

ENTERPRISE TE PRODUCTS PIPELINE COMPANY LLC

PRORATION POLICY

[W] **January 1, 2019- September 15, 2019**

Proration of Capacity

This Proration Policy will be used by the Carrier to allocate Available Capacity amongst all Products shippers for any Allocation Month for which Carrier determines, in its sole discretion, that the aggregate volume of Products Nominated by all Shippers for receipt into and/or delivery out of Carrier's system exceeds Available Capacity. Carrier may elect to allocate its Available Capacity on any equitable basis, in a manner different from this Proration Policy, during a generally recognized emergency period in order to help alleviate the emergency conditions.

1. Definitions

- a. **"14" Seymour to Chicago Segment"** means the 14" segment of Carrier's line originating in Seymour, Indiana and terminating in the Chicago, Illinois area.
- b. **"20" Main Line Segment"** means the 20" segment of Carrier's line originating in Beaumont, Texas and terminating in Seymour, Indiana.
- c. **"Allocation Month"** means any calendar month, or portion thereof as applicable, for which Carrier has determined that Nominated volumes exceed Available Capacity.
- d. **"Available Capacity"** means, with respect to any segment of Carrier's system, total projected available capacity on such segment under then-current or anticipated operating conditions as determined by Carrier, net of any leased capacity.
- e. **"Base Period"** means the rolling twelve-month period ending the calendar month that is two months prior to the Allocation Month.
- f. **"Carrier"** means Enterprise TE Products Pipeline Company LLC.
- g. **"Contract Shipper"** means a Shipper that is party to a TSA.
- h. **"Delivery Allocation"** is an allocation on a segment or segments of Carrier's system due to delivery tenders offered to Carrier at tariff destinations served by such segment(s) of Carrier's system exceeding the available capacity of such segment(s).
- i. **"Injection Allocation"** is an allocation on a segment or segments of Carrier's system due to receipt tenders offered to Carrier at tariff origins served by such segment(s) of Carrier's system exceeding available capacity of such segment(s).
- j. **"LPGs"** means propane, iso-butane or butane, in each case meeting Carrier's then-current fungible specifications.

k. **“LPGs Allocated Capacity”** is the total capacity to be allocated to LPGs Shippers, as determined by Carrier in accordance with Item 9.

l. **“Minimum Volume”** means the aggregate minimum quantity of Product that a Contract Shipper guarantees to ship and take delivery of at a destination, or to pay a shortfall payment for failure to ship such minimum quantity, during a month under its TSA.

m. **“New Shipper”** means any Shipper on Carrier’s system who does not qualify as a Regular Shipper. A New Shipper qualifies to be a Regular Shipper upon the earlier to occur of: (i) the first day of the month immediately following the month when the average monthly history of Products shipped by such New Shipper on Carrier’s system during the Base Period is at least 10,000 barrels, or (ii) twelve (12) months after such New Shipper first shipped on Carrier’s system.

n. **“Nominated”** or **“Nomination”** means Products validly nominated for movement in Carrier’s system in accordance with Carrier’s nomination procedures.

o. **“Northeast Segment”** is defined as Carrier’s pipeline segment originating at Seymour, Indiana, extending northeast of Seymour, and serving various tariff origins and destinations in Ohio, Pennsylvania, and New York but specifically excluding (a) Carrier’s 10” pipeline lateral connecting Lima, Ohio and Lebanon, Ohio, and (b) Carrier’s 6” pipeline lateral connecting Todhunter, Ohio to the Cincinnati Airport.

p. **“Priority Capacity”** means capacity available to Contract Shippers on the 20” Main Line Segment and/or the 14” Seymour to Chicago Segment that is not subject to proration.

q. **“Products”** means Refined Products and LPGs.

r. **“Refined Products”** means motor fuels, distillate, natural gasoline, diluent, and any other product other than LPG for which Carrier elects to offer transportation service on Carrier’s system.

s. **“Refined Products Allocated Capacity”** is the total capacity to be allocated to Refined Products Shippers, as determined by Carrier in accordance with Item 9.

t. **“Regular Shipper”** means any Shipper who is not a New Shipper.

u. **“Shipment History”** means the volume of Products moved through an applicable pipeline segment of Carrier’s system by a Shipper during the Base Period.

v. **“Shipment History Credit”** and **“Shipment History Multiple”** are defined in Exhibit D.

w. **“Shipper(s)”** means the party or parties who have shipper status to nominate Products for movement under Carrier’s published tariff for Products movements.

x. **“Summer Months”** means the months of April, May, June, July, August, September and October.

y. **“TSA”** means a transportation services agreement with Carrier, pursuant to an open season conducted by Carrier, and which includes a Shipper option to purchase Priority Capacity.

