

MAGELLAN MIDSTREAM PARTNERS LP
Form 424B3
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Registration No. 333-109732

PROSPECTUS SUPPLEMENT

(To Prospectus dated November 3, 2003)

2,735,541 Common Units

Representing Limited Partner Interests

Magellan Midstream Holdings, L.P., the selling unitholder, is offering 2,735,541 common units representing limited partner interests in Magellan Midstream Partners, L.P. to six purchasers in a privately negotiated transaction pursuant to this prospectus supplement at a price of \$55.52 per common unit. We will not receive any proceeds from the sale of the common units by the selling unitholder in this offering.

Investing in our common units involves risk. Please read Risk Factors beginning on page S-4 of this prospectus supplement and on page 2 of the accompanying prospectus.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

January 3, 2005

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this common unit offering. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this common unit offering.

If the information about the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not authorized anyone to provide you with different information. This prospectus supplement is not an offer to sell or solicitation of an offer to buy these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the dates shown in these documents or that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since such dates.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. It does not contain all of the information you should consider before making an investment decision. You should read the entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of this offering. Please read Risk Factors beginning on page S-4 of this prospectus supplement and page 2 of the accompanying prospectus for more information about important factors that you should consider before buying common units in this offering. As used in this prospectus supplement and the accompanying prospectus, unless we indicate otherwise, the terms our, we, us and similar terms refer to Magellan Midstream Partners, L.P., together with our subsidiaries.

Magellan Midstream Partners, L.P.

We are a publicly traded Delaware limited partnership that owns and operates a diversified portfolio of complementary energy assets. We are principally engaged in the transportation, storage and distribution of refined petroleum products.

On October 1, 2004, we acquired more than 2,000 miles of refined petroleum products pipeline system assets from Shell Pipeline Company LP and Equilon Enterprises LLC, which had operated these assets under the name Shell Oil Products US, or Shell, for approximately \$489.7 million. In addition to the assets that we recently acquired from Shell, our other assets consist of:

a 6,700-mile petroleum products pipeline system, including 39 petroleum products terminals, serving the mid-continent region of the United States, referred to as our 6,700-mile petroleum products pipeline system ;

five petroleum products terminal facilities located along the U.S. Gulf Coast and near the New York harbor, referred to as marine terminal facilities ;

29 petroleum products terminals located principally in the southeastern United States, referred to as inland terminals ; and

an 1,100-mile ammonia pipeline system, including six ammonia terminals, serving the mid-continent region of the United States.

Our 6,700-mile petroleum products pipeline system is a common carrier pipeline that provides transportation, storage and distribution services for petroleum products and liquefied petroleum gases, or LPGs, in 11 states from Oklahoma through the Midwest to North Dakota, Minnesota, Wisconsin and Illinois. This system generates revenues principally from tariffs regulated by the Federal Energy Regulatory Commission, or the FERC, based on the volumes transported and also from storage and other ancillary fees. Through direct refinery connections and interconnections with other pipelines, this system can access approximately 41% of the refinery capacity in the United States and is well-positioned to adapt to shifts in product supply or demand.

Our inland terminals and marine terminal facilities, which we refer to collectively as our petroleum products terminals, store and distribute gasoline and other petroleum products throughout 11 states. Our inland terminals are part of a distribution network located primarily throughout the southeastern United States and used by retail suppliers, wholesalers and marketers to receive gasoline and other petroleum products from large, interstate pipelines and to transfer these products to trucks, railcars or barges for delivery to their final destination. Our marine terminal facilities are large storage terminals that principally serve refiners, marketers and large end-users of petroleum products and are strategically located near major refining hubs along the U.S. Gulf Coast and near the New York harbor. Our petroleum products terminals generate revenues

principally from volume-based fees charged for the storage and delivery of gasoline and other petroleum products handled by these terminals.

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Our ammonia pipeline system transports and distributes ammonia from production facilities in Texas and Oklahoma to various distribution points in the Midwest for use as an agricultural fertilizer. Our ammonia pipeline system generates revenues principally from volume-based fees charged for the transportation of ammonia on the pipeline system.

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THE OFFERING

Common units offered by the selling unitholder	2,735,541 common units.
Units outstanding after this offering	28,920,541 common units and 4,259,771 subordinated units.
Use of proceeds	We will not receive any proceeds from this offering.
Risk factors	Please read "Risk Factors" beginning on page S-4 of this prospectus supplement and on page 2 of the accompanying prospectus for a discussion of risks relating to an investment in our common units.

