

HSC PIPELINE PARTNERSHIP LLC

TEXAS LOCAL PIPELINE TARIFF

APPLYING ON

PROPANE

| ORIGIN POINT | DESTINATION POINT | UNCOMMITTED RATE | COMMITTED RATE [Note 1] |
|--|--|------------------------------|------------------------------|
| Mont Belvieu Caverns LLC, Chambers County, Texas | Enterprise Terminaling LLC's Enterprise Hydrocarbon Terminal, Harris County, Texas | [I] <u>6.39</u> ¢ per gallon | [I] <u>2.13</u> ¢ per gallon |
| Enterprise Terminaling LLC's Enterprise Hydrocarbon Terminal, Harris County, Texas | Mont Belvieu Caverns LLC, Chambers County, Texas | [I] <u>6.39</u> ¢ per gallon | [I] <u>2.13</u> ¢ per gallon |

Note 1: In order to qualify for the committed rate, Shipper must have entered into a Transportation Services Agreement with Carrier and agreed to ship or pay for a specified volume of Propane on the system.

The rate named in this tariff is for the transportation of Propane by pipe line to the point named herein.

The rate named is expressed in cents per gallon and is subject to change as provided by law, also regulations named herein.

[W]Operated by Enterprise Products Operating LLC, (P5 #253368) Under T-4 Permit No. 0512801049.

EFFECTIVE: July 1, 2020

COMPILED AND ISSUED BY:

Robert Benedict
Rates and Tariffs
1100 Louisiana, Suite 1000
Houston, TX 77002
Phone: (713) 381-5662

RULES AND REGULATIONS

ITEM 5 - Definition of Terms

As used in these rules and regulations, the following terms have the following meanings:

Barrel - means forty-two (42) United States gallons at sixty degrees Fahrenheit (60° F) and equilibrium vapor pressure.

Carrier - means and refers to HSC Pipeline Partnership LLC.

Committed Shipper – means a Shipper that has entered into a Transportation Services Agreement with Carrier and committed therein to ship or nevertheless pay for the transportation of a specified volume of Propane on Carrier’s system each month (Monthly Reserved Capacity).

Losses – means all claims, penalties, losses, costs, expenses, liabilities or damages of any kind or nature whatsoever (including reasonable attorney’s fees and court costs associated therewith).

Monthly Reserved Capacity – means the amount of capacity Carrier agrees to reserve for a Committed Shipper on its system each month, which capacity shall be used by the Committed Shipper to fulfill the shipment obligations the Committed Shipper made to Carrier in its Transportation Services Agreement.

Non-Priority Capacity – means the capacity of Carrier’s system that is available for allocation to Uncommitted Shippers each month during which prorationing occurs under Item 70, which amount shall be determined following the allocation of capacity to Committed Shippers under Item 70(C) and which amount shall equal at least five percent (5%) of the total available capacity, assuming Carrier receives sufficient Tenders from Uncommitted Shippers.

Propane - means and is limited to the liquid hydrocarbon product meeting the acceptance specifications prescribed in Item 15.

Shipper - means the party who contracts with Carrier for the transportation and withdrawal of Propane under the terms of this tariff.

Tender - means an offer by a Shipper to Carrier of a stated quantity of Propane for transportation from a specified origin or origins to destinations listed in Carrier’s tariffs in accordance with these rules and regulations.

Uncommitted Shipper - means any Shipper that is not a Committed Shipper.

ITEM 10 - Commodity

Carrier is engaged in the transportation of Propane and will not accept any other commodity for transportation on its system.

ITEM 15 - Propane, Acceptance and Certificate of Specifications Testing

- A. Shipper shall not deliver to Carrier and Carrier shall not be obligated to accept Propane for transportation except Propane meeting the quality specifications set forth below. These quality specifications shall apply to each Tender of Propane by Shipper. Shipper shall furnish Carrier with a certificate setting forth the specifications of each shipment of Propane delivered in Carrier's pipeline.