2. Notification

Carrier shall notify each Shipper of its allocated capacity in accordance with the notification timelines set forth in [W] ~~the Nomination provisions~~ Tenders section, of Carrier's published tariff(s) [N] (Item No. 125 (LPGs) & Item No. 130 (Refined Products)), or as soon as reasonably practical after Carrier determines an allocation is necessary during a month. Shippers [C] ~~Shippers shall have, following Carrier's notification of each Shipper's allocated capacity, five (5) days to submit revisions to their initial Nominations so as to distribute their allocated capacity amongst the Products, origins, and destinations then served by Carrier. Should Shipper's revised~~ [N] will revise nominations [W] exceeding its allocated capacity for LPGs or Refined Products, as applicable, [N] in accordance with the Tenders section of Carrier's published tariff(s) (Item No. 125 (LPGs) & Item No. 130 (Refined Products)). Carrier shall have the right to alter any or all of Shipper's nominations in its sole discretion such that the nominations do not exceed the capacity allocated to Shipper for the applicable Allocation Month.

3. Good Faith Tenders

Carrier will accept only good faith Nominations from Shippers, and Carrier shall use whatever reasonable means necessary to determine whether Nominations are made in good faith. Good faith means the non-contingent ability of Shipper to deliver to Carrier at the origin(s), and to receive from Carrier at the destination(s) specified in the Nomination, all of the volume Nominated during the time period for which the Nomination is made. If requested by Carrier, Shipper shall provide additional documentation reasonably substantiating Shipper's ability to deliver and/or receive the Products and volumes Nominated.

4. Failure to Use Allocated Capacity

Except for a Contract Shipper with respect to its Minimum Volume, if a Shipper fails to deliver at the origin(s) or fails to remove at the destination(s), specified by it in its [N] binding Nomination, Products sufficient to fill its allocated capacity and such failure has not been caused by Carrier's force majeure, Shipper shall pay the [W] ~~transportation charges under~~ Nomination Shortfall Charge in accordance with the Tenders section of Carrier's published tariff [N] (Item No. 125 (LPGs) & Item No. 130 (Refined Products)) for the applicable Product movement for such unused allocated [W] Capacity, and Carrier shall also have the right, in a non-discriminatory manner, to reduce such Shipper's allocated capacity for the next Allocation Month in which such Shipper Nominates Product by an amount equal to such unused allocated capacity.

5. Constricted Receipt or Delivery Facilities

To fully utilize Carrier's system capacity during times of allocation, Carrier will review all receiving and delivery facilities to determine if any are restricted from injecting or receiving at Carrier's existing flow rates or throughput rates, and if there are such restricted facilities, Shippers using them will be subject to reduction of up to one hundred percent (100%) of the quantity nominated from or to the restricted facility. Carrier reserves the right to adjust allocations at restricted facilities in order to maximize total available pipeline capacity and throughput. Nominations from or to facilities that can inject or receive at Carrier's existing flow rates or throughput rates, or greater, will all be given equal priority.

6. Multiple Shipper Accounts

Unless otherwise requested by Shipper and agreed to by Carrier, Carrier will consolidate the movement history and Nominations of all of the Shipper's Products accounts for Shippers who have multiple Shipper accounts. If applicable, total allocated capacity will automatically be distributed among such Shipper's various accounts with any excess capacity allotment on one of its accounts being transferred to any account for which Nominated volume exceeds allotted capacity for that account. Nothing in this Item No. 6 will allow such Shipper to receive a capacity allocation greater than the total allocated capacity that such Shipper would be entitled to if all of its movement history were consolidated in one Shipper account.

7. No Enhancement of Allocation

In no event will a capacity allocation to a Shipper be used by such Shipper in such a manner that will enhance the allocated capacity of another Shipper beyond the allocated capacity that such Shipper would be entitled to under this Proration Policy. Carrier may require written assurances from a responsible officer of Shipper regarding its use of its allocated capacity stating that Shipper has not violated this Proration Policy.