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RISK FACTORS

*An investment in our common units involves risk. You should carefully read the risk factors set forth below, the risk factors included under the caption **Risk Factors** beginning on page 2 of the accompanying prospectus, and those risks discussed in our Annual Report on Form 10-K for the year ended December 31, 2003, which is incorporated by reference into this prospectus supplement and the accompanying prospectus.*

The sale or exchange of 50% or more of our capital and profit interests will result in the termination of our partnership for federal income tax purposes.

Since January 2004, the selling unitholder has sold common units that represented an approximate 18% interest in our capital and profits for tax purposes, which includes the common units sold in this offering. We will be considered to have been terminated for federal income tax purposes if the common units sold by the selling unitholder, together with all common units sold within a 12-month period, represent a sale or exchange of 50% or more of our capital and profits interests. Our termination for tax purposes would, among other things, result in a significant deferral of the depreciation deductions allowable in computing our taxable income for the year in which the termination occurs. For a discussion of the consequences of our termination for federal income tax purposes, please read **Material Tax Consequences** **Disposition of Common Units** **Constructive Termination** in the accompanying prospectus.

Our general partner and its affiliates may have conflicts with our partnership.

The directors and officers of our general partner and its affiliates have duties to manage our general partner in a manner that is beneficial to the selling unitholder, its sole member. At the same time, our general partner has duties to manage us in a manner that is beneficial to us. Therefore, our general partner's duties to us may conflict with the duties of its officers and directors to the selling unitholder.

Such conflicts may include, among others, the following:

decisions of our general partner regarding the amount and timing of cash expenditures, borrowings and issuances of additional limited partnership units or other securities can affect the amount of incentive distribution payments we make to our general partner;

under our partnership agreement, we reimburse our general partner for the costs of managing and operating us; and

under our partnership agreement, it is not a breach of our general partner's fiduciary duties for affiliates of our general partner to engage in activities that compete with us. Specifically, our general partner is owned by an affiliate of the Carlyle/Riverstone Global Energy and Power Fund II, L.P., or the Carlyle/Riverstone Fund, which also owns, through affiliates, an interest in the general partner of Buckeye Partners, L.P. and may acquire other entities that compete with us. Although we do not have extensive operations in the geographic areas primarily served by Buckeye Partners, we will compete directly with Buckeye Partners and perhaps other entities in which the Carlyle/Riverstone Fund has an interest for acquisition opportunities throughout the United States and potentially will compete with Buckeye Partners and these other entities for new business or extensions of the existing services provided by our operating partnerships, creating actual and potential conflicts of interest between us and affiliates of our general partner. In addition, the Carlyle/Riverstone Fund has entered into a letter of intent to acquire an interest in another entity that is a significant customer of our petroleum products pipeline system and may compete with us in the future.

The assets acquired from Shell are subject to ongoing remediation obligations, and we may incur substantial environmental costs and liabilities that are not covered by Shell's indemnification of us.

Some of the assets acquired from Shell have been used for many years to distribute, store or transport petroleum products, and releases may have occurred from terminals or along pipeline rights-of-way that require remediation. In addition, past releases may have occurred but have not yet been discovered, which could require costly future remediation. As part of the acquisition, Shell agreed to retain liabilities and expenses related to active environmental remediation projects, other than those relating to the consent decree discussed in the paragraph below. In addition,

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Shell agreed to indemnify us for certain environmental liabilities arising from pre-closing conditions so long as we provide notice of those conditions no later than October 1, 2006. Shell's indemnification obligation is subject to a \$250,000 per-claim deductible and a \$30.0 million aggregate cap.

In 2003, Shell entered into a consent decree with the United States Environmental Protection Agency arising out of a June 1999 incident unrelated to the assets we acquired from Shell. In order to resolve Shell's civil liability for the incident, Shell agreed to pay civil penalties of \$10.0 million and to comply with certain terms set out in the consent decree. These terms include requirements for testing and maintenance of a number of Shell's pipelines, including two of the pipelines we acquired, the creation of a damage prevention program, submission to independent monitoring and various reporting requirements. The consent decree imposes penalties for non-compliance for a period of at least five years from the date of the consent decree. Under our purchase agreement with Shell, we agreed, at our own expense, to complete any remaining remediation work required under the consent decree with respect to these two pipelines and have assumed a liability of approximately \$8.1 million for this remediation work. Shell has agreed to retain responsibility under the consent decree for any ongoing independent monitoring obligations with respect to one of these pipelines.