| COMPONENT | TEST METHODS [Note 1] | SPECIFICATIONS |
|---|----------------------------------|---|
| Ethane | ASTM D-2163 | 2.5 Liq. Vol.% max. |
| Propylene | ASTM D-2163 | 5.0 Liq. Vol.% max. |
| Propane | ASTM D-2163 | 90.0 Liq. Vol.% min. |
| Butanes & Heavier | ASTM D-2163 | 2.5 Liq. Vol.% max. |
| Vapor Pressure, PSIG @ 100°F | ASTM D-1267 | 208 max. |
| Volatile Residue: Temperature @ 95% evaporation | ASTM D-1837 | -37° F max. |
| Residual Matter Residue on evaporation of 100 ml. oil stain | ASTM D-2158 | 0.05 ml. max. ⁽¹⁾ Pass ⁽²⁾ |
| Corrosion, Copper Strip | ASTM D-1838 | No. 1 |
| Sulfur | ASTM D-4045 | 30 ppm wt. max. |
| Moisture Content by Freeze Valve [Note 2] | ASTM D-2713 | Pass |

Notes on Test Methods:

1. Method numbers listed above, beginning with the letter "D," are American Society for Testing and Materials (ASTM), Standard Test Procedures. The most recent Year's revision for the procedures will be used by Carrier.
2. In order to protect the integrity of its system, Carrier may determine, in its sole discretion, to require Shipper to provide dehydrated Propane at the origin points. In the event that Carrier makes such a determination, it will provide reasonable advance notice to Shipper, which notice will specify that the Moisture specification listed herein is revised to -40 degrees F per test method ASTM-D-5454.

(1) 0.05 at delivery

(2) An acceptable product will not yield a persistent oil ring when 0.3 ml of solvent residue is added in 0.1 increments, after examination in daylight after 2 minutes as described in ASTM D-2158.

ITEM 20 - Tenders & Scheduling

- A. Propane will be transported only under a Tender accepted by Carrier from facilities connected to Carrier when a tariff covering the movement is lawfully in effect.
- B. A Shipper desiring to tender Propane for transportation shall make such Tender to Carrier in writing on tender forms specified, or, on request, supplied by Carrier. All such Tender forms must be submitted on or before the fifteenth day of the month preceding the month during which transportation of the tendered volume is to begin. If the initial Tenders require the allocation of capacity, Carrier shall provide such notice of allocation to Shippers including each Shipper's allocated capacity within five (5) business days of the Tender deadline. Notwithstanding the foregoing, Carrier reserves the right to allocate the pipeline thereafter on any given day when Tenders exceed available capacity pursuant to Item 70. Shippers shall have, following Carrier's notification of each Shipper's allocated capacity, three (3) business days to

submit revisions to their initial Tenders so as to distribute their allocated capacity among the Propane origins and destinations then served by Carrier. Should a Shipper's revised Tender exceed its allocated capacity for Propane, Carrier shall have the right to alter any or all of such Shippers' Tenders in Carrier's sole discretion such that the Tenders equal the capacity allocated to each Shipper.

- C. Propane shall be accepted for transportation at such time and in such quantities as scheduled by Carrier. Carrier will prepare schedules showing the estimated time that each shipment will be received for transportation at origin points. Carrier will furnish the schedules to Shippers upon request. Such schedules may be modified from time to time in the manner and to the extent reasonably desirable to facilitate the efficient and economical use and operation of Carrier's facilities and to reasonably accommodate Shippers' needs for transportation.
- D. Carrier may operate its system as a batched system. It is inherent in the operation of a batched pipeline system that interface mixtures will occur between batches. If Carrier operates its system as a batch system, Carrier shall not be liable to Shipper for changes in the quality or other characteristics of Shipper's Propane which may occur from commingling or intermixing Shipper's Propane with other Propane in the same batch while in transit; provided that Propane delivered by Carrier will always meet the quality specification set forth in Item 15.

ITEM 25 - Quantities

- A. A Tender will be accepted only when total quantity covered by such Tender will be made available for transportation within a period not to exceed one calendar month.
- B. Any quantity of Propane will be accepted from lines or other facilities to which Carrier is connected, provided the total of such quantities Tended by a single shipper equals or exceeds 125,000 barrels in any one calendar month from all origins to all destinations. However, Carrier may, in its sole discretion, decide to accept Tenders below the above-stated minimum Tender, provided that space is available and subject to operating conditions.

ITEM 30 - Identity of Shipment

Carrier is not obligated to deliver to Shipper the identical Propane Tended by Shipper; Carrier will deliver to Shipper Propane from the applicable common stream or batch of Propane then being transported on Carrier's system.