8. Transfer of Shipment History

Except as provided in this Item 8, a Shipper's Shipment History may not be assigned, conveyed, loaned, transferred to, or used in any manner by another Shipper. Upon fifteen (15) days' notice to Carrier, a Shipper's Shipment History may be transferred (a) to a successor to substantially all of the Shipper's business, or (b) to a third party based on an agreement between the Shipper and such third party, if the Shipper provides Carrier with a letter or letters signed by authorized individuals in the Shipper's organization and the third party's organization agreeing to the transfer. Such letter shall be in a form acceptable to Carrier and must contain, at a minimum, the following information:

- i. The percent of the Shipper's Shipment History to be transferred to the third party's account.
- ii. The effective date of the transfer of such Shipment History. Such date shall be as of the beginning of a calendar month and cannot be done retroactively, and shall not be less than fifteen (15) days after Carrier receives notice of the proposed letter.

Carrier, after receipt of such information, will confirm in writing such transfer with the Shipper and the third party. Carrier shall be entitled to fully rely on, and conform its records to, the requested transfer.

Carrier shall not be obligated to confirm any requested transfer of Shipment History unless the transferee is also a Shipper on Carrier's system.

Any assignment of Shipment History approved by Carrier shall be irrevocable.

9. Determination of Allocation Capacity

During periods of allocation, Available Capacity shall be allocated by Carrier in accordance with the following sequence:

a. First, each Contract Shipper that Nominates to ship on its Priority Capacity for its Minimum Volume for such Allocation Month shall be allocated capacity equal to the lesser of (i) one hundred percent (100%) of its Minimum Volume, and (ii) its Nominated barrels. Any remaining portion of such Contract Shipper's Nominated volume shall be allocated under Items 9.b and 9.c, below.

b. Second, for allocations corresponding to the following segments, Available Capacity will be allocated as follows:

- For the 20" Main Line Segment and the 14" Seymour to Chicago Segment, Available Capacity will be allocated between Refined Products Shippers and LPG Shippers, pro rata based on the ratio of the historic movements of each class of Products on the applicable segments, determined as follows: the allocation factor to each class of Products will be based on total delivered barrels of interstate and intrastate movements of each Product through Carrier's 20" Main Line Segment and/or the 14" Seymour to Chicago Segment as applicable, during the same calendar month in the two years previous to the current year.

The portions of such total allocated Available Capacity shall be the "Refined Products Allocated Capacity (R)" and the "LPGs Allocated Capacity (L)," respectively, and shall be allocated to the applicable Shippers in accordance with the procedures set forth in Exhibits A and B hereto.

- For the Northeast Segment, Available Capacity for the Allocation Month will be allocated by Carrier in accordance with Exhibits C and "D" hereto.

In order to optimize volumes transported by Carrier for the benefit of Shippers, Carrier may in its reasonable discretion, for the purpose of determining Available Capacity, convert volumes of Products of differing flow rate characteristics to a standard base.

EXHIBIT A

CARRIER'S PRORATION POLICY FOR THE 20" MAINLINE SEGMENT AND THE 14" SEYMOUR TO CHICAGO SEGMENT REFINED PRODUCTS INJECTION ALLOCATION PROCEDURES

Allocation of Refined Products Allocated Capacity Among Refined Product Shippers:

