inventory valuation charge for the first quarter of 2016. Comparable prior period information for gross margin has been recast in connection with the contribution of certain pipeline assets to MPLX on March 1, 2017.
(e) Based on calendar day capacity, which is an annual average that includes downtime for planned maintenance and other normal operating activities.
(f) Excludes inter-refinery volumes of 55 mbpd and 82 mbpd for the three months ended March 31, 2017 and 2016, respectively.
(g) Per barrel of total refinery throughputs.
(h) Includes utilities, labor, routine maintenance and other operating costs.
(i) Includes inter-refinery transfer volumes.
(j) First quarter 2017 operating statistics do not reflect any information for the 41 travel centers contributed to PFJ Southeast, whereas they are reflected in the first quarter 2016 operating statistics.
(k) The price paid by consumers less the cost of refined products, including transportation, consumer excise taxes and bankcard processing fees, divided by gasoline and distillate sales volume.
(l) Excludes cigarettes.
(m) Includes common-carrier pipelines and private pipelines contributed to MPLX, excluding equity method investments.
(n) Includes the results of the terminal assets contributed to MPLX from the date the assets became a business, April 1, 2016.
(o) Includes amounts related to unconsolidated equity method investments on a 100 percent basis.

Part II – Other Information

Item 1. 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. Specific matters discussed below are either new proceedings or material developments in proceedings, other than items arising in the ordinary course of business, previously reported in our Annual Report on Form 10-K for the year ended December 31, 2016.

Litigation

We are a co-defendant in four lawsuits consolidated for pre-trial purposes in a multi-district litigation pending in the 56^{th} District Court, Galveston County, Texas. Plaintiffs allege personal injuries from a fire that occurred at our Galveston Bay refinery on January 11, 2016. Discovery has commenced in the matters and trial is scheduled for the first case on September 11, 2017. The remaining three cases are scheduled for trials commencing October 10, 2017, October 30, 2017 and December 4, 2017, respectively. At this time, the ultimate outcome of this litigation and liability remains uncertain and we are unable to provide a reasonable estimate of the potential loss or range of loss, if any, given that the litigation is in a preliminary stage. If these lawsuits are resolved unfavorably in their entirety, it could materially impact our consolidated results of operations, financial position or cash flows. However, management does not believe the ultimate resolution of this litigation will have a material adverse effect.

Environmental Proceedings

As previously reported in our Annual Report on Form 10-K for the year ended December 31, 2016, on February 17, 2016, MarkWest Liberty Bluestone, L.L.C., a wholly-owned subsidiary of MPLX ("MarkWest Liberty Bluestone"), received an initial Consent Agreement and Final Order ("Initial CAFO") from the EPA alleging violations of the Clean Air Act resulting from an EPA compliance inspection conducted in July 2012 at our Sarsen Facility, a gas processing facility at our Keystone Complex located in Pennsylvania. The alleged violations included the failure to comply with monitoring, tagging, recordkeeping and repair requirements with respect to certain pumps and/or valves at the facility and with certain emissions reduction and permit application requirements. The Initial CAFO set forth a proposed penalty of $285,000. After subsequent negotiations, MarkWest Liberty Bluestone and the EPA entered into a Consent Agreement and Final Order effective March 28, 2017 resolving these issues, pursuant to which MarkWest Liberty Bluestone will pay a penalty of $95,000 and implement certain enhancements in connection with its existing leak monitoring program.

Item 1A. Risk Factors

We are subject to various risks and uncertainties in the course of our business. The discussion of such risks and uncertainties may be found under Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2016.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth a summary of our purchases during the quarter ended March 31, 2017, of equity securities that are registered by MPC pursuant to Section 12 of the Securities Exchange Act of 1934, as amended.

Period	Total Number of Shares Purchased[(a)]	Average Price Paid per Share[(b)]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[(c)]
01/01/17-01/31/17	—	$ —	—	$ 2,564,140,333
02/01/17-02/28/17	1,024	48.54	—	2,564,140,333
03/01/17-03/31/17	8,420,018	50.15	8,376,500	2,144,094,411
Total	8,421,042	50.15	8,376,500	

(a) The amounts in this column include 1,024 and 43,518 shares of our common stock delivered by employees to MPC, upon vesting of restricted stock, to satisfy tax withholding requirements in February and March, respectively.

(b) Amounts in this column reflect the weighted average price paid for shares purchased under our share repurchase authorizations and for shares tendered to us in satisfaction of employee tax withholding obligations upon the vesting of restricted stock granted under our stock plans. The weighted average price includes commissions paid to brokers on shares purchased under our share repurchase authorizations.

(c) On July 30, 2015, we announced that our board of directors had approved a $2.0 billion share repurchase authorization in addition to the $2.0 billion share repurchase authorization announced on July 30, 2014, with such outstanding authorizations to expire on July 31, 2017. These authorizations, together with prior authorizations, result in a total of $10.0 billion of share repurchase authorizations since January 1, 2012.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date	SEC File No.	Filed Herewith	Furnished Herewith
3.1	Restated Certificate of Incorporation of Marathon Petroleum Corporation	8-K	3.1	6/22/2011	001-35054		
3.2	Amended and Restated Bylaws of Marathon Petroleum Corporation	10-K	3.2	2/24/2017	001-35054		
10.1	Amended and Restated Marathon Petroleum Corporation 2012 Incentive Compensation Plan					X	
10.2	Form of MPLX LP Performance Unit Award Agreement					X	
10.3	Form of MPLX LP Performance Unit Award Agreement - Marathon Petroleum Corporation Officer					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
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350						X
101.INS	XBRL Instance Document					X	
101.SCH	XBRL Taxonomy Extension Schema					X	
101.PRE	XBRL Taxonomy Extension Presentation Linkbase					X	
101.CAL	XBRL Taxonomy Extension Calculation Linkbase					X	
101.DEF	XBRL Taxonomy Extension Definition Linkbase					X	
101.LAB	XBRL Taxonomy Extension Label Linkbase					X	

SIGNATURES

Pursuant to the requirements 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.

May 1, 2017

MARATHON PETROLEUM CORPORATION

By: /s/ John J. Quaid

John J. Quaid
Vice President and Controller

Exhibit 10.1

AMENDED AND RESTATED MARATHON PETROLEUM CORPORATION
2012 INCENTIVE COMPENSATION PLAN

1. *Objectives*. This Amended and Restated Marathon Petroleum Corporation 2012 Incentive Compensation Plan (this "Plan") is adopted by Marathon Petroleum Corporation (the "Corporation") in order to retain employees and directors with a high degree of training, experience and ability; to attract new employees and directors whose services are considered particularly valuable; to encourage the sense of proprietorship of such persons; and to promote the active interest of such persons in the development and financial success of the Corporation and its Subsidiaries. These objectives are to be accomplished by making Awards under this Plan and thereby providing Participants with a proprietary interest in, and alignment with, the growth and performance of the Corporation and its Subsidiaries.

2. *Definitions*. As used herein, the terms set forth below shall have the following respective meanings:

"Administrator" means: (i) with respect to Employee Awards, the Committee, and (ii) with respect to Director Awards, the Board.

"Authorized Officer" means the Chief Executive Officer of the Corporation (or any other senior officer of the Corporation to whom he or she shall delegate the authority to execute any Award Agreement, where applicable).

"Award" means an Employee Award or a Director Award.

"Award Agreement" means any Employee Award Agreement or Director Award Agreement.

"Board" means the Board of Directors of the Corporation.

"Cash Award" means an award denominated in cash.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Committee" means the Compensation Committee of the Board and any successor committee to the Compensation Committee, as may be designated by the Board to administer this Plan in whole or in part.

"Common Stock" means Marathon Petroleum Corporation common stock, par value $.01 per share.

"Corporation" has the meaning set forth in paragraph 1 hereof.

"Director Award" means any Non-qualified Stock Option, Stock Appreciation Right, Stock Award, Restricted Stock Unit Award, Cash Award or Performance Award granted, whether singly, in combination or in tandem, to a Participant who is a Non-Employee Director pursuant to such applicable terms, conditions and limitations (including treatment as a Performance Award) as the Board may establish in order to fulfill the objectives of the Plan.

"Director Award Agreement" means an individual or common agreement contained within a separate plan document (in written or electronic form) setting forth the terms, conditions, and limitations applicable to a Director Award, to the extent the Board determines such agreement is necessary.

"Disability" means either (a) a condition that renders the Participant wholly and continuously disabled for a period of at least two years, to the extent that the Participant is unable to engage in any occupation or perform any work for gainful compensation or profit for which they are, or may become, reasonably qualified by education, training or experience; or (b) a condition for which the Participant has obtained a Social Security determination of disability.

"Dividend Equivalents" means, with respect to shares of Restricted Stock or Restricted Stock Units, with respect to which shares are to be issued at the end of the Restriction Period, an amount equal to all dividends and other distributions (or the economic equivalent thereof) that are payable to shareholders of record during the Restriction Period on a like number of shares of Common Stock granted in the Award.

"Employee" means an employee of the Corporation or any of its Subsidiaries or an individual who has agreed to become an employee of the Corporation or any of its Subsidiaries and actually becomes an employee within the following six months. However, the term "Employee" shall not include any individual who owns directly or indirectly stock possessing more than five percent (5%) of the total combined voting power or value of all classes of stock of the Corporation or any Subsidiary

"Employee Award" means any Option, Stock Appreciation Right, Stock Award, Restricted Stock Unit Award, Cash Award or Performance Award granted, whether singly, in combination or in tandem, to a Participant who is an Employee pursuant to such applicable terms, conditions and limitations (including treatment as a Performance Award) that the Committee may establish in order to fulfill the objectives of the Plan.

"Employee Award Agreement" means an agreement (in written or electronic form) setting forth the terms, conditions and limitations applicable to an Employee Award, to the extent the Committee determines such agreement is necessary or advisable.

"Equity Award" means any Option, Stock Appreciation Right, Stock Award or Performance Award (other than a Performance Award denominated in cash) granted to a Participant under the Plan.

"Executive Officer" means a "covered employee" within the meaning of Code § 162(m)(3) or any other executive officer designated by the Committee for purposes of exempting compensation payable under this Plan from the deduction limits of Code § 162(m).

