

**FERC No. 1.8.0**  
**(Cancels FERC No. 1.7.0)**

# **PANOLA PIPELINE COMPANY, LLC**

**LOCAL PIPELINE TARIFF**

Containing

**RATES, RULES & REGULATIONS GOVERNING**

The Interstate Transportation of

## **PETROLEUM PRODUCTS**

Transported by Pipeline

From and To Points Named Herein

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Issued under the authority of 18 CFR § 342.3- Indexing and 342.4(c) - Settlement Rates.

The rates in this tariff are expressed in cents per Barrel of 42 U.S. Gallons and are subject to change as provided by law, and to the Rules and Regulations published herein, supplements hereto and revisions hereof.

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

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## SECTION I: RATES

1. The rates published in this tariff are for transportation within the State of Texas, through Carrier's System, for Petroleum Products destined for interstate commerce. Such transportation is subject to the rules and regulations contained herein, and to all applicable rules, regulations and orders of the Federal Energy Regulatory Commission and other governmental authorities having jurisdiction.
2. Rates are in cents per Barrel applying on Petroleum Products from the established receiving facilities to the established delivery facilities at points named below:

### Base Rates

<u>Origin</u>	<u>Destination</u>	<u>Rate</u>
Rates in Cents Per Barrel of 42 U.S. Gallons.		
DCP Midstream East Texas Complex (Carthage, Panola County, Texas)	West Texas LPG Pipeline Lufkin (Angelina County, Texas)	[I] 95.82
DCP Midstream George Gray Plant (Carthage, Panola County, Texas)		
MarkWest Energy Carthage Plants (Carthage, Panola County, Texas)		
DCP Midstream Crossroads Plant (Carthage, Panola County, Texas)		
Marlin Midstream Carthage Plants (Carthage, Panola County, Texas)		
Enbridge G&P Beckville Plant (Carthage, Panola County, Texas)		

**SECTION I: RATES** (Continued)

**Contract Rates\***

<u>Origin</u>	<u>Destination</u>	<u>Rate</u>
Rates in Cents Per Barrel of 42 U.S. Gallons.		
DCP Midstream East Texas Complex (Carthage, Panola County, Texas)	West Texas LPG Pipeline Lufkin (Angelina County, Texas)	[I] 98.97
DCP Midstream George Gray Plant (Carthage, Panola County, Texas)		
MarkWest Energy Carthage Plants (Carthage, Panola County, Texas)		
DCP Midstream Crossroads Plant (Carthage, Panola County, Texas)		
Marlin Midstream Carthage Plants (Carthage, Panola County, Texas)		
Enbridge G&P Beckville Plant (Carthage, Panola County, Texas)		

\*Applicable only to Shippers that have executed a TSA with Carrier.

## **SECTION II: PRODUCT SPECIFICATIONS**

- Carrier will receive only Petroleum Products for transportation under this tariff. Petroleum Products must be tendered for transportation in volumetric Barrels. The composite stream consists of a mixture of Petroleum Products subject to contaminant restrictions and product parameters as defined below.

The specification defines only a basic purity for this Product. This Product is to be free of any contamination that might render the Product unusable for its commonly used applications. Specific contaminants (but not limited to) are caustics, chlorides, oxygenates, heavy metals, glycol, and inorganic gases.

<u><b>Contaminant</b></u>	<u><b>Test Method</b></u>	<u><b>Units (Maximums)</b></u>
Carbon Dioxide	GPA 2177, GPA 2186	1,000 ppm by weight
Color Saybolt Number* See Note 2	ASTM D156, ASTM D6045	+25 Min.
Methane	GPA 2186	* See Note 1
Distillation: End Point * See Note 2	ASTM D86	375 °F Max
Aromatics	GPA 2186	10.0% (Liq. Vol.)
Olefins		1.0% (Liq. Vol.)
Corrosiveness: Copper Strip	ASTM D1838	1B
Total Sulphur	ASTM D5623, ASTM D6667	150 ppm by weight in liquid
Hydrogen Sulfide	ASTM D5623	Pass
Halide	UOP 619, ASTM D7359	1.0 ppm by weight

### **Notes**

- Methane maximum is 0.50 LV% of the total stream or 1.50 LV% of the ethane content, whichever is greater. (Based on absolute density, lbm/gal of methane, published in GPA 2145)
- Distillation and color to be run at atmospheric pressure on that portion of the mixture having a boiling point of 70°F and above.