1. New Shippers shall be included in the allocation of Refined Products Allocated Capacity. Total Refined Products Allocated Capacity available for New Shippers will not exceed 7.0% of the Refined Products Allocated Capacity of the applicable pipeline segment. Subject to the provisions below, each New Shipper will be granted an initial allocated capacity of 10,000 barrels of Refined Products for the Allocation Month, provided that such initial allocation of capacity shall not be made to more than one of any affiliated New Shipper(s). If the aggregate capacity allocated to all New Shippers pursuant to the previous sentence would exceed 7.0% of the Refined Products Allocated Capacity of the applicable pipeline segment, each New Shipper's allocation will be reduced on a proportional basis so that total Refined Products Allocated Capacity allocated to all New Shippers does not exceed 7.0% of the Refined Products Allocated Capacity of the applicable pipeline segment. Any unused capacity shall become available for allocation among Regular Shippers.
2. Calculate, on the basis of delivered barrels of interstate and intrastate movements with (i) Gulf Coast or El Dorado origins through Carrier's applicable pipeline segment for the 20" Mainline Segment or (ii) the 20" Mainline Segment, Seymour or Indianapolis origins through Carrier's applicable pipeline segments for the 14" Seymour to Chicago Segment, the total barrels of any/all Refined Products delivered during the Base Period, and divide this value by 12 to obtain the average monthly historical flow of Refined Products during this period. (For instance, if October 2014 is the Allocation Month, calculate the total Refined Products deliveries during the period of September 2013 through August 2014, and then divide this total value by 12). (Let R_{all}^H equal this value).
3. Calculate, on the basis of delivered barrels with (i) Gulf Coast or El Dorado origins for the 20" Mainline Segment or (ii) the 20" Mainline Segment, Seymour or Indianapolis origins for the 14" Seymour to Chicago Segment, the total barrels of any/all Refined Products delivered for a particular Shipper during the Base Period, and divide this value by 12 to obtain the average monthly historical flow of Refined Products delivered for that Shipper during this period. (For instance, if October 2014 is the Allocation Month, calculate the total Refined Product deliveries for that Shipper during the period of September 2013 through August 2014, and then divide this total value by 12). (Let $R_{shipper}^H$ equal this value).
4. Calculate the total available barrels of capacity for Refined Products which will be allocated to that Shipper by taking ($R_{shipper}^H$), divided by (R_{all}^H), and multiplying this quotient by the total barrels of capacity allocated to Refined Products (after any deductions for New Shippers) for the flow month (R). $R_{shipper} = (R_{shipper}^H / R_{all}^H) * R$.
5. Find the lower of (a) $R_{shipper}$ calculated above or (b) $R_{shipper}^N$ (Shipper's nominated Refined Products flow). Final Refined Products capacity allocated to a particular Shipper ($R_{shipperF}$) is the lower of these two values. $R_{shipperF} = \text{MIN} (R_{shipper}, R_{shipper}^N)$.

EXHIBIT B

CARRIER'S PRORATION POLICY 20" MAINLINE SEGMENT LPGs INJECTION ALLOCATION PROCEDURES

Allocation of LPGs Allocated Capacity Among LPGs Shippers:

1. New Shippers shall be included in the allocation of LPGs Allocated Capacity. Total LPGs Allocated Capacity available for New Shippers will not exceed 7.0% of the LPGs Allocated Capacity of the applicable pipeline segment. Subject to the provisions below, each New Shipper will be granted an initial allocated capacity of 10,000 barrels of LPGs for the Allocation Month, provided that such initial allocation of capacity shall not be made to more than one of any affiliated New Shipper(s). If the aggregate capacity allocated to all New Shippers pursuant to the previous sentence would exceed 7.0% of the LPGs Allocated Capacity of the applicable pipeline segment, each New Shipper's allocation will be reduced on a proportional basis so that total LPGs Allocated Capacity allocated to all New Shippers does not exceed 7.0% of the LPGs Allocated Capacity of the applicable pipeline segment. Any unused capacity shall become available for allocation among Regular Shippers.
2. Calculate, on the basis of delivered barrels of interstate and intrastate movements with (i) Gulf Coast or El Dorado origins through Carrier's applicable pipeline segment for the 20" Mainline Segment or (ii) the 20" Mainline Segment, Seymour or Indianapolis origins through Carrier's applicable pipeline segments for the 14" Seymour to Chicago Segment, the total barrels of any/all LPGs delivered during the Base Period, and divide this value by 12 to obtain the average monthly historical flow of LPGs during this period. (For instance, if October 2014 is the Allocation Month, calculate the total LPGs deliveries during the period of September 2013 through August 2014, and then divide this total value by 12). (Let V_{all}^I equal this value).
3. Calculate, on the basis of delivered barrels through Carrier's applicable pipeline segment, the total barrels of LPGs delivered for a particular Shipper during the Base Period, and divide this value by 12 to obtain the average monthly historical flow of LPGs delivered for that Shipper during this period. (For instance, if October 2014 is the Allocation Month, calculate the total deliveries of LPGs for that Shipper during the period of September 2013 through August 2014, and then divide this total value by 12). (Let $V_{shipper}^I$ equal this value).
4. Calculate the total available barrels of capacity for LPGs which will be allocated to that Shipper by taking ($V_{shipper}^I$), divided by (V_{all}^I), and multiplying this quotient by the total barrels of LPGs Allocated Capacity (after any deductions for New Shippers) allocated for the Allocation Month (I). $V_{shipper} = (V_{shipper}^I / V_{all}^I) * L$
5. Find the lower of: (a) $V_{shipper}$ calculated above or (b) $V_{shipper}^N$ (Shipper's nominated Product volume). Final LPGs capacity allocated to a particular Shipper ($V_{shipperFI}$) is the lower of these two values. $V_{shipperFI} = \text{MIN}(V_{shipper}, V_{shipper}^N)$.