"Fair Market Value" of a share of Common Stock means, as of a particular date: (i) if Common Stock is listed on a national securities exchange, the closing price per share of such Common Stock on the consolidated transaction reporting system for the principal national securities exchange on which shares of Common Stock are listed on that date, or, if there shall have been no such sale so reported on that date, on the next succeeding date on which such a sale is so reported, or, at the discretion of the Administrator, any other reasonable and objectively determinable method based on the listed price per share which reflects the price prevailing on the exchange at the time of grant; (ii) if Common Stock is not so listed but is quoted on a national securities market, the closing sales price per share of Common Stock reported on such market for such date, or, if there shall have been no such sale so reported on that date, on the next succeeding date on which such a sale is so reported; or (iii) if Common Stock is not so listed or quoted, the most recent value determined by an independent appraiser appointed by the Corporation for such purpose. For any determination of Fair Market Value, if the commitment to measure the Fair Market Value is based on the average trading price over a specified period, such period cannot extend more than 30 days before or 30 days after the grant date and such commitment must be irrevocably established for specified awards before the beginning of such period.

"Grant Date" means the effective date of the grant of an Award to a Participant pursuant to the Plan, which may be later than but shall never be earlier than the date on which the Committee (or its delegate) met or otherwise took action to effect the grant of such Award.

"Grant Price" means the price at which a Participant may exercise his or her right to receive cash or Common Stock, as applicable, under the terms of an Award.

"Incentive Stock Option" means an Option that is intended to comply with the requirements set forth in Code § 422.

"Non-Employee Director" means an individual serving as a member of the Board who is not then an Employee of the Corporation or any of its Subsidiaries.

"Non-qualified Stock Option" means an Option that is not an Incentive Stock Option.

"Option" means a right to purchase a specified number of shares of Common Stock at a specified Grant Price.

"Participant" means an Employee or Non-Employee Director to whom an Award has been granted under this Plan.

"Performance Award" means an Award made pursuant to this Plan, which Award is subject to the attainment of one or more Performance Goals.

"Performance Goal" means a standard established by the Committee to determine in whole or in part whether a Performance Award shall be earned.

"Plan" has the meaning set forth in paragraph 1 hereof.

"Recoupment Provision" means any clawback or recovery provision required by applicable law including United States federal and state securities laws or by any national securities exchange on which the Common Stock of the Corporation is listed or any applicable regulatory requirement.

"Restricted Stock" means Common Stock that is restricted or subject to forfeiture provisions.

"Restricted Stock Unit" means a unit evidencing the right to receive in specified circumstances one share of Common Stock or equivalent value (as determined by the Administrator) that is restricted or subject to forfeiture provisions.

"Restricted Stock Unit Award" means an Award in the form of Restricted Stock Units.

"Restriction Period" means a period of time beginning on the Grant Date of an Award of Restricted Stock or Restricted Stock Unit Award and ending on the date upon which the Common Stock subject to such Award, or equivalent value, is issued (if not previously issued), paid or is no longer restricted or subject to forfeiture provisions.

"Retirement" means termination of employment of an Employee on or after the time at which the Employee either (a) is eligible for retirement under the Marathon Petroleum Retirement Plan, or a successor retirement plan or (b) has attained age 50 and completed ten years of employment with the Corporation or its Subsidiaries, as applicable. However, the term Retirement does not include an event where immediately following which the Participant remains an Employee.

"Stock Appreciation Right" means a right to receive a payment, in cash or Common Stock, equal to the excess of the Fair Market Value or other specified valuation of a specified number of shares of Common Stock on the date the right is exercised over a specified Grant Price.

"Stock Award" means an Award in the form of, or denominated in, or by reference to, shares of Common Stock, including an award of Restricted Stock.

"Subsidiary" means: (i) in the case of a corporation, a "subsidiary corporation" of the Corporation as defined in Code § 424(f); and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Corporation directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests, or otherwise).

3. *Eligibility*. All Employees are eligible for Employee Awards under this Plan in the sole discretion of the Committee. All Non-Employee Directors of the Corporation are eligible for Director Awards under this Plan in the sole discretion of the Board.

4. *Common Stock Available for Awards*. Subject to the provisions of paragraph 14 hereof, there shall be available for Awards under this Plan granted wholly or partly in Common Stock (including rights or options that may be exercised for or settled in Common Stock) an aggregate of 50 million shares of Common Stock. No more than 20 million shares of Common Stock may be the subject of Awards that are not Options or Stock Appreciation Rights. In the sole discretion of the Committee, 20 million shares of Common Stock may be granted as Incentive Stock Options.

(a) In connection with the granting of an Option or other Award, the number of shares of Common Stock available for issuance under this Plan shall be reduced by the number of shares of Common Stock in respect of which the Option or Award is granted or denominated. For example, upon the grant of stock-settled Stock Appreciation Rights, the number of shares of Common Stock available for issuance under this Plan shall be reduced by the full number of Stock Appreciation Rights granted, and the number of shares of Common Stock available for issuance under this Plan shall not thereafter be increased upon the exercise of the Stock Appreciation Rights and settlement in shares of Common Stock, even if the actual number of shares of Common Stock delivered in settlement of the Stock Appreciation Rights is less than the full number of Stock Appreciation Rights exercised. However, Awards that by their terms do not permit settlement in shares of Common Stock shall not reduce the number of shares of Common Stock available for issuance under this Plan.

(b) Any shares of Common Stock delivered in payment of the purchase price in connection with the exercise of any Award, any shares of Common Stock repurchased on the open market with proceeds received by the Corporation from the exercise of any Award, any shares of Common Stock delivered or withheld to pay tax withholding obligations or otherwise under the Plan and any shares of Common Stock not issued upon the net settlement or net exercise of Stock Appreciation Rights shall not be added to and shall not increase the number of shares of Common Stock available for issuance under the Plan.

(c) Whenever any outstanding Option or other Award (or portion thereof) expires, is cancelled or forfeited or is otherwise terminated for any reason without having been exercised or payment having been made in the form of shares of Common Stock, the number of shares of Common Stock available for issuance under this Plan shall be increased by the number of shares of Common Stock allocable to the expired, forfeited, cancelled or otherwise terminated Option or other Award (or portion thereof). To the extent that any Award is forfeited, or any Option or Stock Appreciation Right terminates, expires or lapses without being exercised, the shares of Common Stock subject to such Awards will not be counted as shares delivered under this Plan.

(d) Shares of Common Stock delivered under the Plan in settlement of an Award issued or made: (i) upon the assumption, substitution, conversion or replacement of outstanding awards under a plan or arrangement of an acquired entity; or (ii) as a post-transaction grant under such a plan or arrangement of an acquired entity, shall not reduce or be counted against the maximum number of shares of Common Stock available for delivery under the Plan, to the extent that the exemption for transactions in connection with mergers and acquisitions from the shareholder approval requirements of the New York Stock Exchange for equity compensation plans applies.

(e) Awards valued by reference to Common Stock that may be settled in equivalent cash value will count as shares of Common Stock delivered to the same extent as if the Award were settled in shares of Common Stock.

Consistent with the requirements specified in this paragraph 4, the Committee may from time to time adopt and observe such procedures concerning the counting of shares against this Plan maximum as it may deem appropriate, including rules more restrictive than those set forth above to the extent necessary to satisfy the requirements of any national securities exchange on which the Common Stock is listed or any applicable regulatory requirement. The Committee and the appropriate officers of the Corporation shall be authorized to, from time to time, take all such actions as any of them may determine are necessary or appropriate to file any documents with governmental authorities, stock exchanges and transaction reporting systems as may be required to ensure that shares of Common Stock are available for issuance pursuant to Awards.

5. *Administration*.

(a) *Authority of the Committee.* Subject to the terms of this Plan the Committee shall have the full and exclusive power and authority to administer this Plan with respect to Employee Awards and to take all actions that are specifically contemplated by this Plan or are necessary or appropriate in connection with the administration of this Plan. The Committee shall also have the full and exclusive authority to interpret this Plan and outstanding Employee Award Agreements and to adopt such rules, regulations and guidelines for carrying out this Plan as it may deem necessary or appropriate and the authority to amend this plan without further shareholder approval: (i) to comply with applicable law including United States federal and state securities laws or by any national securities exchange on which the common stock of the Corporation is listed or any applicable regularity requirements, or (ii) in any manner that is not considered to be a material revision of the Plan requiring shareholder approval. Amendments pursuant to this paragraph are permitted only to the extent that such amendments do not adversely affect the rights of any Participant under any Award previously granted to such Participant without the consent of such Participant. The Committee may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any Employee Award Agreement in the manner and to the extent the Committee deems necessary or desirable to further Plan purposes. Any decision of the Committee in the interpretation and administration of this Plan or any Employee Award Agreement shall lie within its sole discretion and shall be final, conclusive and binding on all parties concerned. All decisions and selections made by the Committee pursuant to the provisions of this Plan shall be made by a majority of its members unless subject to the Committee's delegation of authority pursuant to paragraph 6 herein. The powers of the Committee shall include the authority (within the limitations described in this Plan):

- to determine the time when Employee Awards are to be granted and any conditions that must be satisfied before an Employee Award is granted;
- except as otherwise provided in paragraphs 7(a) and 12, to modify the terms of Employee Awards made under this Plan; and
- to determine the guidelines and/or procedures for the payment or exercise of Employee Awards.

(b) *Limitation of Liability*. No member of the Board or the Committee or officer of the Corporation to whom the Board or the Committee has delegated authority in accordance with the provisions of paragraph 6 of this Plan shall be liable for anything done or omitted to be done by him or her by any member of the Board or the Committee or by any officer of the Corporation in connection with the performance of any duties under this Plan, except for his or her own willful misconduct or as expressly provided by statute.

(c) *Authority of the Board*. The Board shall have the same powers, duties and authority to administer and interpret the Plan and all Director Awards outstanding under the Plan as the Committee retains with respect to Employee Awards, as described above.

(d) *Prohibition on Repricing of Awards*. No Option or Stock Appreciation Right may be repriced, replaced, regranted through cancellation or modified without shareholder approval (except as contemplated in paragraph 14 of this Plan), if the effect would be to reduce the exercise price for the shares underlying such Option or Stock Appreciation Right.

(e) *Prohibition on Buy-out of Awards*. No Option or Stock Appreciation Right may be bought back with cash without shareholder approval.

6. *Delegation of Authority*. The Committee may delegate to a subcommittee, the Chief Executive Officer or other senior officers of the Corporation, or to another committee of the Board, its duties or authority under this Plan with respect to Employee Awards, subject to such conditions or limitations as the Committee may establish; provided, however, that to the extent the Committee determines that it is necessary or desirable to exempt compensation payable under this Plan from the deduction limits of Code § 162(m), the Committee will carry out

such duties as may be required under Code § 162(m). The Board may delegate to the Committee or to another committee of the Board, its administrative functions under this Plan with respect to Director Awards subject to such conditions or limitations as the Board may establish. The Committee or the Board or their delegates, as applicable, may engage or authorize engagement of a third party administrator to carry out administrative functions under the Plan.