If a significant accident or event occurred in the past for which indemnification is not available or if the costs of performing any remediation significantly exceed our expectations, it could adversely affect our financial position, results of operations and our ability to make distributions to our unitholders.

Rate regulation or a successful challenge to the rates we charge on our petroleum products pipelines may reduce the amount of cash we generate.

The FERC regulates the tariff rates for interstate movements on our petroleum products pipelines. Shippers may protest our pipeline tariff filings, and the FERC may investigate new or changed tariff rates and order refunds of amounts collected under rates that were in excess of a just and reasonable level. In addition, shippers may challenge the lawfulness of tariff rates that have become final and effective. The FERC may also investigate such rates absent shipper complaint.

The FERC's ratemaking methodologies may limit our ability to set rates based on our true costs or may delay the use of rates that reflect increased costs. The FERC's primary ratemaking methodology is price indexing. We use this methodology to establish our rates in approximately one-third of our interstate markets. The indexing method allows a pipeline to increase its rates by a percentage equal to the change in the producer price index for finished goods, or PPI-FG. If the PPI-FG falls, we could be required to reduce our rates that are based on the FERC's price indexing methodology if they exceed the new maximum allowable rate. In addition, changes in the PPI-FG might not be large enough to fully reflect actual increases in the costs associated with the pipelines subject to indexing.

The potential for a challenge to our indexed rates creates the risk that the FERC might find some of our indexed rates to be in excess of a just and reasonable level—that is, a level justified by our cost of service. In such an event, the FERC would order us to reduce any such rates and could require the payment of reparations to complaining shippers for up to two years prior to the complaint.

On July 20, 2004, the United States Court of Appeals for the District of Columbia Circuit issued its opinion in *BP West Coast Products, LLC v. FERC*, which vacated the FERC's application of its Lakehead policy. Under that policy, the FERC has allowed a regulated entity organized as a master limited partnership to include in its cost of service an income tax allowance to the extent that its unitholders, or limited partners, were corporations subject to income tax. Because the court's ruling on the FERC's Lakehead policy in *BP West Coast* appears to focus on the facts and record presented to it in that case, it is not clear what impact, if any, the opinion will have on our indexed rates. On December 2, 2004, the FERC issued a Notice of Inquiry that seeks comments regarding whether *BP West Coast* applies only to the specific facts of that case, or whether it applies more broadly, and, if the latter, what effect that ruling might have on energy infrastructure investments. It is not clear what action the

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FERC will ultimately take in response to BP West Coast, to what extent such action will be challenged and, if so, whether it will withstand further FERC or judicial review. Nevertheless, a shipper might rely on this decision to challenge our indexed rates and claim that our income tax allowance should be eliminated. If the FERC were to disallow our income tax allowance, it may be more difficult to justify our indexed rates on a cost of service basis. However, because of the relatively small percentage of our unitholders that are corporations, which results in our including only a small

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income tax allowance in our cost of service, we do not believe that a challenge to our indexed rates based solely on an elimination of our income tax allowance would be likely to succeed.

We establish rates in approximately two-thirds of our markets using the FERC's market-based ratemaking regulations. These regulations allow us to establish rates based on conditions in individual markets without regard to the index or our cost of service. If successfully challenged, the FERC could take away our ability to establish market-based rates. We would then have to establish rates that would be justified on some other basis such as our cost of service.

Any reduction in the indexed rates, removal of our ability to establish market-based rates, or payment of reparations could have a material adverse effect on our operations and reduce the amount of cash we generate.

USE OF PROCEEDS

We will not receive any proceeds from the sale of our common units by the selling unitholder in this offering.

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PRICE RANGE OF COMMON UNITS AND DISTRIBUTIONS

As of January 3, 2005, there were 28,920,541 common units outstanding, held by approximately 36,000 holders, including common units held in street name and units held by Magellan Midstream Holdings, L.P. Our common units are traded on the New York Stock Exchange under the symbol MMP.