Product shall be commercially free from sand, dust, gums, gum-producing substances, oil, glycol, inhibitors, amine, any other contaminants, or any compound added to the product to enhance the ability to meet these specifications, and other impurities that may be injurious to the Carrier's property or the property of third parties, or may interfere with its transmission through the pipeline.

<u><b>Product Parameters</b></u>	<u><b>Test Method</b></u>	<u><b>Units (Maximums)</b></u>
Dryness	Visual	No Free Water
Vapor Pressure	GPA 2140 and GPA 2145	400 psia (composite blend @85°F)
Temperature		120°F Max

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## **SECTION II: PRODUCT SPECIFICATIONS** (Continued)

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Where GPA, ASTM or API publications are referenced in this tariff, the reference applies to the publication as it may be amended from time to time. Methane in excess of limits stated herein shall be considered as contaminant and product so contaminated shall not be received by Carrier. However, it is recognized that Product so contaminated may be tendered to Carrier without Carrier's knowledge. During any period in which Shipper's product exceeds the specification, the methane content in excess of the specification will be deducted from Shipper's delivered volume of methane.

1. Shipper shall perform applicable tests to insure that the stream delivered to Carrier's pipeline conforms to Carrier's specifications. Should spot samples, analyses, or any other test (including tests performed by Carrier) indicate that the stream delivered does not meet the specifications required by Carrier, Shipper agrees, either voluntarily or upon notification by Carrier, to stop delivery of such off-specification stream to Carrier until such time as it is determined by additional testing that the stream meets the definition of Petroleum Products issued by Carrier. Shipper shall indemnify and save Carrier harmless from any loss sustained by other Shippers or by Carrier by reason of contamination or damage to other Petroleum Products in Carrier's custody, or by reason of damage to Carrier's pipeline or associated facilities caused by failure of the materials accepted for transportation to meet specifications issued by Carrier.
2. Upon request by Carrier, Shipper shall furnish a certificate from an independent petroleum laboratory certifying the results of the appropriate tests of the Petroleum Products tendered for transportation demonstrating that they meet the Product specifications contained herein.
3. Carrier reserves the right to refuse to accept any Petroleum Products for transportation that do not meet Carrier's Petroleum Product specifications or that are not good merchantable Petroleum Products readily acceptable for transportation through Carrier's existing facilities.
4. If, upon investigation, Carrier determines that Shipper has delivered to Carrier's facilities Petroleum Products that have contaminated the common fungible stream, rendering all or a portion of the fungible Petroleum Products stream undeliverable, Carrier reserves the right to treat or otherwise dispose of all contaminated Petroleum Products in any reasonable commercial manner at Shipper's sole expense.
5. On Petroleum Products received by Carrier that do not meet Product deliverability requirements, Carrier reserves the right to charge an additional [U] 100 cents per Barrel penalty fee and the right to treat, handle or otherwise dispose of all off-spec Petroleum Products in any reasonable commercial manner at Shipper's sole expense.
6. Petroleum Products having a vapor pressure of less than 12 Psia will not be accepted for shipment hereunder. Carrier reserves the right to accept limited volumes of high vapor pressure material for shipment hereunder provided the composite stream transported in Carrier's pipeline does not exceed 400 Psia at 85° Fahrenheit. Such limitations will be based upon Shipper's pro rata share of volumes shipped.

## SECTION III: RULES AND REGULATIONS

### Item 1- Abbreviations and Definitions

Agreement	An agreement, including a TSA, executed by Carrier and Shipper, which provides for transportation services subject to the terms of this tariff.
API	American Petroleum Institute.
ASTM	American Society for Testing Materials.
Barrel	A volume of 42 gallons or 9,702 cubic inches United States measurement at 60° Fahrenheit.
Carrier	Panola Pipeline Company, LLC.
Component(s)	The individual hydrocarbon constituents of methane, ethane, propane, isobutane, normal butane, isopentane, normal pentane, hexanes and other heavier hydrocarbons.
Component Imbalance	For each Component for any month, the product resulting from multiplying the Component Quantity for such month by the Imbalance Factor for such month.
Component Quantity	For each Component for any month, the quantity, in gallons, of such Component present in the Gross Imbalance Quantity for such month.
Component Settlement Price	For each Component, the price per gallon for such Component for any given month will be the applicable OPIS Price.
Consignee	The party, including a connecting pipeline system, to whom Shipper has ordered delivery of Petroleum Products.
Contract Shipper	A Shipper that has executed a TSA prior to August 2, 2013.
Contract Volume	The volume of Petroleum Products specified by Contract Shippers (s) to ship on the pipeline pursuant to the Contract Shipper's TSA.
Day	The period between 7:00 a.m. on one day and 7:00 a.m. the following day.
Dedication Shipper	A Shipper that has dedicated Petroleum Product to Carrier pursuant to a TSA that Shipper entered into as part of the open season Carrier held beginning December 15, 2014.
Dedication Shipper Capacity	The 90% of the 2016 Expansion Capacity that is reserved for Dedication Shippers each Month.
Dedication Volume	For any given Month, the daily average volume of Petroleum Products, in Barrels, that a Dedication Shipper has subscribed to in the Dedication Shipper's TSA. The value of a Dedication Shipper's Dedication Volume will be calculated pursuant to the terms of the Dedication Shipper's TSA.