7. *Employee Awards*.

(a) The Committee shall determine the type or types of Employee Awards to be made under this Plan and shall designate from time to time the Participants who are to be the recipients of such Employee Awards. Each Employee Award shall be evidenced in either an individual Employee Award Agreement or within a separate plan, policy, agreement or other written document, which shall reflect any vesting conditions or restrictions imposed by the Committee covering a period of time specified by the Committee and shall also contain such terms, conditions and limitations as shall be determined by the Committee in its sole discretion, including but not limited to applicable Recoupment Provisions. Where signature or electronic acceptance by the recipient of an award of the Employee Award Agreement is required, any such awards for which the Employee Award Agreement is not signed or electronically accepted within 11 months of the grant date shall be forfeited. Employee Awards may consist of those listed in this paragraph 7(a) and may be granted singly, in combination or in tandem. Employee Awards may also be made in combination or in tandem with, in replacement of, or as alternatives to, grants or rights under this Plan or any other plan of the Corporation or any of its Subsidiaries, including the plan of any acquired entity; provided that, except as contemplated in paragraph 14 hereof, without shareholder approval, no Option or Stock Appreciation Right may be issued in exchange for the cancellation of an Option or Stock Appreciation Right with a higher exercise price nor may the exercise price of any Option or Stock Appreciation Right be reduced. No Option or Stock Appreciation Right may include provisions that "reload" or "recycle" the Option or Stock Appreciation Right upon exercise or that extend the term of an Option or Stock Appreciation Right beyond ten years from its Grant Date. All or part of an Employee Award may be subject to conditions established by the Committee, which may include, but are not limited to, continuous service with the Corporation and its Subsidiaries and achievement of specific Performance Goals. Upon the termination of employment by a Participant who is an Employee, any unexercised, deferred, unvested, or unpaid Awards shall be treated as set forth in the applicable Employee Award Agreement.

(i) *Option*. An Employee Award may be in the form of an Option. An Option awarded to an Employee pursuant to this Plan may consist of an Incentive Stock Option or a Non-Qualified Stock Option and will be designated accordingly at the time of grant. The Grant Price of an Option shall be not less than the Fair Market Value of the Common Stock on the Grant Date. The term of an Option shall not exceed ten years from the Grant Date.

(ii) *Stock Appreciation Right*. An Employee Award may be in the form of a Stock Appreciation Right. The Grant Price for a Stock Appreciation Right shall not be less than the Fair Market Value of the Common Stock on the Grant Date. Any Stock Appreciation Right which is not a Performance Award shall have a minimum Restriction Period of three years from the Grant Date. However, (i) the Committee (or its designee) may provide for earlier vesting following a change of control or other specified events involving the Corporation or upon an Employee's termination of employment by reason of death, Disability or Retirement; and (ii) vesting of a Stock Appreciation Right may occur incrementally over the three-year minimum Restricted Period, provided no portion of any Stock Appreciation Right Award will have a Restriction Period of less than one year. The term of a Stock Appreciation Right shall not exceed ten years from the Grant Date.

(iii) *Restricted Stock.* An Employee Award may be in the form of Restricted Stock. Any Restricted Stock awarded which is not a Performance Award shall have a minimum Restriction Period of three years from the Grant Date, provided that: (i) the Committee (or its designee) may provide for earlier vesting following a change of control or other specified events involving the Corporation or upon an Employee's termination of employment by reason of death, Disability or Retirement; (ii) vesting of a Restricted Stock Award may occur incrementally over the three-year minimum Restricted Period, provided no portion of any Restricted Stock Award will have a Restriction Period of less than one year; and (iii) no more than three percent (3%) of the total awards authorized under this Plan shall be available and are permitted to be granted to executives with shorter vesting periods than one year. Additionally employees who are officers at the time a Restricted Stock Award is made will have an additional one year holding after the end of the Restriction Period before such shares (net of shares used to satisfy applicable tax withholding) may be sold.

(iv) *Restricted Stock Unit Award*. An Employee Award may be in the form of a Restricted Stock Unit Award. Any Restricted Stock Unit Award which is not a Performance Award shall have a minimum Restriction Period of three years from the Grant Date, provided that: (i) the Committee (or its designee) may provide for earlier vesting following a change of control or other specified events involving the Corporation or upon an Employee's termination of employment by reason of death, Disability or Retirement; (ii) vesting of a Restricted Stock Unit Award may occur incrementally over the three-year minimum Restricted Period, provided, no portion of any Restricted Stock Unit Award will have a Restriction Period of less than one year; and (iii) no more than three percent (3%) of the total awards authorized under this plan shall be available and are permitted to be granted with shorter vesting periods than one year to executives. Additionally employees who are officers at the time a Restricted Stock Unit Award is made that will settle in full-value shares will have an additional one year holding after the end of the Restriction Period before such shares (net of shares used to satisfy applicable tax withholding) may be sold.

(v) *Rights of Holders of Restricted Stock and Restricted Stock Units.* Unless otherwise provided in the Award Agreement, beginning on the date of grant of the Restricted Stock Award and subject to acceptance of the Award Agreement, the Participant shall become a shareholder of the Corporation with respect to all Shares subject to the Award Agreement and shall have all of the rights of a shareholder, including the right to vote such Shares and the right to receive distributions made with respect to such shares. A Participant receiving a Restricted Stock Unit Award shall not possess voting rights with respect to such Award. Any shares or any other property (other than cash) distributed as a dividend or otherwise with respect to any Restricted Stock Award or Restricted Stock Unit Award as to which the restrictions have not yet lapsed shall be subject to the same restrictions as such Restricted Stock Award or Restricted Stock Unit Award.

(vi) *Performance Award*. Without limiting the type or number of Employee Awards that may be made under the other provisions of this Plan, an Employee Award may be in the form of a Performance Award. Any Stock Award which is a Performance Award shall have a minimum Restriction Period of one year from the Grant Date, provided that the Committee (or its designee) may provide for earlier vesting following a change of control or other specified events involving the Corporation, or upon a termination of employment by reason of death, Disability or Retirement. Additionally employees who are officers at the time a Performance Award that will settle in full-value shares is made will have an additional one year holding after the Performance Period ends and the Performance Award is settled before such shares may be sold. The Committee shall set Performance Goals in its sole discretion which, depending on the extent to which they are met, may determine the value and/or amount of Performance Awards that will be paid out to the Participant and/or the portion of a Performance Award that may be exercised. A Performance Goal may include one or more of the following and need not be the same for each Participant:

- revenue and income measures (which include revenue, gross margin, income from operations, net income, net sales, earnings per share, earnings before interest, taxes, depreciation and amortization, earnings before interest, taxes and amortization, earnings before interest and taxes and economic value added);
- expense measures (which include costs of goods sold, selling, finding and development costs, general and administrative expenses and overhead costs);
- operating measures (which include refinery throughput, mechanical availability, productivity, operating income, funds from operations, product quality, cash from operations, after-tax operating income, market share, margin and sales volumes);
- margins (which include crack spread measures);

- refined product measures;
- cash management and cash flow measures (which include net cash flow from operating activities, working capital, receivables management and related customer terms);
- liquidity measures (which include earnings before or after the effect of certain items such as interest, taxes, depreciation and amortization, improvement in or attainment of working capital levels and free cash flow);
- leverage measures (which include debt-to-equity ratio, debt reduction and net debt);
- market measures (which include market share, stock price, growth measure, total shareholders return, share price performance, return on equity, return on invested capital and return on assets and market capitalization measures);
- return measures (which include return on equity, return on assets and return on invested capital);
- corporate value and sustainability measures (which include compliance, safety, environmental and personnel matters);
- project completion measures (which may include measures regarding whether interim milestones regarding budgets and deadlines are met, as well as whether projects are completed on time and on or under budget);
- other measures such as those relating to acquisitions, dispositions or customer satisfaction; and

Unless otherwise stated, such a Performance Goal need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo, performance relative to a peer group determined by the Committee, or limiting economic losses (measured, in each case, by reference to specific business criteria). In interpreting Plan provisions applicable to Performance Goals and qualified Performance Awards, this Plan is intended to conform with Code § 162(m), including, without limitation, Treasury Regulations § 1.162-27(e), as to grants pursuant to this subsection and the Committee in establishing such goals and interpreting the Plan shall be guided by such provisions. The Committee may also substitute a Performance Goal or peer company(ies) during a measurement period or eliminate them and reallocate such weighting to the remaining Performance Goals if it concludes that the original goal(s) cannot be accurately measured or are no longer valid. Prior to the payment of any compensation based on the achievement of Performance Goals applicable to qualified Performance Awards, the Committee must certify in writing that applicable Performance Goals and any of the material terms thereof were, in fact, satisfied. Subject to the foregoing provisions, the terms, conditions and limitations applicable to any Performance Awards intended to qualify as performance-based compensation for purposes of Code § 162(m) shall be determined by the Committee to the extent required by Code § 162(m).

The Committee shall adjust the Performance Goals (either up or down) and the level of the Performance Award that a Participant may earn under this Plan if it determines that the occurrence of external changes or other unanticipated business conditions have materially affected the fairness of the goals and/or have unduly influenced the

Corporation's ability to meet them, including without limitation, events such as material acquisitions, force majeure events, unlawful acts committed against the Corporation or its property, labor disputes, legal mandates, asset write-downs, litigation, claims, judgments or settlements, the effect of changes in tax law or other such laws or provisions affecting reported results, accruals for reorganization and restructuring programs, changes in the capital structure of the Corporation and extraordinary accounting changes; provided, however, that Performance Awards granted to Executive Officers shall be adjusted only to the extent permitted under Code § 162(m). In addition, Performance Goals and Performance Awards shall be calculated without regard to any changes in accounting standards or codifications that may be required by the Financial Accounting Standards Board after such Performance Goals are established.

(vii) Notwithstanding anything to the contrary contained in this Plan, no Participant who is an Employee may be granted, during any one-year period, Employee Awards collectively consisting of: (i) Options or Stock Appreciation Rights that are exercisable for more than 12 million shares of Common Stock; or (ii) Stock Awards covering or relating to more than 4 million shares of Common Stock (the limitation in clauses (i) and (ii) being collectively referred to as the "Stock-based Awards Limitations"). No Plan Participant who is an Employee may be granted Employee Awards consisting of cash (including Cash Awards that are granted as Performance Awards) in respect of any calendar year having a value determined on the Grant Date in excess of $20 million.