ITEM 35 - Origin Point and Destination Point Facilities

- A. Carrier will only provide transportation service from the origin points specified in this tariff to the destination points specified in this tariff.
- B. Carrier will only provide such facilities at the origin points as it deems necessary for the operation of the pipeline. Tenders of Propane will be accepted for transportation hereunder only when Shipper has provided facilities at the origin points that are satisfactory to Carrier and that are capable of delivering Propane into Carrier's at pressures required by Carrier and at a flow rate of at least 30,000 barrels per hour. In addition, to the extent Carrier determines it is necessary, Carrier may require Shipper to provide adequate storage facilities at the origin points to maintain delivery of Shipper's Propane into Carrier's system at the specified flow rate.
- C. Carrier will accept Propane for transportation only when Shipper has provided the necessary facilities for taking delivery of the Propane at flow rates of at least 30,000 barrels per hour as it arrives at the destination points. Carrier will not accept a Tender unless such facilities have been provided and conform to the operating requirements of Carrier, in Carrier's reasonable discretion. The cost of such facilities shall

be provided at the sole cost of Shipper seeking access to Carrier's system. Shipper will be solely responsible for any additional tariffs, costs, or charges imposed on Propane after delivery by Carrier at the destination points.

ITEM 40 - Measurement

Propane will be measured by Carrier on receipt and delivery. Observed volumes at operating pressures and temperatures will be corrected to net volumes at 60 degrees Fahrenheit and equilibrium vapor pressure by utilizing the latest ASTM, API and GPA tables for temperature, pressure and specific gravity corrections that are applicable to the product being measured.

ITEM 45 – Notice of Arrival, Delivery at Destination Points, Demurrage

- (a) The obligation of the Carrier is to deliver the quantity of Propane to be transported, less any applicable deductions, at the specified destination. Such delivery may be made upon twenty-four (24) hours' notice to the Shipper, who shall accept and receive said Propane from the Carrier with all possible dispatch into tanks or receptacles arranged for or provided by Shipper.
- (b) Shipper shall remove Product, or cause Product to be removed, from Carrier's facilities following transportation to a nominated destination. In the event failure to remove Product threatens or prevents delivery of succeeding shipments into or out of Carrier's facilities, and/or threatens or causes congestion at Carrier's terminals, Carrier shall have the right, without liability to Shipper, to make such disposition of unremoved Product as is necessary for the efficient operation of the pipeline, and Shipper shall pay Carrier all charges and costs associated with such disposition the same as if Shipper had authorized such, together with any associated additional costs and damages borne or incurred by Carrier. Shipper shall indemnify and save Carrier harmless from any loss sustained by Carrier by reason of Shipper's inability to take delivery of unremoved Product, including any Interface, out of the pipeline. In addition to the foregoing remedy, Shipper shall pay an hourly demurrage penalty equal to the product of a) the current tariff rate and b) the pipeline hourly flow capacity and c) the number of hours that Shipper's Product remains in the pipeline plus vessel demurrage based upon the then- current Braefoot Bay assessment on a per day, pro-rata basis.
- (c) If the Shipper is unable or refuses to receive said Propane as it arrives at the specified destination, Carrier reserves the right to make whatever arrangements for disposition of the Propane it deems appropriate in order to clear its system. Any additional expenses incurred by the Carrier in making such arrangements shall be borne by Shipper.

ITEM 50 - Storage

Carrier does not have available and does not hold itself out to provide storage of Shipper's Propane at origin, destination, or intermediate points.

ITEM 55 - Connections

Carrier is not currently accepting connections to its pipeline system.

ITEM 60 - Delivery

- A. Carrier will transport and deliver Propane with reasonable diligence and dispatch.
- B. After any shipment has had time to arrive at destination Shipper may begin withdrawals.
- C. Upon failure of Shipper to remove or take delivery of any shipment after expiration of a 24 hour notice by Carrier to Shipper that such shipment is available for delivery, Carrier shall have the right to make such disposition of the undelivered shipments as may be necessary to free its facilities. If Carrier sells such Propane, it will remit the proceeds thereof, less any unpaid transportation charges and costs of selling, to Shipper. Carrier shall not be liable to Shipper for any loss caused by such disposition, and Shipper shall pay for all costs thereof the same as if Shipper had requested or authorized such sale or disposition.