**Item 1- Abbreviations and Definitions (Continued)**

Delivery	The transfer from Carrier at destination to Consignee.
2013 Expansion	The 2013 modification to the existing facilities of Carrier that resulted in approximately 15,000 Barrels per Day of increased capacity.
2016 Expansion	The 2016 modification to the existing facilities of Carrier that resulted in approximately (50,000) Barrels per Day of increased capacity.
Gallon	A volume of one U.S. liquid gallon or 231 cubic inches United States measurement at 60° Fahrenheit.
GPA	Gas Processors Association.
Gross Imbalance Quantity	For any Month, Receipt volume for such Month minus the Delivery volume for such Month.
Historical Volume	The total of Shipper's Historical Volume for all Shippers.
Imbalance Factor	For any Month, the Net Imbalance Quantity for such Month divided by the absolute value of the Gross Imbalance Quantity for such Month.
In Line Inventory	The Mix in Carrier's custody following Receipt in the pipeline and before Delivery to Consignee.
Liq. Vol.	Liquid Volume.
Mix	Mixture of Components.
Month	The period from 7:00 a.m. on the first day of a calendar month to 7:00 a.m. on the first day of the following calendar month.
Monthly Imbalance	For any Month, the sum of each product (both positive and negative) resulting from multiplying each Component Imbalance for such Month times the corresponding Component Settlement Price for such Month; provided, however, with respect to any Month for which the absolute value of the Gross Imbalance Quantity for such Month is less than or equal to the product of 0.25% times the Receipt volume for such Month, then the Monthly Imbalance for such Month shall be zero.
MPMS	Manual of Petroleum Measurement Standards
Net Imbalance Quantity	For any Month, the absolute value of the Gross Imbalance Quantity for such Month minus the product resulting from multiplying: (X) 0.25% times (Y) the Receipt volume for such Month.
Net Volume	Component volume calculated to 60° Fahrenheit in accordance with GPA Standard 8173.



**Item 1- Abbreviations and Definitions (Continued)**

OPIS Price	<p>The average of the daily “Avg” prices (in cents per Gallon) in the table entitled “OPIS Mont Belvieu Spot Gas Liquids Prices” under the heading “Any Current Month” as listed in the <i>OPIS North America LPG Report</i> published by the Oil Price Information Service for each Day during the applicable Month on which the Oil Price Information Service publishes the OPIS North America LPG Report as follows:</p> <table border="0"> <tr> <td>NGL Component</td> <td>OPIS Price Heading</td> </tr> <tr> <td>Ethane</td> <td>“Purity Ethane”</td> </tr> <tr> <td>Propane</td> <td>“NON-TET Propane”</td> </tr> <tr> <td>Normal Butane</td> <td>“NON-TET N. Butane”</td> </tr> <tr> <td>Isobutane</td> <td>“NON-TET Isobutane”</td> </tr> <tr> <td>Natural Gasoline</td> <td>“NON-TET N. Gasoline”</td> </tr> </table>	NGL Component	OPIS Price Heading	Ethane	“Purity Ethane”	Propane	“NON-TET Propane”	Normal Butane	“NON-TET N. Butane”	Isobutane	“NON-TET Isobutane”	Natural Gasoline	“NON-TET N. Gasoline”
NGL Component	OPIS Price Heading												
Ethane	“Purity Ethane”												
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Normal Butane	“NON-TET N. Butane”												
Isobutane	“NON-TET Isobutane”												
Natural Gasoline	“NON-TET N. Gasoline”												
Product or Petroleum Products	A Mix recovered from natural gas processing plants as from time to time defined by GPA Standard and meeting specifications set forth in Section II above.												
Ppm	Parts per million.												
Psia	Pounds per square inch absolute.												
Receipt	The transfer from Shipper at the applicable origin to Carrier.												
Reserved New Shipper Capacity	During periods of allocation, a maximum of 10% of Carrier’s capacity allocated to Shippers that do not have Shipper’s Historical Volume and certain interstate Shippers.												
Shipper(s)	The party or parties, including a Contract Shipper or a Dedication Shipper, for whom transportation services are provided under the terms and conditions of this tariff or Carrier’s intrastate tariff.												
Shipper’s Historical Volume	Except as set forth in Item 15, the total receipt from Shipper during the last 12 complete Months prior to the Month before the calendar Month during which capacity will be prorated.												
TSA or Transportation Service Agreement	An Agreement for transportation service executed by a Contract Shipper or a Dedication Shipper and Carrier.												