(viii) *Cash Awards*. An Employee Award may be in the form of a Cash Award. The criteria used to make such awards are the same as identified in paragraph 7(a)(vi) with the addition of subjective group, team or individual goals aligned to business results. Performance criteria and peer groups related to Cash Award payments may also be adjusted as provided for in paragraph 7(a)(vi).

8. *Director Awards*.

(a) The Board shall determine the type or types of Director Awards to be made under this Plan and shall designate from time to time the Participants who are to be the recipients of such Director Awards. Each Director Award shall be evidenced in either an individual Director Award Agreement, a common document including but not limited to a separate plan, policy, agreement or other written document, which shall contain such terms, conditions and limitations as shall be determined by the Board in its sole discretion, and may be signed by an Authorized Officer on behalf of the Corporation. Director Awards may consist of those listed in this paragraph 8(a) and may be granted singly, in combination or in tandem. Director Awards may also be made in combination or in tandem with, in replacement of, or as alternatives to, grants or rights under this Plan or any other plan of the Corporation or any of its Subsidiaries, including the plan of any acquired entity; provided that, except as contemplated in paragraph 14 hereof, without shareholder approval, no Option or Stock Appreciation Right may be issued in exchange for the cancellation of an Option or Stock Appreciation Right with a higher exercise price nor may the exercise price of any Option or Stock Appreciation Right be reduced without shareholder approval. No Option or Stock Appreciation Right may include provisions that "reload" or "recycle" the Option or Stock Appreciation Right upon exercise or that extend the term of an Option or Stock Appreciation Right beyond ten years from its Grant Date. All or part of a Director Award may be subject to conditions established by the Board, which may include, but are not limited to, continuous service with the Corporation and its Subsidiaries and achievement of specific Performance Goals. Upon the termination of service by a Participant who is a Director, any unexercised, deferred, unvested or unpaid Awards shall be treated as set forth in the applicable Director Award Agreement.

(i) *Option*. A Director Award may be in the form of an Option. An Option awarded to a Director pursuant to this Plan shall be a Non-Qualified Stock Option. The Grant Price of an Option shall be not less than the Fair Market Value of the Common Stock on the Grant Date. The term of an Option shall not exceed ten years from the Grant Date.

(ii) *Stock Appreciation Right*. A Director Award may be in the form of a Stock Appreciation Right. The Grant Price for a Stock Appreciation Right shall not be less than the Fair Market Value of the Common Stock on the Grant Date. The term of a Stock Appreciation Right shall not exceed ten years from the Grant Date.

(iii) *Stock Award*. A Director Award may be in the form of a Stock Award. Terms, conditions and limitations applicable to a Stock Award granted to a Non-Employee Director pursuant to this Plan shall be determined by the Board.

(iv) *Restricted Stock Unit Award*. A Director Award may be in the form of a Restricted Stock Unit Award. Terms, conditions and limitations applicable to a Restricted Stock Unit Award granted to a Non-Employee Director pursuant to this Plan shall be determined by the Board.

(v) *Cash Awards*. A Director Award may be in the form of a Cash Award.

(vi) *Performance Award*. Without limiting the type or number of Director Awards that may be made under the other provisions of this Plan, a Director Award may be in the form of a Performance Award. Terms, conditions and limitations applicable to any Performance Award granted to a Non-Employee Director pursuant to this Plan shall be determined by the Board. The Board shall set performance goals in its discretion which, depending on the extent to which they are met, may determine the value and/or amount of Performance Awards that will be paid out to the Non-Employee Directors.

9. *Award Payment; Dividends; Substitution; Fractional Shares*.

(a) *General*. Payment of Awards may be made in the form of cash or Common Stock, or a combination thereof, and may include such restrictions as the Administrator shall determine, including, in the case of Common Stock, restrictions on transfer and forfeiture provisions. If payment of an Award is made in the form of Restricted Stock, such shares may be issued at the beginning or end of the Restriction Period. In the event that shares of Restricted Stock are to be issued at the beginning of the Restriction Period, the certificates evidencing such shares (to the extent that such shares are so evidenced) shall contain appropriate legends and restrictions that describe the terms and conditions of the restrictions applicable to such shares. In the event that shares of Restricted Stock are to be issued at the end of the Restricted Period, the right to receive such shares shall be evidenced by book entry registration or in such other manner as the Administrator may determine.

(b) *Dividends and Interest*. Rights to dividends or Dividend Equivalents may be extended to and made part of any Award consisting of shares of Common Stock or units denominated in shares of Common Stock, subject to such terms, conditions and restrictions as the Administrator may establish. The Administrator may also establish rules and procedures for the crediting of interest on deferred cash payments and Dividend Equivalents for Awards consisting of shares of Common Stock or units denominated in shares of Common Stock. Notwithstanding anything herein to the contrary, in no event shall dividends or Dividend Equivalents be currently payable with respect to unvested or unearned Awards unless and until such Awards vest.

(c) *Fractional Shares*. No fractional shares shall be issued or delivered pursuant to any Award under this Plan. The Administrator shall determine whether cash, Awards or other property shall be issued or paid in lieu of fractional shares, or whether fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

10. *Stock Option and Stock Appreciation Right Exercise*. The Grant Price of an Option or Stock Appreciation Right shall be paid in full at the time of exercise in cash or, if elected by the Participant, the Participant may purchase such shares by means of tendering Common Stock valued at Fair Market Value on the date of exercise, or any combination thereof. The Administrator, in its sole discretion, shall determine acceptable methods for Participants to tender Common Stock. Subject to applicable law, Options or Stock Appreciation Rights may also be exercised through “cashless exercise” procedures approved by the Administrator.

11. *Taxes*. The Corporation or its third party administrator shall have the right to deduct applicable taxes from any Award payment and withhold, at the time of delivery or vesting of cash or shares of Common Stock under this Plan, an appropriate amount of cash or number of shares of Common Stock or a combination thereof for payment of taxes required by law or to take such other action as may be necessary in the opinion of the Corporation to satisfy all obligations for withholding of such taxes. The Administrator may also permit withholding to be satisfied by the transfer to the Corporation of shares of Common Stock owned by the holder of the Award with

respect to which withholding is required. If shares of Common Stock are used to satisfy tax withholding, such shares shall be valued at Fair Market Value on the date when the tax withholding is required to be made.

12. *Amendment, Modification, Suspension or Termination*. The Board or the Committee may amend, modify, suspend or terminate this Plan for the purpose of meeting or addressing any changes in legal requirements or for any other purpose permitted by law, except that: (i) no amendment or alteration that would materially adversely affect the rights of any Participant under any Award previously granted to such Participant shall be made without the consent of such Participant; and (ii) no amendment or alteration shall be effective prior to its approval by the shareholders of the Corporation to the extent shareholder approval is otherwise required by applicable legal requirements or the requirements of any exchange on which the Common Stock is listed. Notwithstanding the foregoing, no amendment may cause an Option or Stock Appreciation Right to be repriced, replaced, bought back, regranted through cancellation or modified without shareholder approval (except as provided in paragraph 14), if the effect of such amendment would be to reduce the exercise price for the shares underlying such Option or Stock Appreciation Right.

13. *Assignability*. Unless otherwise determined by the Committee in the Award Agreement, no Award or any other benefit under this Plan shall be assignable or otherwise transferable, except by will or the laws of descent and distribution. Any attempted assignment of an Award or any other benefit under this Plan in violation of this paragraph 13 shall be null and void.

14. *Adjustments*.

(a) The existence of this Plan and Awards granted hereunder shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Corporation's capital structure or its business, or any merger or consolidation of the Corporation, or any issue of bonds, debentures, preferred, or prior preference stocks ahead of or affecting the shares of Common Stock or the rights thereof, or the dissolution or liquidation of the Corporation, or any sale or transfer of all or any part of its assets or business or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) Except as provided in this Plan, the issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon exercise of rights or warrants to subscribe therefore, or upon conversion of shares or obligations of the Corporation convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to Awards granted hereunder.

(c) If the Corporation shall effect a subdivision or consolidation of shares or other capital adjustments, adoption of any plan of exchange affecting Common Stock, a distribution to holders of Common Stock of securities or other property (other than normal cash dividends), the payment of a stock dividend or other increase or reduction of the number of shares of the Common Stock outstanding without receiving compensation in money, services or property, then (i) the number of shares of Common Stock subject to this Plan, (ii) the Stock-based Awards Limitations, (iii) the number of shares of Common Stock covered by outstanding Awards, (iv) the Grant Prices of all outstanding Awards, and (v) the appropriate Fair Market Values determined for such Awards shall each be adjusted proportionately by the Board as appropriate to reflect such transaction.

(d) In the event of a corporate merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation, the Board may make such adjustments to Awards or other provisions for the disposition of Awards as it deems equitable, and shall be authorized, in its sole discretion: (i) to provide for the substitution of a new Award or other arrangement (which, if applicable, may be exercisable for such property or stock as the Board determines) for an Award or the assumption of the Award, regardless of whether in a transaction to which Code § 424(a) applies; (ii) to provide, prior to the transaction, for the acceleration of the vesting and exercisability of, or lapse of restrictions with respect to, the Award; or (iii) to cancel any such Awards and to deliver to the Participants cash in an amount that the Board shall determine in its sole discretion is equal to the Fair Market Value of such Awards on the date of such event, which in the case of Options or Stock Appreciation Rights shall be the excess of the Fair Market Value of Common Stock on such date over the exercise price of such Award. For the avoidance of doubt, if the exercise price is less than Fair Market Value the Option or Stock Appreciation Right may be canceled for no consideration.

(e) Notwithstanding the foregoing: (i) any adjustments made pursuant to this paragraph 14 to Awards that are considered “deferred compensation” within the meaning of Code § 409A shall be made in a manner which is intended to not result in accelerated or additional tax to a Participant pursuant to Code § 409A and (ii) any adjustments made pursuant to this paragraph 14 to Awards that are not considered “deferred compensation” subject to Code § 409A shall be made in such a manner intended to ensure that after such adjustment, the Awards either: (A) continue not to be subject to Code § 409A; or (B) do not result in accelerated or additional tax to a Participant pursuant to Code § 409A.