As of January 3, 2005, 4,259,771 subordinated units were outstanding. These subordinated units are held by the selling unitholder and are not publicly traded.

The following table sets forth, for the periods indicated, the high and low closing sales prices for our common units, as reported on the New York Stock Exchange Composite Transaction Tape, and quarterly declared cash distributions per common unit. The closing sales price of our common units on the New York Stock Exchange on December 31, 2004 was \$58.67 per common unit.

	Price Ranges		Cash Distributions Per Unit(a)
	High	Low	
2004			
Fourth Quarter	\$ 59.34	\$ 53.01	N/A(b)
Third Quarter	55.00	49.77	\$0.8900
Second Quarter	55.50	46.89	0.8700
First Quarter	55.35	50.05	0.8500
2003			
Fourth Quarter	\$ 55.03	\$ 45.80	\$0.8300
Third Quarter	48.55	42.40	0.8100
Second Quarter	48.20	37.54	0.7800
First Quarter	37.19	33.30	0.7500
2002			
Fourth Quarter	\$ 34.70	\$ 29.50	\$0.7250
Third Quarter	36.40	25.20	0.7000
Second Quarter	42.35	30.75	0.6750
First Quarter	43.30	32.85	0.6125
2001			
Fourth Quarter	\$ 44.00	\$ 37.00	\$0.5900
Third Quarter	40.40	29.40	0.5775
Second Quarter	33.42	28.45	0.5625
First Quarter	31.00	24.00	0.2920

(a) Cash distributions declared for each respective quarter. Cash distributions were declared and paid within 45 days following the close of each quarter. The cash distribution for the first quarter of 2001 was prorated for the period from February 10, 2001 through March 31, 2001.

(b) We expect to declare and pay a cash distribution within 45 days following the end of the quarter.

SELLING UNITHOLDER

The following table sets forth information concerning the ownership of our common units by the selling unitholder. As of January 3, 2005, there were 28,920,541 of our common units outstanding. The percentages indicated below represent the selling unitholder's ownership of our common units.

Name and Address of Selling Unitholder	Common Units owned immediately prior to this offering		Common Units to be offered	Common Units owned immediately after this offering	
	Common Units	Percent		Common Units	Percent
Magellan Midstream Holdings, L.P. P. O. Box 22186 Tulsa, Oklahoma 74121-2186	2,735,541	9.5%	2,735,541	0	0.0%

The selling unitholder also owns 4,259,771 of our subordinated units which represents a 12.6% limited partner interest after giving effect to this offering. The number of subordinated units owned by the selling unitholder will not be affected by this offering. For more information about our relationship with the selling unitholder, please see our Form 10-K for the year ended December 31, 2003, which was filed with the SEC on March 10, 2004 and which is incorporated by reference.

TAX CONSIDERATIONS

The tax consequences to you of an investment in our common units will depend in part on your own tax circumstances. For a discussion of the principal federal income tax considerations associated with our operations and the purchase, ownership and disposition of our common units, please read **Material Tax Consequences** in the accompanying prospectus. You are urged to consult with your own tax advisor about the federal, state and local tax consequences that are specific to your circumstances.

We estimate that if you purchase common units in this offering and own them through the record date for the distribution for the fourth quarter of 2007, then you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be less than 20% of the cash distributed with respect to that period. These estimates are based upon the assumption that our available cash for distribution will approximate the amount required to distribute cash to the holders of our common units in an amount of at least the current quarterly distribution of \$0.89 per unit and other assumptions with respect to capital expenditures, cash flow and anticipated cash distributions. These estimates and assumptions are subject to, among other things, numerous business, economic, regulatory, competitive and political uncertainties beyond our control. Further, the estimates are based on current tax law and certain tax reporting positions that we have adopted with which the Internal Revenue Service could disagree. Accordingly, we cannot assure you that the estimates will be correct. The actual percentage of distributions that will constitute taxable income could be higher or lower, and any differences could be material and could materially affect the value of the common units. Please read **Material Tax Consequences** in the accompanying prospectus.

Ownership of common units by tax-exempt entities, regulated investment companies and foreign investors raises issues unique to such persons. Recent legislation treats net income derived from the ownership of certain publicly traded partnerships (including us) as qualifying income to a regulated investment company. However, this legislation is only effective for taxable years beginning after October 22, 2004, the date of enactment. For taxable years beginning prior to the date of enactment, very little of our income will be qualifying income to a regulated investment company. Please read **Material Tax Consequences Tax-Exempt Organizations and Other Investors** in the accompanying prospectus.