**ITEM 2 – Storage Facilities**

Carrier does not furnish storage facilities or services at receiving point(s) or delivery point(s). Petroleum Products will be accepted for transportation only when Shipper and Consignee have provided equipment and facilities satisfactory to Carrier for receiving same without delay at point(s) of destination from Carrier.

**ITEM 3 - Maintenance of Identity**

- Petroleum Products, which are accepted for transportation, are subject to changes in quality while in transit. Delivery shall be made to Consignee out of common stock in Carrier’s pipeline at point of delivery.
- Carrier may inject a corrosion inhibitor compound in the Petroleum Products to be transported, and Shipper and Consignee will accept delivery at destination containing

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**ITEM 3 - Maintenance of Identity (Continued)**

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- portions of a corrosion inhibitor. The corrosion inhibitor so injected shall not be in quantities or contain chemicals that would cause the Petroleum Products delivered to Consignee to fail in meeting the specifications set forth in Section II of this tariff.
- Carrier will assume no liability for discoloration, contamination, or deterioration of Petroleum Products transported unless resulting from the negligence of Carrier.

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**ITEM 4 - Metering, Testing, Sampling, and Deduction**

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- All shipments tendered to Carrier for transportation and deliveries made by Carrier shall be measured by Carrier's representative prior to, or at the time of, receipt from Shipper. Shipper shall, at all times, have the privilege of being present or represented during testing or measuring of its respective volumes. All measurements shall be made in accordance with the API MPMS. Quantities received or delivered shall be calculated in accordance with GPA Standard 8173. Monthly Imbalances will be determined by utilizing Monthly meter information to calculate Gross Imbalance Quantity. If the sum of all Monthly Imbalances for the 12-Month period ending on December 31 of each year yields a positive result, then Carrier shall pay Shipper(s), an amount of money equal to the sum of such Monthly Imbalances, within 30 Days after such date. If the sum of all Monthly Imbalances for the 12-Month period ending on December 31 of each year yields a negative result, then Shipper(s) shall pay to Carrier, an amount of money equal to the absolute value of the sum of such Monthly Imbalances, within 30 Days after such date.
- A composite sample of Mix will be collected in a floating piston cylinder at each custody transfer point on the system. The sample grabs will be in proportion to the mass flow rate. Sampling will be in accordance with the API MPMS and GPA Standard 2174. At the end of each sample period and at least monthly, this composite sample will be analyzed by gas chromatography at a laboratory selected by Carrier. The composite samples from each receipt point will be kept until the 20th of each Month. Sample analysis reports will be forwarded by the laboratory to all interested parties. It will be the responsibility of each recipient to examine the analysis and promptly advise Carrier of any questions no later than the 19th of the month so that arrangements can be made for additional sample retainage time and sample testing.
- The analysis of composite samples shall be by gas chromatography in accordance with the principles outlined in GPA Standard 2177 "Analysis of Demethanized Hydrocarbon Liquid Mixtures Containing Nitrogen and Carbon Dioxide by Gas Chromatography" and GPA Standard 2186 Method for the Extended Analysis of Hydrocarbon Liquid Mixtures Containing Nitrogen and Carbon Dioxide by Temperature Programmed Gas Chromatography". The laboratory will handle the composite samples in accordance with GPA Standard 2174. The laboratory will be responsible for thoroughly mixing and agitating the sample before beginning analysis.
- In case the sample analysis is suspect, plant operations will be reviewed to determine if plant operating procedures changed during sampling period. If no operating changes are evident and if there is no other assignable cause for the suspect analysis, then the last two months of acceptable analysis will be averaged and used for the current month's business.
- The sample analysis report will include molecular, volume, and weight percent value for the following.