15. *Restrictions*. No Common Stock or other form of payment shall be issued and no payment shall be made with respect to any Award unless the Corporation shall be satisfied based on the advice of its counsel that such issuance will be in compliance with the rules of any securities exchange on which the Common Stock is listed and applicable laws, including United States federal and state securities laws. Certificates (if any) or other writings evidencing shares of Common Stock delivered under this Plan (to the extent that such shares are so evidenced) may be subject to such stop transfer orders and other restrictions as the Administrator may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any securities exchange or transaction reporting system upon which the Common Stock is then listed or to which it is admitted for quotation and any applicable federal or state securities law. The Administrator may cause a legend or legends to be placed upon such certificates or other writings to make appropriate reference to such restrictions.

16. *Unfunded Plan*. This Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Participants who are entitled to cash, Common Stock or rights thereto under this Plan, any such accounts shall be used merely as a bookkeeping convenience. The Corporation shall not be required to segregate any assets that may at any time be represented by cash, Common Stock, or rights thereto, nor shall this Plan be construed as providing for such segregation, nor shall the Corporation, the Board or the Committee be deemed to be a trustee of any cash, Common Stock or rights thereto to be granted under this Plan. Any liability or obligation of the Corporation to any Participant with respect to an Award of cash, Common Stock or rights thereto under this Plan shall be based solely upon any contractual obligations that may be created by this Plan and any Award Agreement, and no such liability or obligation of the Corporation shall be deemed to be secured by any pledge or other encumbrance on any property of the Corporation. Neither the Corporation nor the Board nor the Committee shall be required to give any security or bond for the performance of any obligation that may be created by this Plan.

17. *Code Section 409A*. This Plan is intended to provide compensation which is exempt from or which complies with Code § 409A, and ambiguous provisions of this Plan or any Award Agreement, if any, shall be construed in a manner that would cause Awards to be compliant with or exempt from the application of Code § 409A, as appropriate. For purposes of Code § 409A, each payment under this Plan shall be deemed to be a separate payment. To the extent that it is determined that an Award will be subject to Code § 409A additional provisions, terms and conditions will apply as necessary to comply with Code § 409A and will be reflected in the applicable Employee Award Agreement and such terms will govern with respect to that Award notwithstanding any provision of this Plan to the contrary.

Notwithstanding any provision of this Plan to the contrary, if a Participant is a “specified employee” within the meaning of Code § 409A as of the date of such Participant’s termination of employment and the Corporation determines, in good faith, that immediate payment of any amounts or benefits under this Plan would cause a violation of Code § 409A, then any amounts or benefits which are payable under this Plan upon the Participant’s “separation from service” within the meaning of Code § 409A which: (i) are subject to the provisions of Code § 409A; (ii) are not otherwise excluded under Code § 409A; and (iii) would otherwise be payable during the first six-month period following such separation from service, shall be paid as soon as practicable the first business day next following the earlier of: (1) the date that is six months and one day following the date of termination; or (2) the date of the Participant’s death.

18. *Governing Law*. This Plan and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by mandatory provisions of the Code or the securities laws of the United States, shall be governed by and construed in accordance with the laws of the State of Delaware.

19. *No Right to Employment*. Nothing in this Plan or an Award Agreement shall interfere with or limit in any way the right of the Corporation or a Subsidiary to terminate any Participant's employment or other service relationship at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Corporation or any Subsidiary.

20. *Successors*. All obligations of the Corporation under this Plan with respect to Awards granted hereunder shall be binding on any successor to the Corporation, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the business and/or assets of the Corporation.

21. *Tax Consequences*. Nothing in this Plan or an Award Agreement shall constitute a representation by the Corporation to a Participant regarding the tax consequences of any Award received by a Participant under this Plan. Although the Corporation may endeavor to: (i) qualify a Performance Award for favorable United States or foreign tax treatment; or (ii) avoid adverse tax treatment (*e.g.* , under Code § 409A), the Corporation makes no representation to that effect and expressly disavows any covenant to maintain favorable or unavoidable tax treatment. The Corporation shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Performance Awards under this Plan.

22. *Non-United States Participants*. The Board or Committee may grant Awards to persons outside the United States under such terms and conditions as may, in the judgment of the Board or Committee, as applicable, be necessary or advisable to comply with the laws of the applicable foreign jurisdictions and, to that end, may establish sub-plans, modified vesting, exercise or settlement procedures and other terms and procedures. Notwithstanding the above, neither the Board nor the Committee may take any actions under this Plan, and no Awards shall be granted, that would violate the Securities Exchange Act of 1934, the Code or any other applicable law.

23. *Effectiveness*. Subject to shareholder approval, this Plan is effective April 25, 2012. This Plan shall continue in effect for a term of ten years after the date on which the shareholders of the Corporation first approved this Plan, which was April 25, 2012, unless sooner terminated by action of the Board.

Exhibit 10.2

MPLX LP
2012 INCENTIVE COMPENSATION PLAN
PERFORMANCE UNIT AWARD AGREEMENT
2017-2019 PERFORMANCE CYCLE

As evidenced by this Award Agreement and under the MPLX LP 2012 Incentive Compensation Plan (the "Plan"), MPLX GP LLC, a Delaware limited liability company (the "Company"), the general partner of MPLX LP, a Delaware limited partnership (the "Partnership") has granted to **[NAME]** (the "Participant"), an officer of the Company, on **[DATE]** (the "Grant Date"), **[NUMBER]** performance units ("Performance Units"), conditioned upon the Company's TUR ranking relative to the Peer Group and the DCF Payout Percentage for the Performance Cycle as established by the Board of Directors of the Company, and as set forth herein. The Performance Units are subject to the following terms and conditions:

1. Relationship to the Plan. This grant of Performance Units is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, that have been adopted by the Board. Except as otherwise defined in this Award Agreement, capitalized terms shall have the same meanings given to them under the Plan. To the extent that any provision of this Award Agreement conflicts with the express terms of the Plan, the terms of the Plan shall control and, if necessary, the applicable provisions of this Award Agreement shall be hereby deemed amended so as to carry out the purpose and intent of the Plan. References to the Participant also include the heirs or other legal representatives of the Participant.

2. Determination of Payout Percentage. As soon as practical following the close of the Performance Cycle, the Board shall determine and certify the Payout Percentage. The final Payout Percentage will be the simple average of the TUR Payout Percentage and the DCF Payout Percentage, each as determined in accordance with this Section 2.

(a) The "TUR Payout Percentage" shall be the simple average of the TUR Period Percentages for each of the following four performance periods:

(i) January 1, 2017 through December 31, 2017

(ii) January 1, 2018 through December 31, 2018

(iii) January 1, 2019 through December 31, 2019

(iv) January 1, 2017 through December 31, 2019

The Board shall determine the TUR Period Percentage for each performance period as follows:

(I) First, the Board shall determine the TUR Performance Percentile, and then the TUR Period Percentage as follows (using straight-line interpolation between levels above threshold):

TUR Performance Percentile	TUR Period Percentage
Ranked below 25th percentile	0%
Ranked at 25th percentile	50%
Ranked at 50th percentile	100%
Ranked at the 100th percentile	200%

(II) Notwithstanding anything herein to the contrary, if the Partnership's Total Unitholder Return calculated for the applicable performance period is negative, then the TUR Period Percentage for that performance period shall not exceed 100% regardless of the TUR Performance Percentile for the performance period.

(III) Notwithstanding anything herein to the contrary, the Board has sole and absolute authority and discretion to reduce the TUR Payout Percentage as it may deem appropriate.

(b) The DCF Payout Percentage shall be determined based upon the Partnership's DCF Per Common Unit for the 12 month period ending December 31, 2019 (the "DCF Measurement Period") as follows (using straight-line interpolation between levels above threshold):

DCF Per Common Unit	Payout Percentage
Below Threshold	0%
Threshold	50%
Target	100%
Maximum	200%

The threshold, target and maximum performance levels shall be those certain levels that are pre-established by the Board for purposes of this award, which shall be set forth in a confidential memorandum or other written communication provided to the Participant on or around the date of this Agreement, as such levels may be adjusted pursuant to the provisions of the Plan, as applicable.

Notwithstanding anything herein to the contrary, the Board has sole and absolute authority and discretion to reduce the DCF Payout Percentage as it may deem appropriate.

3. Vesting of Performance Units. Unless the Participant's right to the Performance Units is previously forfeited or vested in accordance with Paragraphs 4, 5,6, 7, or 8 following the Board's determinations pursuant to Paragraph 2, the Participant shall vest in and be entitled to receive a payment equal to the Payout Value. The Payout Value shall be distributed 75% in cash and 25% in common units. The number of common units distributed shall be calculated by dividing 25% of the Payout Value by the Fair Market Value of the common units on the date on which the Payout Percentage is certified by the Board, rounding down to the nearest whole unit. The remainder shall be paid in cash. Such payments shall be made as soon as administratively feasible following the Board's determination under Paragraph 2 and, in any event, on or before March 15th following the end of the Performance Cycle. If, in accordance with the Board's determination under Paragraph 2, the Payout Value is zero, the Participant shall immediately forfeit any and all rights to the Performance Units. Upon the vesting and/or forfeiture of the Performance Units pursuant to this Paragraph 3 and the making of the related payment, if any, the rights of the Participant and the obligations of the Company under this Award Agreement shall be satisfied in full.

4. Termination of Employment. If Participant's Employment is terminated prior to the close of the Performance Cycle for any reason other than death, Retirement, Qualified Termination, or Mandatory Retirement, as set forth in Paragraphs 5, 6, 7, and 8 below, the Participant's right to the Performance Units shall be forfeited in its entirety as of the date of such termination, and the rights of the Participant and the obligations of the Company under this Award Agreement shall be terminated.

5. Termination of Employment due to Death. If Participant's Employment is terminated by reason of death prior to the close of the Performance Cycle, the Participant's right to receive the Performance Units shall vest in full as of the date of death and the Payout Percentage shall be 100%. The payment equal to the vested value of the Performance Units shall be made in accordance with Paragraph 3 as soon as administratively feasible but in all cases no later than the last day of the calendar year following the calendar year in which the Participant's death occurs; provided, however, that the timing of the payment shall be determined in the sole discretion of the Board and no other individual or entity shall directly or indirectly designate the taxable year of payment. Such vesting shall satisfy the rights of the Participant and the obligations of the Company under this Award Agreement in full.