ITEM 70 - Proration

- A. When Carrier receives more Tenders in a month for transportation of Propane on Carrier's system than Carrier is able to transport, Carrier shall allocate the capacity of its system under the provisions of this Item 70.
- B. The capacity of Carrier's system will be allocated among Committed Shippers as a class and Uncommitted Shippers as a class; any remaining capacity will be allocated in accordance with the provisions of Item 70(E).
- C. **Allocation to Committed Shippers.** Except as provided in Item 70(C)(ii), Carrier shall allocate each Committed Shipper an amount of available capacity equal to the lesser of (1) the Committed Shipper's Tender for the Proration Month or (2) the Committed Shipper's Monthly Reserved Capacity. If a Committed Shipper Tenders volumes in excess of its Monthly Reserved Capacity, then the excess incremental volumes shall be subject to prorationing under Item 70(E) below.
- D. **Allocation to Uncommitted Shippers.**

Following the allocation of available capacity set forth in Item 70(C) above, Carrier shall next allocate the Non-Priority Capacity on Carrier's system among all Uncommitted Shippers in the following manner:

- 1. Each Uncommitted Shipper shall be allocated an amount of available capacity in the proration month that is equal to:
 - a. its Tender, if the total volume Tendered by all Uncommitted Shippers is less than or equal to the Non-Priority Capacity available on the system; or
 - b. its pro rata share, in accordance with its Tender, of the Non-Priority Capacity, if the total volume Tendered by all Uncommitted Shippers is greater than the amount of Non-Priority Capacity available on the system.
- E. **Remaining System Capacity.** Any remaining capacity not allocated through the application of Items 70(C) or 70(D) shall be allocated first, pro rata, among all Committed Shippers having remaining unmet Tenders according to the level of each Committed Shipper's Monthly Reserved Capacity. If the allocation to any Shipper pursuant to this Item 70(E) exceeds such Shipper's remaining Tenders or there remains unallocated System Capacity following this additional allocation to Committed Shippers, then the excess volume will be allocated, pro rata, among all other Shippers having unmet Tenders until the remaining System Capacity is fully allocated or all of the remaining Tenders have been fulfilled.

ITEM 75 - Rates Applicable

Propane transported shall be subject to the rates in effect on date such Propane is delivered by Carrier.

ITEM 80 - Payment of Charges

Shipper shall be responsible for payment of transportation and all other charges applicable to the shipment and if required shall prepay such charges or furnish guaranty of payment satisfactory to Carrier. Carrier shall have a security interest on all Propane in its possession belonging to Shipper to secure the payment of any and all unpaid transportation, or other lawful charges, due Carrier and unpaid by Shipper. Carrier has the right to withhold delivery of such Propane until all unpaid charges have been paid. If said charges remain unpaid for ten (10) days after notice and demand therefore, Carrier may dispose of such product by public or private proceedings in one or more contracts. Sales or other disposition may be as a unit or in parcels and at any time and place and on any terms which are commercially reasonable. The proceeds of disposition shall be applied in the following order:

- a. to the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by law, reasonable attorney's fees and legal expenses incurred by Carrier
 - b. and to the satisfaction of the indebtedness secured hereby. Carrier will account to Shipper for any surplus, and Shipper is liable to Carrier for any deficiency.
-

ITEM 90 - Liability of Carrier

Carrier will assume no liability when operational scheduling and other problems encountered in pipeline operations prevent its ability to maintain schedules or comply with Shippers' withdrawal requirements.

ITEM 95 - Title

A tender of Propane shall be deemed a warranty of title by the party tendering, but acceptance shall not be deemed a representation by Carrier as to title. Carrier may, in the absence of adequate security, decline to receive any Propane which is in litigation, or as to which a dispute over title may exist, or which is encumbered by any lien of which Carrier has notice.

ITEM 100 - Time Limitation on Claims

As a condition precedent to recovery for any loss or damage, claims must be filed in writing with Carrier within nine (9) months and one (1) day after delivery of property, or in the case of failure to make delivery then within nine (9) months and one (1) day after reasonable time for delivery, based on Carrier's normal operations, has elapsed; and suits shall be instituted against Carrier only within two (2) years from the day when notice in writing is given by Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not lifted or suits are not instituted thereon in accordance with the foregoing provisions, such claims will not be paid, and Carrier will not be liable.

ITEM 105 - Pipeage Contracts

Separate pipeage contracts in accord with this tariff and those regulations covering further details may be required by Carrier before any duty for transportation shall arise.

Explanation of Abbreviations

¢: United States cents

Explanation of Reference Marks

[I]: Increase

[W]: Change in wording