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**ITEM 4 - Metering, Testing, Sampling and Deduction (Continued)**

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Components:

N2	Nitrogen	IC4	Isobutane
CO2	Carbon Dioxide	NC4	Normal Butane
C1	Methane	IC5	Isopentane
C2	Ethane	NC5	Normal Pentane
C3	Propane	C6+	Hexanes Plus

- This report will also include the molecular weight and characterized specific gravity of the C6+ fraction.
- A volume deduction equal to the volume of water and other contaminants present in any Petroleum Products tendered for transportation will be made as appropriate.
- Metering pressure will be sufficiently above the stream bubble point as to insure the Petroleum Products remain completely in the liquid phase.

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**ITEM 5 - Proration of Pipe Line Capacity**

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When the total volume nominated for shipment by all Shippers is greater than the volume of Petroleum Products that can be transported within the period and between the locations specified by such nominations, Petroleum Products nominated by each Shipper for transportation will be transported between such locations in such quantities, at such times and to the limit of Carrier's operating capacity to avoid discrimination (unreasonable performance or prejudice) among Shippers, and so not to adversely affect the reasonable operation of Carrier's facilities subject to the following provisions and to the provisions of Item 15:

- Any Shipper that does not have Shipper's Historical Volume and receives less than 200 Barrels per Day of allocation will be given capacity to handle the Shipper's production or 200 Barrels per Day whichever is less. A maximum of Reserved New Shipper's Capacity will be allocated to this class of Shipper. If the total aggregate volume from this class exceeds the Reserved New Shipper Capacity, then the Reserved New Shipper Capacity will be allocated first to new interstate Shippers. If the total aggregate volume of new interstate Shippers exceeds the Reserved New Shipper Capacity, then each new interstate Shipper will receive an equal portion of the Reserved New Shipper Capacity so allocated. Any portion of the Reserved New Shipper Capacity remaining after allocation to new interstate Shippers, will be allocated to each interstate shipper that is not a new shipper, a Contract Shipper or a Dedication Shipper based on each interstate shipper's Historical Volume. Any portion of the Reserved New Shipper Capacity remaining shall be allocated in equal amounts to each new intrastate shipper.
- Following the allocation to new Shippers and certain interstate Shippers described above, each Contract Shipper shall be allocated its nominated volume, up to its Contract Volume.
- Following the allocation to new Shippers, certain interstate Shippers, and Contract Shippers described above, each Dedication Shipper shall initially be allocated capacity equal to its nominated volume, up to its Dedication Volume; provided that if the total capacity allocated to Dedication Shippers

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**ITEM 5 - Proration of Pipe Line Capacity** (Continued)

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under such initial allocation exceeds the available Dedication Shipper Capacity, then the Dedication Shippers shall be allocated the available Dedication Shipper Capacity on a pro-rata basis, according to the level of their respective Dedication Volumes. Following such initial allocation, any remaining available capacity shall be allocated among Dedication Shippers having remaining unmet nominations, on a pro-rata basis according to the level of their respective Dedication Volumes.

- Allocation of any remaining capacity, following the allocation to new Shippers, certain interstate Shippers, Contract Shippers, and Dedication Shippers, will be based on each Shipper's Historical Volume. During periods of proration, space will be allocated to each Shipper in the respective proportion of the Shipper's Historical Volume to the total Historical Volume of all Shippers connected to the pipeline.
- Allocations will be given as an average daily volume and will be calculated for the calendar Month. Allocated space that is not used will be allocated first among the Contract Shippers, up to the Contract Shippers' nominations, then among the Dedication Shippers up to the Dedication Shippers' nominations.
- To penalize inflation of Shippers' nominations, a Shipper's space allocation for the next period of proration will be reduced by the amount of an allocated throughput not shipped in the preceding month.

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**ITEM 6 - Liens and Title**

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Carrier shall have the right to reject any Petroleum Products when tendered for transportation that may be involved in litigation, or the title of which may be in dispute, or that may be encumbered by lien or charge of any kind. If Carrier has a reasonable basis to believe that such a situation exists, then it will require of the Shipper satisfactory evidence of this perfect and unencumbered title or satisfactory indemnity to protect Carrier against any and all loss resulting from transporting Petroleum Products involved in litigation.