6. Termination of Employment due to Retirement. In the event of the Retirement of the Participant after nine months of the Performance Cycle have elapsed, the Participant's Performance Units shall be settled based on the performance for the Performance Cycle and payable on a pro-rata basis as determined and certified by the Board after the close of the Performance Cycle as described below. Subject to the negative discretion of the Board, the Participant will be entitled to receive a payment equal to the product of (i) the pro-rata vesting percentage equal to the days of Participant's Employment during the Performance Cycle divided by the total days in the Performance Cycle and (ii) the Payout Value. Such payment shall be made as soon as administratively feasible following the Board's determination under Paragraph 2 and, in all cases, the payment will be made within the first calendar year following the end of the Performance Cycle. If, in accordance with the Board's determination under Paragraph 2, the Payout Value is zero, the Participant shall immediately forfeit any and all rights to the Performance Units. Upon the vesting and/or forfeiture of the Performance Units pursuant to this Paragraph 6 and the making of the related cash payment, if any, the rights of the Participant and the obligations of the Company under this Award Agreement shall be satisfied in full. The death of the Participant following Retirement but prior to the close of the Performance Cycle shall have no effect on this Paragraph 6.

7. **Vesting Upon a Qualified Termination.** Notwithstanding anything herein to the contrary, upon a Participant's Qualified Termination prior to the end of the Performance Cycle, the Participant's right to receive the Performance Units, unless previously forfeited pursuant to Paragraph 4, shall vest in full and the Payout Percentage shall be determined as follows (subject to the negative discretion of the Board): (i) for the time period from the beginning of the Performance Cycle to the date of the Change in Control, the Payout Percentage shall be based upon actual TUR Performance Percentile and DCF Payout Percentage at target; and (ii) for the time period from the date of the Change in Control to the end of the Performance Cycle, the Payout Percentage shall be 100%. A payment equal to the vested value of the Performance Units shall be made in accordance with Paragraph 3, except that it shall be made 100% in cash and within 75 days of the Participant's Qualified Termination; provided, however, that the timing of the payment shall be determined in the sole discretion of the Board and the Participant shall not directly or indirectly designate the taxable year of payment. Such vesting shall satisfy the rights of the Participant and the obligations of the Company under this Award Agreement in full.

8. Termination of Employment due to Mandatory Retirement. In the event the Participant's Employment is terminated as a result of Mandatory Retirement prior to the end of the Performance Cycle, the Participant's Performance Units shall, subject to the Board's negative discretion, be settled based on the Payout Percentage for the Performance Cycle.

Following the Board's determinations pursuant to Paragraph 2, the Participant shall vest in and be entitled to receive a payment equal to the Payout Value. The payment shall be made as soon as administratively feasible following the Board's determination and, in all cases, the payment will be made within the first calendar year following the end of the Performance Cycle. If, in accordance with the Board's determination under Paragraph 2, the Payout Value is zero, the Participant shall immediately forfeit any and all rights to the Performance Units. Upon the vesting and/or forfeiture of the Performance Units pursuant to this Paragraph 8 and the making of the related cash payment, if any, the rights of the Participant and the obligations of the Company under this Award Agreement shall be satisfied in full. The death of the Participant following Retirement but prior to the close of the Performance Cycle shall have no effect on this Paragraph 8.

9. Specified Employees. Notwithstanding any other provision of this Award Agreement to the contrary, if the Participant is a "specified employee" as determined by the Company in accordance with its established policy, any settlement of Awards described in this Award Agreement which would be a payment of deferred compensation within the meaning of Section 409A of the Code with respect to the Participant as a result of the Participant's "separation from service" as defined under Section 409A of the Code (other than as a result of death) and which would otherwise be paid within six months of the Participant's separation from service shall be payable on the date that is one day after the earlier of (i) the date that is six months after the Participant's separation from service or (ii) the date that otherwise complies with the requirements of Section 409A of the Code. In addition, notwithstanding any provision of the Plan or this Award Agreement to the contrary, any settlement of this Award which would be a payment of deferred compensation within the meaning of Section 409A of the Code with respect to the Participant and is a settlement as a result of the Participant's separation from service in connection with a Change in Control, the term "Change in Control" under the Plan shall mean a change in ownership or change in effective control for purposes of Section 409A of the Code. The payment of Award amounts under this Award Agreement described herein is hereby designated as a "separate payment" for purposes of Section 409A of the Code.

10. Repayment or Forfeiture Resulting from Forfeiture Event.

(a) If there is a Forfeiture Event either during the Participant's Employment or within three years after termination of the Participant's Employment, then the Board may, but is not obligated to, cause some or all of the Participant's outstanding Performance Units to be forfeited by the Participant.

(b) If there is a Forfeiture Event either during the Participant's Employment or within three years after termination of the Participant's Employment and a payment has previously been made in settlement of Performance Units granted under this Award Agreement, the Board may, but is not obligated to, require that the Participant pay to the Company an amount in cash (the "Forfeiture Amount") up to (but not in excess of) the amount paid in settlement of the Performance Units.

(c) This Paragraph 10 shall apply notwithstanding any provision of this Award Agreement to the contrary and is meant to provide the Company with rights in addition to any other remedy which may exist in law or in equity. This Paragraph 10 shall not apply to the Participant following the effective time of a Change in Control.

(d) Notwithstanding the foregoing or any other provision of this Award Agreement to the contrary, the Participant agrees that the Company may also require that the Participant repay to the Company any compensation paid to the Participant under this Award Agreement, as is required by the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations thereunder or any other "clawback" provisions as required by law or by the applicable listing standards of the exchange on which the common units of the Partnership are listed for trading.

11. Taxes. Pursuant to the applicable provisions of the Plan, the Company or its designated representative shall have the right to withhold applicable taxes from the common units and cash amount otherwise payable to the Participant due to the vesting of Performance Units pursuant to Paragraph 2, or from other compensation payable to the Participant (to the extent consistent with Section 409A of the Code), at the time of the vesting of the Performance Units and delivery of the cash settlement amount. Because the Participant is an employee of MPC, , and provides beneficial services to the Company through Participant's employment with MPC, MPC as the employer of Participant, shall be the designated representative for purposes of payroll administration of the Award and withholding of applicable taxes at the time of vesting.

12. No Unitholder Rights. The Participant shall in no way be entitled to any of the rights of a unitholder as a result of this Award Agreement.

13. Nonassignability. Upon the Participant's death, the Performance Units may be transferred by will or by the laws governing the descent and distribution of the Participant's estate. Otherwise, the Participant may not sell, transfer, assign, pledge or otherwise encumber any portion of the Performance Units, and any attempt to sell, transfer, assign, pledge or encumber any portion of the Performance Units shall have no effect.

14. No Employment Guaranteed. Nothing in this Award Agreement shall give the Participant any rights to (or impose any obligations for) continued Employment by the Company or any affiliate thereof or successor thereto, nor shall it give such entities any rights (or impose any obligations) with respect to continued performance of duties by the Participant.

15. Modification of Agreement. Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Company, provided that no modification may, without the consent of the Participant, adversely affect the rights of the Participant hereunder.

16. Officer Holding Requirement. Participant agrees that any common units received by the Participant in settlement of this Award shall be subject an additional holding period of one year from the date on which the Award is settled, during which holding period such common units (net of any common units used to satisfy the applicable tax withholding requirements) may not be sold or transferred by the Participant. This holding requirement shall cease to apply upon the death, retirement or other separation from service of the Participant during the holding period.

17. Definitions. For purposes of this Award Agreement:

"Beginning Unit Price" means the average of the daily closing price of a common unit of the Partnership for the twenty (20) trading days immediately prior to the commencement of the Performance Cycle, historically adjusted, if necessary, for any split, dividend, recapitalizations, or similar corporate events that occur during the measurement period.

"DCF Per Common Unit" means the quotient obtained by dividing (A) the Partnership's distributable cash flow available to general and limited partners (as reported in the Partnership's financial statements) for all periods during the DCF Measurement Period less all such amounts attributable to the general partner interest and the incentive distribution rights in the Partnership, by (B) the weighted average number of common units in the Partnership outstanding during the DCF Measurement Period.

“Employment” means employment with the Company or any of its subsidiaries or affiliates including but not limited to MPC and its subsidiaries and affiliates. For purposes of this Award Agreement, Employment shall also include any period of time during which the Participant is on Disability status. The length of any period of Employment shall be determined by the Company or the Subsidiary or affiliate that either (i) employs the Participant or (ii) employed the Participant immediately prior to the Participant’s termination of Employment.

“End Unit Price” means the average of the daily closing price of a common unit of the Partnership for the twenty (20) trading days prior to the end of the Performance Cycle.

“**Forfeiture Event**” means the occurrence of at least one of the following (a) the Company is required, pursuant to a determination made by the Securities and Exchange Commission or by the Board, or any authorized subcommittee of the Board, to prepare a material accounting restatement due to the noncompliance of the Company with any financial reporting requirement under applicable securities laws as a result of misconduct, and the Board determines that (1) the Participant knowingly engaged in the misconduct, (2) the Participant was grossly negligent with respect to such misconduct or (3) the Participant knowingly or grossly negligently failed to prevent the misconduct or (b) the Board concludes that the Participant engaged in fraud, embezzlement or other similar misconduct materially detrimental to the Company.

“Good Reason” for purposes of this Award Agreement shall have the same definition as under the Marathon Petroleum Corporation Amended and Restated Executive Change in Control Severance Benefits Plan, as in effect on the Grant Date (the “CIC Plan”), and such definition and associated terms are hereby incorporated into this Award Agreement by reference. For the avoidance of doubt, terms in the CIC Plan that have been incorporated into this Award Agreement shall be construed in the context of the applicable event; for example, for purposes of determining whether a Participant has Good Reason, the term “Corporation” in the definition of Good Reason in the CIC Plan shall be interpreted as the Company or any of its subsidiaries. The Board shall have the discretion over such interpretations.

“Mandatory Retirement” means, as determined by the Board of Directors of MPC, the mandatory retirement age of 65 for Participants who are in bona fide executive or in high policymaking positions and in Grades 19 and above if: (1) the Participant has been employed in such capacity for the two-year period immediately prior to mandatory retirement; and (2) the Participant is entitled to the minimum retirement benefit specified by federal law for persons who hold positions to which mandatory retirement may lawfully apply. Mandatory Retirement is required by the earlier of the first of the month coincident with or immediately following the Participant’s 65th birthday.

“Payout Percentage” means the percentage (between 0% and 200%) determined by the Board in accordance with the procedures set forth in Paragraph 2, which shall be used to determine the Payout Value.

“Payout Value” means, for each Performance Unit, the product of the Payout Percentage and $1.00.

“Peer Group” means the group of companies that are pre-established by the Board which principally represent a group of selected peers, or such other group of companies as selected and pre-established by the Board.

“Performance Cycle” means the period from January 1, 2017 to December 31, 2019.