Because of widespread state budget deficits, several states are evaluating ways to subject partnerships to entity-level taxation through the implementation of state income, franchise or other forms of taxation. If any state were to impose a tax upon us as an entity, our cash available for distribution would be reduced.

PLAN OF DISTRIBUTION

The selling unitholder is selling the common units offered under this prospectus supplement directly to six investors in a privately negotiated transaction in which no party is acting as an underwriter. Subject to the terms of a purchase agreement dated the date of this prospectus supplement, the investors have agreed to purchase and the selling unitholder has agreed to sell to the investors 2,735,541 common units at a price of \$55.52 per common unit. The selling unitholder determined the price per common unit through negotiations with the investors based upon the market price for the common units. The investors have agreed with the selling unitholder not to, directly or indirectly, sell, offer, hedge, pledge or otherwise dispose of any common units or enter into any derivative transaction with a similar effect as a sale of common units for a period of 30 days after the date of this prospectus supplement without the selling unitholder's prior written consent.

The selling unitholder has agreed not to, subject to limited exceptions, directly or indirectly, sell, offer, hedge, pledge or otherwise dispose of any common units or enter into any derivative transaction with similar effect as a sale of common units for a period of 30 days after the date of this prospectus supplement without the prior written consent of the investors.

The selling unitholder expects to deliver the common units through The Depository Trust Company against payment of the aggregate purchase price for the common units purchased on January 4, 2005.

EXPERTS

The consolidated balance sheets of Magellan Midstream Partners, L.P. (formerly Williams Energy Partners L.P.) as of December 31, 2002 and 2003 and the related consolidated statements of income, cash flows and partners' capital for each of the years ended December 31, 2001, 2002 and 2003 appearing in Magellan Midstream Partners, L.P.'s (formerly Williams Energy Partners L.P.) Annual Report on Form 10-K for the year ended December 31, 2003 and the consolidated balance sheets of Magellan GP, LLC (formerly WEG GP LLC) as of December 31, 2002 and 2003 appearing in Magellan Midstream Partners, L.P.'s Annual Report on Form 10-K for the year ended December 31, 2003 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein and incorporated herein by reference. Such consolidated balance sheets and financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated in this prospectus supplement by reference include forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. They use words such as anticipate, believe, intend, plan, projection, forecast, strategy, position, continue, estimate, expect, may, will, or their other variations of them or comparable terminology. In particular, statements, express or implied, concerning future actions, conditions or events or future operating results or the ability to generate sales, income, cash flow or cash to be distributed to unitholders are forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future actions, conditions or events and future results of operations may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results are beyond the ability of us and our affiliates to control or predict. In addition to the risk factors included under Risk Factors in this prospectus supplement and the accompanying prospectus, other specific factors which could cause actual results to differ from those in the forward-looking statements include:

price trends and overall demand for natural gas liquids, refined petroleum products, natural gas, oil and ammonia in the United States;

weather patterns materially different from historical trends;

development of alternative energy sources;

changes in demand for storage in our petroleum products terminals;

changes in supply patterns for our marine terminals due to geopolitical events;

our ability to manage interest rate and commodity price exposure;

changes in our tariff rates implemented by the FERC, the United States Surface Transportation Board and/or state regulators;

shut-downs or cutbacks at major refineries, petrochemical plants, ammonia production facilities or other businesses that use or supply our services;

changes in throughput on petroleum products pipelines owned and operated by third parties and connected to our petroleum products terminals or petroleum products pipeline system;

loss of one or more of our three customers on our ammonia pipeline system;

changes in the federal government's policy regarding farm subsidies, which could negatively impact the demand for ammonia and reduce the amount of ammonia transported through our ammonia pipeline system;

an increase in the competition our operations encounter;

the occurrence of an operational hazard or unforeseen interruption for which we are not adequately insured;

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our ability to integrate any acquired operations into our existing operations;

our ability to successfully identify and close strategic acquisitions and expansion projects and make cost saving changes in operations;

changes in general economic conditions in the United States;

changes in laws or regulations to which we are subject, including federal, state and local tax, safety, environmental and employment laws and regulations;