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**ITEM 7 - Liability of Carrier**

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Carrier, while in possession of the Petroleum Products herein described, shall not be liable for any loss, damages, or delay caused by acts of God, acts of public enemy, wars, blockages, insurrections, strikes, or differences with workers, riots, disorders, epidemic quarantines, landslides, lightning, earthquake, fires, storms, floods, washouts, civil disturbances, explosions, sabotage, authority of the law or of public order, or act of default of Shippers or for any other cause not due to sole negligence of Carrier, whether similar or dissimilar to the causes herein enumerated. In the case of loss of any Petroleum Products from any such causes, Shipper shall bear the loss in such proportion as the amount of its Petroleum Products is to the volumes of all the Petroleum Products then in custody of Carrier for shipment via the pipeline or other facilities in which the loss or damage occurs, and Shipper shall be entitled to have delivered only such portion of its shipment as may remain after deduction of its due proportion of such loss, but in such events, Shipper shall be required to pay transportation charges only on the quantity of Petroleum Products actually delivered.

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**ITEM 8 – Receipts, Deliveries, Component Balancing and Tenders**

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- Shippers desiring to originate Petroleum Product shall furnish a nomination via Estream no later than the 15<sup>th</sup> Day of the preceding month in which Shipper desires transportation.
- A nomination shall specify the origin and destination of the Petroleum Products offered to Carrier. If Shipper does not furnish such nomination, Carrier will be under no obligation to accept such Petroleum Product for transportation.
- Carrier will transport Petroleum Products with reasonable diligence considering the quality of the Petroleum Products, the distance of transportation and other material elements.
- Carrier will deliver a volume of Mix to Consignee equal to the Net Volume of Receipts less adjustments provided herein.
- Each Shipper will be required to furnish up to 5 Days' production as In Line Inventory. New Shippers will be required to deliver a Net Volume of Mix equal to their pro-rata share of the
- In Line Inventory before any deliveries will be made. Subject to Item 9, Petroleum Products furnished to Carrier as In Line Inventory shall be returned to Shipper and charged applicable tariff rates after Shipper has provided written notice to Carrier of Shipper's intent to cease shipping and after a reasonable period of time to allow for administrative and operational requirements associated with the withdrawal of such Petroleum Products.
- Carrier will furnish, by the 10th working Day subsequent to the Month of delivery to each Shipper, a Monthly statement of (1) Component volumes of Mix received by Carrier for the account of that Shipper, (2) Component volumes of Mix delivered for Shipper's account to each Consignee, and (3) volumes by Component in inventory.
- Monthly Imbalances will be determined by utilizing gas chromatography analysis of composite sample(s) to calculate Component Imbalances. If the sum of all Monthly Imbalances for the 12 month period ending on December 31 of each year yields a positive result, then Carrier shall pay Shipper(s) an amount of money equal to the sum of such Monthly Imbalances within 30 Days after such date. If the sum of all Monthly Imbalances for the 12 month period ending on December 31 of each year yields a negative result, then Shipper(s) shall pay to Carrier an amount of money equal to the absolute value of the sum of such of such Monthly Imbalances within 30 Days after such date.

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**ITEM 9 - Payment of Transportation and Other Charges**

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Shipper shall pay Carrier the rate specified for transportation and other lawful charges including, but in no way limited to penalties accruing on Petroleum Products tendered and accepted for shipment based on receipt volumes, and if required, shall pay same before receipt. Carrier shall have a lien on all Petroleum Products in its possession to cover charges for transportation and other lawful charges, and may withhold delivery of Petroleum Products until said charges are paid. Payment must be made by Shipper to Carrier within 15 Days of invoice. Carrier may require that all payments to Carrier for services pertaining to the transportation of Petroleum Products be wire transferred in accordance with the instructions on Carrier's invoice to Shipper. In the event Carrier determines that the financial condition of a Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines it is necessary to

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**ITEM 9 - Payment of Transportation and Other Charges** (Continued)

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obtain security from a Shipper, Carrier, upon notice to Shipper, will require any of the following prior to Carrier's delivery of Shipper's Petroleum Products in Carrier's possession or prior to Carrier's acceptance of Shipper's Petroleum Products:

1. prepayment of all charges by wire transfer and shall be held by Carrier without interest accruing thereon until credited to Shipper,
2. a letter of credit at Shipper's expense in favor of Carrier in an amount sufficient to ensure payment of all such charges and in a form and from an institution acceptable to Carrier, or
3. a guaranty in an amount sufficient to ensure payment of all such charges, and in a form, and from a third party acceptable to Carrier.