“**Qualified Termination**” means a Participant’s separation from service (as defined in Section 409A of the Code, and regulations promulgated thereunder) with the Company or any of its subsidiaries within the two-year period after the date of a Change in Control unless such separation from service is (i) due to death or Disability, (ii) by the Company for Cause, (iii) by the Participant without Good Reason, or (iv) on or after the date that the Participant attains age 65. If a Participant separates from service prior to a Change in Control and such separation from service is other than (A) due to death or Disability, (B) by the Company for Cause, (C) by the Participant without Good Reason, or (D) on or after the date that the Participant attains age 65, the Participant will be deemed to have a Qualified Termination prior to a Change in Control so long as the Participant reasonably demonstrates that such separation from service was at the request of or as a result of actions by a third party who has taken steps reasonably calculated to effect a Change in Control. For purposes of this Award Agreement, the definition of “Change in Control” under the CIC Plan, and its associated terms, are hereby incorporated into this Award Agreement by reference, and used herein to determine whether a Qualified Termination has occurred; provided, however, that Change in Control for purposes of determining whether a separation from service is a Qualified Termination shall include a Change in Control of either MPC, as the direct employer of the Participant, or a Change in Control of the Partnership. For the avoidance of doubt, terms in the CIC Plan incorporated into this Award Agreement shall be construed in the context of the applicable event; for example, for purposes of determining whether Change in Control has occurred, the term “Board” in the definition of Change in Control in the CIC Plan shall be interpreted as the Board, as defined in the Plan.

"Retirement" means (a) for a Participant with ten or more years of Employment, termination on or after the Participant's 50th birthday, or (b) termination on or after the Participant’s 65th birthday.

“Total Unitholder Return” or “TUR” means for the Company and each entity in the Peer Group the number derived using the following formula:

$$\frac{\text{(End Unit Price – Beginning Unit Price) + Cumulative Cash Distributions}}{\text{Beginning Unit Price.}}$$

“TUR Performance Percentile” means the percentile ranking of the Company’s Total Unitholder Return for a performance period among the Total Unitholder Returns of the Peer Group companies, ranked in descending order, for the performance period as determined at the end of the Performance Cycle.

MPLX GP LLC

By: ________________________________

Authorized Officer

Exhibit 10.3

MPLX LP
2012 INCENTIVE COMPENSATION PLAN
PERFORMANCE UNIT AWARD AGREEMENT
2017-2019 PERFORMANCE CYCLE

MARATHON PETROLEUM CORPORATION OFFICER

As evidenced by this Award Agreement and under the MPLX LP 2012 Incentive Compensation Plan (the “Plan”), MPLX GP LLC, a Delaware limited liability company (the “Company”), the general partner of MPLX LP, a Delaware limited partnership (the “Partnership”) has granted to **[NAME]** (the “Participant”), an officer of Marathon Petroleum Corporation, the parent corporation of the Company (“MPC”) in connection with benefits conferred on the Company and the Partnership for their service as an officer of MPC, on **[DATE]** (the “Grant Date”), **[NUMBER]** performance units (“Performance Units”), conditioned upon the Company’s total unitholder return (or “TUR”) ranking relative to the Peer Group and the DCF Payout Percentage for the Performance Cycle as established by the Board, and as set forth herein. The Performance Units are subject to the following terms and conditions:

1. **Relationship to the Plan.** This grant of Performance Units is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, that have been adopted by the Board. Except as otherwise defined in this Award Agreement, capitalized terms shall have the same meanings given to them under the Plan. To the extent that any provision of this Award Agreement conflicts with the express terms of the Plan, the terms of the Plan shall control and, if necessary, the applicable provisions of this Award Agreement shall be hereby deemed amended so as to carry out the purpose and intent of the Plan. References to the Participant also include the heirs or other legal representatives of the Participant.

2. **Determination of Payout Percentage.** As soon as administratively feasible following the close of the Performance Cycle, the Board shall determine and certify the Payout Percentage. The final Payout Percentage will be the simple average of the TUR Payout Percentage and the DCF Payout Percentage, each as determined in accordance with this Section 2.

(a) The “TUR Payout Percentage” shall be the simple average of the TUR Period Percentages for each of the following four performance periods:

(i) January 1, 2017 through December 31, 2017

(ii) January 1, 2018 through December 31, 2018

(iii) January 1, 2019 through December 31, 2019

(iv) January 1, 2017 through December 31, 2019

The Board shall determine the TUR Period Percentage for each performance period as follows:

(I) First, the Board shall determine the TUR Performance Percentile, and then the TUR Period Percentage as follows (using straight-line interpolation between levels above threshold):

TUR Performance Percentile	TUR Period Percentage
Ranked below 25th percentile	0%
Ranked at 25th percentile	50%
Ranked at 50th percentile	100%
Ranked at the 100th percentile	200%

(II) For purposes of greater clarity, if the TUR Performance Percentile for a given performance period is at or above the 25th percentile, the TUR Period Percentage for such performance period shall be equal to the TUR Performance Percentile multiplied by 2 (expressed as a percentage).

(III) Notwithstanding anything herein to the contrary, if the Partnership's Total Unitholder Return calculated for the applicable performance period is negative, then the TUR Period Percentage for that performance period shall not exceed 100% regardless of the TUR Performance Percentile for the performance period.

(IV) Notwithstanding anything herein to the contrary, the Board has sole and absolute authority and discretion to reduce the TUR Payout Percentage as it may deem appropriate.

(b) The DCF Payout Percentage shall be determined based upon the Partnership's DCF Per Common Unit for the 12 month period ending December 31, 2019 (the "DCF Measurement Period") as follows (using straight-line interpolation between levels above threshold):

DCF Per Common Unit	Payout Percentage
Below Threshold	0%
Threshold	50%
Target	100%
Maximum	200%

The threshold, target and maximum performance levels shall be those certain levels that are pre-established by the Board for purposes of this award, which shall be set forth in a confidential memorandum or other written communication provided to the Participant on or around the date of this Agreement, as such levels may be adjusted pursuant to the provisions of the Plan, as applicable.

Notwithstanding anything herein to the contrary, the Board has sole and absolute authority and discretion to reduce the DCF Payout Percentage as it may deem appropriate.

3. Vesting of Performance Units. Unless the Participant's right to the Performance Units is previously forfeited or vested in accordance with Paragraphs 4, 5, 6,7 or 8 following the Board's determinations pursuant to Paragraph 2, the Participant shall vest in and be entitled to receive a payment equal to the Payout Value. The Payout Value shall be distributed 75% in cash and 25% in common units. The number of common units distributed shall be calculated by dividing 25% of the Payout Value by the Fair Market Value of the common units on the date on which the Payout Percentage is certified by the Board, rounding down to the nearest whole unit. The remainder shall be paid in cash. Such payments shall be made as soon as administratively feasible following the Board's determination under Paragraph 2 and, in any event, on or before March 15th following the end of the Performance Cycle. If, in accordance with the Board's determination under Paragraph 2, the Payout Value is zero, the Participant shall immediately forfeit any and all rights to the Performance Units. Upon the vesting and/or forfeiture of the Performance Units pursuant to this Paragraph 3 and the making of the related payment, if any, the rights of the Participant and the obligations of the Company under this Award Agreement shall be satisfied in full.

4. Termination of Employment. If Participant's Employment is terminated prior to the close of the Performance Cycle for any reason other than death, Retirement, Qualified Termination, or Mandatory Retirement, as set forth in Paragraphs 5,6, 7, and 8 below, the Participant's right to the Performance Units shall be forfeited in its entirety as of the date of such termination, and the rights of the Participant and the obligations of the Company under this Award Agreement shall be terminated.

5. Termination of Employment due to Death. If Participant's Employment is terminated by reason of death prior to the close of the Performance Cycle, the Participant's right to receive the Performance Units shall vest in full as of the date of death and the Payout Percentage shall be 100%. The payment equal to the vested value of the Performance Units shall be made in accordance with Paragraph 3 as soon as administratively feasible but in all cases no later than the last day of the calendar year following the calendar year in which the Participant's death occurs; provided, however, that the timing of the payment shall be determined in the sole discretion of the Board and no other individual or entity shall directly or indirectly designate the taxable year of payment. Such vesting shall satisfy the rights of the Participant and the obligations of the Company under this Award Agreement in full.

6. Termination of Employment due to Retirement. In the event of the Retirement of the Participant after nine months of the Performance Cycle have elapsed, the Participant's Performance Units shall be settled based on the performance for the Performance Cycle and payable on a pro-rata basis as determined and certified by the Board after the close of the Performance Cycle as described below. Subject to the negative discretion of the Board, the Participant will be entitled to receive a payment equal to the product of (i) the pro-rata vesting percentage equal to the days of Participant's Employment during the Performance Cycle divided by the total days in the Performance Cycle and (ii) the Payout Value. Such payment shall be made as soon as administratively feasible following the Board's determination under Paragraph 2 and, in all cases, the payment shall be made within the first calendar year following the end of the Performance Cycle. If, in accordance with the Board's determination under Paragraph 2, the Payout Value is zero, the Participant shall immediately forfeit any and all rights to the Performance Units. Upon the vesting and/or forfeiture of the Performance Units pursuant to this Paragraph 6 and the making of the related cash payment, if any, the rights of the Participant and the obligations of the Company under this Award Agreement shall be satisfied in full. The death of the Participant following Retirement but prior to the close of the Performance Cycle shall have no effect on this Paragraph 6.

7. Vesting Upon a Qualified Termination. Notwithstanding anything herein to the contrary, upon a Participant's Qualified Termination prior to the end of the Performance Cycle, the Participant's right to receive the Performance Units, unless previously forfeited pursuant to Paragraph 4, shall vest in full and the Payout Percentage shall be determined as follows (subject to the negative discretion of the Board): (i) for the time period from the beginning of the Performance Cycle to the date of the Change in Control (as defined in the Marathon Petroleum Corporation Amended and Restated Executive Change in Control Severance Benefits Plan), the Payout Percentage shall be based upon actual TUR Performance Percentile and DCF Payout Percentage at target; and (ii) for the time period from the date of the Change in Control to the end of the Performance Cycle, the Payout Percentage shall be 100%. A payment equal to the vested value of the Performance Units shall be made in accordance with Paragraph 3, except that it shall be made 100% in cash and within 75 days of the Participant's Qualified Termination; provided, however, that the timing of the payment shall be determined in the sole discretion of the

Board and the Participant shall not directly or indirectly designate the taxable year of payment.. Such vesting shall satisfy the rights of the Participant and the obligations of the Company under this Award Agreement in full.