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the cost and effects of legal and administrative claims and proceedings against us or our subsidiaries;

the amount of our indebtedness, which could make us vulnerable to general adverse economic and industry conditions, limit our ability to borrow additional funds, place us at competitive disadvantages compared to our competitors that have less debt or have other adverse consequences;

the condition of the capital markets and equity markets in the United States;

our ability to raise capital in a cost-effective manner;

the effect of changes in accounting policies;

the potential that our internal controls required by the Sarbanes-Oxley Act of 2002 may not be adequate, weaknesses may be discovered in these controls or remediation of any identified weaknesses may not be successful, and the impact that could have on our unit price;

our ability to manage rapid growth;

Magellan Midstream Holdings, L.P.'s ability to perform on its environmental and right-of-way indemnification obligations to us;

The Williams Companies, Inc.'s ability to pay the amounts owed to us under its indemnification settlement with us;

the ability of our general partner to enter into certain agreements which could negatively impact our financial position, results of operations and cash flows;

supply disruption; and

global and domestic economic repercussions from terrorist activities and international hostilities and the government's response thereto.

You should not put undue reliance on any forward-looking statements.

When considering forward-looking statements, please review the risk factors described under "Risk Factors" in this prospectus supplement, the accompanying prospectus and those risks discussed in our Annual Report on Form 10-K for the year ended December 31, 2003.

WHERE YOU CAN FIND MORE INFORMATION

The SEC allows us to incorporate by reference information we file with it. This procedure means that we can disclose important information to you by referring you to documents we filed with the SEC. The information we incorporate by reference is part of this prospectus supplement and later information that we file with the SEC (excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any Current Report on

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Form 8-K) will automatically update and supersede this information. We incorporate by reference the documents listed below:

Annual Report on Form 10-K for the year ended December 31, 2003;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2004, June 30, 2004 and September 30, 2004;

Definitive Proxy Statement on Schedule 14A filed on March 10, 2004;

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Current Reports on Form 8-K filed on May 5, 2004, May 18, 2004, May 21, 2004, May 25, 2004, May 27, 2004, June 24, 2004, August 13, 2004, September 16, 2004, October 1, 2004, October 7, 2004, October 15, 2004, October 26, 2004 and December 15, 2004; and

the description of our common units contained in our Form 8-A initially filed February 2, 2001, and any subsequent amendment thereto filed for the purpose of updating such description.

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You may request a copy of these filings at no cost by making written or telephone requests for copies to:

Magellan Midstream Partners, L.P.

P.O. Box 22186

Tulsa, Oklahoma 74121-2186

Attention: Investor Relations Department

Telephone: (918) 574-7000

We also make available free of charge on our internet website at <http://www.magellanlp.com> our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our website is not part of this prospectus supplement or the accompanying prospectus.

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PROSPECTUS

14,590,312 Common Units

7,830,924 Class B Common Units

5,679,694 Subordinated Units

MAGELLAN MIDSTREAM PARTNERS, L.P.

Representing Limited Partner Interests

This prospectus relates to:

14,590,312 common units representing limited partner interests in Magellan Midstream Partners, L.P., which include 13,510,618 common units representing limited partner interests in Magellan Midstream Partners, L.P. that may be issued upon conversion of 7,830,924 Class B common units and 5,679,694 subordinated units registered herein;

7,830,924 Class B common units representing limited partner interests in Magellan Midstream Partners, L.P.; and

5,679,694 subordinated units representing limited partner interests in Magellan Midstream Partners, L.P.

The common units, the Class B common units and the subordinated units (collectively, the Units) may be offered from time to time by the selling unitholder named in this prospectus or in any supplement to this prospectus. We will not receive any proceeds from the sale of Units by the selling unitholder.

Our common units are traded on the New York Stock Exchange under the symbol MMP. On October 13, 2003, the last reported sales price of our common units was \$48.11 per common unit. Prior to this offering, there has not been a public market for the Class B common units or the subordinated units. We will provide information in the prospectus supplement for the expected trading market, if any, for the Class B common units and the subordinated units.

Limited partnerships are inherently different from corporations. You should carefully consider each of the factors described under Risk Factors, which begin on page 2 of this prospectus before you make an investment in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is November 3, 2003

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