In the event Shipper fails to comply with any such requirement on or before the date supplied in Carrier's notice to Shipper, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to this tariff until such requirement is fully met.

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**ITEM 10- Notice of Claims**

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Notice of claims for loss, damage or delay in connection with a shipment of Petroleum Products must be in writing to Carrier within 91 Days after a reasonable time for delivery shall have elapsed. Suit shall be instituted against Carrier only within two years and one Day from the Day that notice is given in writing by Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice.

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**ITEM 11 - Application of Rates**

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Transportation and all other lawful charges accruing on Petroleum Products accepted for transportation shall be assessed by Carrier at the rate in effect at the date Petroleum Products are received at the origin. Transportation charges will be billed on the basis of volume received. For Petroleum Products accepted for transportation from any point on Carrier's pipeline not named in this tariff, Carrier will apply the rate published herein for the next more distant point specified in this tariff.

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**ITEM 12 - Delivery at Destinations**

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Upon arrival at destination, the Petroleum Products will be delivered to Consignee through the facilities provided by Consignee. Consignee shall receive from Carrier's line without delay the Petroleum Products transported to the destination point for its account. If Shipper or Consignee is unable or refuses to receive said Petroleum Products as it arrives at destination, Carrier reserves the right to make whatever arrangements for disposition of the Petroleum Products it deems appropriate to clear its pipeline. Any additional expenses incurred by Carrier in making such arrangements shall be borne by Shipper or Consignee.

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**ITEM 13 - Connection Agreement Required**

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Separate connection agreements in accordance with this tariff and these regulations covering further details may be required of the proposed Shipper before any duty of transportation shall arise. These connection agreements may include information relating to current and future design requirements of Carrier's system.

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**ITEM 14 - Charge for Spill Compensation**

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In addition to the transportation charges and all other charges accruing on Petroleum Products accepted for transportation, a per Barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against Carrier in connection with such Petroleum Products, pursuant to any federal, state, or local act or regulation that levies a tax, fee, or other charge on the Receipt, Delivery, transfer, or transportation of such Petroleum Products within their jurisdiction for the purpose of creating a fund for the prevention, containment, cleanup and/or removal of spills and/or the reimbursement of persons sustaining loss therefrom.

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**ITEM 15 – Contract and Dedication Shipper Nominations**

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- If nominations of committed volumes by all Contract Shippers in any Month total less than the aggregate Contract Volume, then Carrier shall be entitled to use the unutilized capacity of the 2013 Expansion to accommodate volumes nominated by other Shippers. Shipments of Petroleum Products by a Shipper using such unutilized capacity of the 2013 Expansion shall not be included in the calculation of that Shipper's Historical Volume.
- When nominations of Dedication Volumes by all Dedication Shippers in any Month total less than Dedication Shipper Capacity, then Carrier shall be entitled to use the unutilized Dedication Shipper Capacity to accommodate volumes nominated by other Shippers. Shipments of Petroleum Products by a Shipper using such unutilized Dedication Shipper Capacity shall not be included in the calculation of that Shipper's Historical Volume.

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**ITEM NO. 16 – Application of Rates from Intermediate Points**

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For Product accepted for transportation from any point on Carrier's pipeline not named in this tariff, which is an intermediate point from which rates are published herein, through such unnamed point, the Carrier will apply, from such unnamed point, the rate published herein from the next more distant point specified in the tariff. If service is to be used on a continuous basis for more than 30 days, Carrier will file a tariff applicable to the transportation movement.

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**ITEM NO. 17– Application of Rates to Intermediate Points**

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For Product accepted for transportation to any point on Carrier's pipeline named in this tariff, which is intermediate to a point to which rates are published herein through such unnamed point, the Carrier will apply to such unnamed point the rate published herein to the next more distant point specified in this tariff. If service is to be used on a continuous basis for more than 30 days, Carrier will file a tariff applicable to the transportation movement.

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**ITEM 18 – Route Directory**

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Rates in tariff apply via all routes made by the use of the line of Carrier.

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## ITEM 19 - EXPLANATION OF REFERENCE MARKS

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- [I] Increase
- [U] Unchanged rate