8. Termination of Employment due to Mandatory Retirement. In the event the Participant's Employment is terminated as a result of Mandatory Retirement prior to the end of the Performance Cycle, the Participant's Performance Units shall, subject to the Board's negative discretion, be settled based on the Payout Percentage for the Performance Cycle. Following the Board's determinations pursuant to Paragraph 2, the Participant shall vest in and be entitled to receive a payment equal to the Payout Value. The payment shall be made as soon as administratively feasible following the Board's determination and, in all cases, the payment will be made within the first calendar year following the end of the Performance Cycle. If, in accordance with the Board's determination under Paragraph 2, the Payout Value is zero, the Participant shall immediately forfeit any and all rights to the Performance Units. Upon the vesting and/or forfeiture of the Performance Units pursuant to this Paragraph 8 and the making of the related cash payment, if any, the rights of the Participant and the obligations of the Company under this Award Agreement shall be satisfied in full. The death of the Participant following Retirement but prior to the close of the Performance Cycle shall have no effect on this Paragraph 8.

9. Specified Employee. Notwithstanding any other provision of this Award Agreement to the contrary, if the Participant is a "specified employee" as determined by the Company in accordance with its established policy, any settlement of Awards described in this Award Agreement which would be a payment of deferred compensation within the meaning of Section 409A of the Code with respect to the Participant as a result of the Participant's "separation from service" as defined under Section 409A of the Code (other than as a result of death) and which would otherwise be paid within six months of the Participant's separation from service shall be payable on the date that is one day after the earlier of (i) the date that is six months after the Participant's separation from service or (ii) the date that otherwise complies with the requirements of Section 409A of the Code. In addition, notwithstanding any provision of the Plan or this Award Agreement to the contrary, any settlement of this Award which would be a payment of deferred compensation within the meaning of Section 409A of the Code with respect to the Participant and is a settlement as a result of the Participant's separation from service in connection with a Change in Control, the term "Change in Control" under the Plan shall mean a change in ownership or change in effective control for purposes of Section 409A of the Code. The payment of Award amounts under this Award Agreement described herein is hereby designated as a "separate payment" for purposes of Section 409A of the Code.

10. Repayment or Forfeiture Resulting from Forfeiture Event.

(a) If there is a Forfeiture Event either during the Participant's Employment or within three years after termination of the Participant's Employment, then the Board may, but is not obligated to, cause some or all of the Participant's outstanding Performance Units to be forfeited by the Participant.

(b) If there is a Forfeiture Event either during the Participant's Employment or within three years after termination of the Participant's Employment and a payment has previously been made in settlement of Performance Units granted under this Award Agreement, the Board may, but is not obligated to, require that the Participant pay to the Company an amount in cash (the "Forfeiture Amount") up to (but not in excess of) the amount paid in settlement of the Performance Units.

(c) This Paragraph 10 shall apply notwithstanding any provision of this Award Agreement to the contrary and is meant to provide the Company with rights in addition to any other remedy which may exist in law or in equity. This Paragraph 10 shall not apply to the Participant following the effective time of a Change in Control.

(d) Notwithstanding the foregoing or any other provision of this Award Agreement to the contrary, the Participant agrees that the Company may also require that the Participant repay to the Company any compensation paid to the Participant under this Award Agreement, as is required by the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations thereunder or any other "clawback" provisions as required by law or by the applicable listing standards of the exchange on which the common units of the Partnership are listed for trading.

11. Taxes. Pursuant to the applicable provisions of the Plan, the Company or its designated representative shall have the right to withhold applicable taxes from the common units and cash amount otherwise payable to the Participant due to the vesting of Performance Units pursuant to Paragraph 2, or from other compensation payable to the Participant (to the extent consistent with Section 409A of the Code), at the time of the vesting of the Performance Units and delivery of the cash settlement amount. Because the Participant is an employee of MPC, and provides beneficial services to the Company through Participant's employment with MPC, MPC as the employer of Participant, shall be the designated representative for purposes of payroll administration of the Award and withholding of applicable taxes at the time of vesting.

12. No Unitholder Rights. The Participant shall in no way be entitled to any of the rights of a unitholder as a result of this Award Agreement.

13. Nonassignability. Upon the Participant's death, the Performance Units may be transferred by will or by the laws governing the descent and distribution of the Participant's estate. Otherwise, the Participant may not sell, transfer, assign, pledge or otherwise encumber any portion of the Performance Units, and any attempt to sell, transfer, assign, pledge or encumber any portion of the Performance Units shall have no effect.

14. No Employment Guaranteed. Nothing in this Award Agreement shall give the Participant any rights to (or impose any obligations for) continued Employment by the Company or any affiliate thereof or successor thereto, nor shall it give such entities any rights (or impose any obligations) with respect to continued performance of duties by the Participant.

15. Modification of Agreement. Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Company, provided that no modification may, without the consent of the Participant, adversely affect the rights of the Participant hereunder.

16. Officer Holding Requirement. Participant agrees that any common units received by the Participant in settlement of this Award shall be subject an additional holding period of one year from the date on which the Award is settled, during which holding period such common units (net of any common units used to satisfy the applicable tax withholding requirements) may not be sold or transferred by the Participant. This holding requirement shall cease to apply upon the death, retirement or other separation from service of the Participant during the holding period.

17. Definitions. For purposes of this Award Agreement:

"Beginning Unit Price" means the average of the daily closing price of a common unit of the Partnership for the twenty (20) trading days immediately prior to the commencement of the Performance Cycle, historically adjusted, if necessary, for any split, dividend, recapitalizations, or similar corporate events that occur during the measurement period.

"DCF Per Common Unit" means the quotient obtained by dividing (A) the Partnership's distributable cash flow available to general and limited partners (as reported in the Partnership's financial statements) for all periods during the DCF Measurement Period less all such amounts attributable to the general partner interest and the incentive distribution rights in the Partnership, by (B) the weighted average number of common units in the Partnership outstanding during the DCF Measurement Period.

"Employment" means employment with the Company or any of its Subsidiaries or affiliates including but not limited to MPC and its Subsidiaries and affiliates. For purposes of this Award Agreement, Employment shall also include any period of time during which the Participant is on Disability status. The length of any period of Employment shall be determined by the Company or the Subsidiary or affiliate that either (i) employs the Participant or (ii) employed the Participant immediately prior to the Participant's termination of Employment.

"End Unit Price" means the average of the daily closing price of a common unit of the Partnership for the twenty (20) trading days prior to the end of the Performance Cycle.

"**Forfeiture Event**" means the occurrence of at least one of the following (a) the Company is required, pursuant to a determination made by the Securities and Exchange Commission or by the Board, or any authorized subcommittee of the Board, to prepare a material accounting restatement due to the noncompliance of the Company with any financial reporting requirement under applicable securities laws as a result of misconduct, and the Board determines that (1) the Participant knowingly engaged in the misconduct, (2) the Participant was grossly negligent with respect to such misconduct or (3) the Participant knowingly or grossly negligently failed to prevent the misconduct or (b) the Board concludes that the Participant engaged in fraud, embezzlement or other similar misconduct materially detrimental to the Company.

"Mandatory Retirement" means, as determined by the Board of Directors of MPC, the mandatory retirement age of 65 for Participants who are in bona fide executive or in high policymaking positions and in Grades 19 and above if: (1) the Participant has been employed in such capacity for the two-year period immediately prior to mandatory retirement; and (2) the Participant is entitled to the minimum retirement benefit specified by federal law for persons who hold positions to which mandatory retirement may lawfully apply. Mandatory Retirement is required by the earlier of the first of the month coincident with or immediately following the Participant's 65^{th} birthday.

"Payout Percentage" means the percentage (between 0% and 200%) determined by the Board in accordance with the procedures set forth in Paragraph 2, which shall be used to determine the Payout Value.

"Payout Value" means, for each Performance Unit, the product of the Payout Percentage and $1.00.

"Peer Group" means the group of companies that are pre-established by the Board which principally represent a group of selected peers, or such other group of companies as selected and pre-established by the Board.

"Performance Cycle" means the period from January 1, 2017 to December 31, 2019.

“**Qualified Termination**” for purposes of this Award Agreement shall have the same definition as under the Marathon Petroleum Corporation Amended and Restated Executive Change in Control Severance Benefits Plan, as in effect on the Grant Date (disregarding subsection II of such definition) (the “CIC Plan”), and such definition and associated terms are hereby incorporated into this Award Agreement by reference. Notwithstanding the definition of a “Change in Control” under the terms of the CIC Plan, for purposes of this Award Agreement such Change in Control for purposes of determining whether a separation from service is a Qualified Termination shall include a Change in Control of either MPC, as the direct employer of the Participant, or a Change in Control of the Partnership, as the issuer of the Award.

"Retirement" means (a) for a Participant with ten or more years of Employment, termination on or after the Participant's 50th birthday, or (b) termination on or after the Participant's 65th birthday.

“Total Unitholder Return” or “TUR” means for the Company and each entity in the Peer Group the number derived using the following formula:

$$\frac{\text{(End Unit Price – Beginning Unit Price) + Cumulative Cash Distributions}}{\text{Beginning Unit Price.}}$$

“TUR Performance Percentile” means the percentile ranking of the Company’s Total Unitholder Return for a performance period among the Total Unitholder Returns of the Peer Group companies, ranked in descending order, for the performance period as determined at the end of the Performance Cycle.

MPLX GP LLC

By: ____________________________________

Authorized Officer

Exhibit 31.1

MARATHON PETROLEUM CORPORATION

**CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Gary R. Heminger, certify that:

1. I have reviewed this report on Form 10-Q of Marathon Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2017

/s/ Gary R. Heminger

Gary R. Heminger

Chairman of the Board, President and Chief Executive Officer

Exhibit 31.2

MARATHON PETROLEUM CORPORATION

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Timothy T. Griffith, certify that:

1. I have reviewed this report on Form 10-Q of Marathon Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
   - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2017

/s/ Timothy T. Griffith

Timothy T. Griffith

Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Marathon Petroleum Corporation (the "Company") on Form 10-Q for the period ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gary R. Heminger, Chairman of the Board, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 1, 2017

/s/ Gary R. Heminger

Gary R. Heminger
Chairman of the Board, President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Marathon Petroleum Corporation (the “Company”) on Form 10-Q for the period ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Timothy T. Griffith, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 1, 2017

/s/ Timothy T. Griffith

Timothy T. Griffith
Senior Vice President and Chief Financial Officer