EXHIBIT C

CARRIER'S PRORATION POLICY NORTHEAST SEGMENT INJECTION ALLOCATION PROCEDURES

Allocation between individual Shippers of total barrels of injection capacity

1. Calculate, on the basis of injected barrels of interstate and intrastate movements through Carrier's applicable pipeline segment, the total barrels of any Products injected during the Base Period, and divide this value by 12 to obtain the average monthly historical flow of Products during this period. (For instance, if October 2014 is the Allocation Month, calculate the total deliveries during the period of September 2013 through August 2014, and then divide this total value by 12). (Let X_{all}^I equal this value).
2. Calculate, on the basis of injected barrels through Carrier's applicable pipeline segment, the total barrels of Products injected by a particular Shipper during the Base Period, and divide this value by 12 to obtain the average monthly historical volume of Products injected by that Shipper during such Base Period. (For instance, if October 2014 is the Allocation Month, calculate the total volume of Products injected by that Shipper during the period of September 2013 through August 2014, and then divide this total value by 12). (Let $X_{shipper}^I$ equal this value).
3. Calculate the total available barrels of capacity for Products which will be allocated to that Shipper by taking ($X_{shipper}^I$), divided by (X_{all}^I), and multiplying this quotient by the total barrels of capacity allocated for the Allocation Month (X). $X_{shipper} = (X_{shipper}^I / X_{all}^I) * X$
4. Find the lower of: (a) $X_{shipper}$ calculated above or (b) $X_{shipper}^N$ (Shipper's nominated Product injection volume). Final Products injection capacity allocated to a particular Shipper ($X_{shipperFI}$) is the lower of these two values. $X_{shipperFI} = \text{MIN} (X_{shipper}, X_{shipper}^N)$.

EXHIBIT D

CARRIER'S PRORATION POLICY NORTHEAST SEGMENT DELIVERY ALLOCATION PROCEDURES

Allocation between individual Shippers of total barrels of delivery capacity

1. Calculate the total available barrels of delivery capacity for Products which will be allocated to each Shipper by taking D^I_{shipper} (as determined in part 3. below), divided by the average for this same period of the total amounts determined in part 3. below for all Shippers (D^I_{all}), and multiply this quotient by the total barrels of capacity allocated for the Allocation Month (D). $D_{\text{shipper}} = (D^I_{\text{shipper}} / D^I_{\text{all}}) * D$.
2. Find the lower of: (a) D_{shipper} calculated above or (b) D^N_{shipper} (Shipper's nominated Products flow). Final Product capacity allocated to a particular Shipper ($D_{\text{shipperFI}}$) is the lower of these two values. $D_{\text{shipperFI}} = \text{MIN}(D_{\text{shipper}}, D^N_{\text{shipper}})$.
3. In determining its allocated capacity, each Shipper shall be entitled to a Shipment History Credit (D^I_{shipper}) determined as follows: calculate, on the basis of barrels delivered from Carrier's applicable pipeline segment, the total barrels of Products delivered for such Shipper during each month of the Base Period, applying for each such month the Shipment History Multiple (as defined below) applicable to Products delivered by Carrier for such Shipper during such month, and divide this aggregate value by 12. For the Northeast Segment, deliveries made during Summer Months shall be assigned a Shipment History Multiple of three (3); all other deliveries shall be assigned a Shipment History Multiple of one (1).
4. Example of Shipment History Credit Calculation
 - For instance, if October 2014 is the Allocation Month and the applicable segment is the Northeast Segment, calculate the total Shipment History Credit applicable to each Shipper by multiplying total deliveries of Product for such Shipper during the period of September 2013 through August 2014 by the appropriate Shipment History Multiple:
 - September and October 2013 Product deliveries are assigned a 3:1 Shipment History Multiple.
 - November 2013 to March 2014 Product deliveries are assigned a 1:1 Shipment History Multiple
 - April 2014 to August 2014 Product deliveries are assigned a 3:1 Shipment History Multiple.
 - Sum the products of (a) the total barrels delivered for a particular Shipper for each of the months comprising the Base Period; and (b) the respective Shipment History Multiple assigned to the Products delivered for the Shipper during such months (such sum being the "**Shipment History Credit**"). Divide this total value by 12 to determine D^I_{shipper} .