

TEXAS EXPRESS PIPELINE LLC

Local, Joint and Contract Pipeline Tariff

Containing

RATES, RULES AND REGULATIONS

Applying on the Interstate Transportation of

DEMETHANIZED MIX

Transported by Pipeline

From and To Points Named Herein

[N]Filed under authority of 18 CFR §342.3 (Indexing) and 342.4(c) (Settlement Rates)

[C]Issued under authority of 18 CFR § 342.3 — Indexing and 341.4 — Amendments of tariff filings.

Issued on 13 days' notice under authority of 18 CFR 341.14 — Special Permission. This tariff publication is conditionally accepted subject to refund pending a 30 day review period.

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 are governed by the Rules and Regulations published herein, supplements hereto and reissues hereof.

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

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GENERAL APPLICATION OF TARIFF

Product, only as defined herein, will be transported and/or handled through Carrier's facilities only as provided in these rules and regulations.

RULES AND REGULATIONS

ITEM 1 - DEFINITIONS

Agreement - shall mean an agreement, including a TSA, executed by Carrier and Shipper, which provides for transportation services subject to the terms of this tariff.

Barrel - shall mean forty-two (42) United States gallons of two hundred thirty-one (231) cubic inches at sixty degrees Fahrenheit (60°F) and equilibrium vapor pressure.

Carrier - shall mean either Texas Express Pipeline LLC or Mid-America Pipeline Company, LLC.

Contract Shipper - shall mean a Shipper that has executed a TSA.

Contract Volume - shall mean the daily maximum volume of Product specified by Contract Shipper to ship on the pipeline pursuant to the TSA.

Estream - shall mean the integrated business operating system utilized by Carriers for the coordination of all business conducted on Carriers' pipelines and facilities.

Day - shall mean the twenty-four (24) hours between 7:00 a.m. and 7:00 a.m. the following day.

Demethanized Mix - shall mean a mixture of any or all of the following components: ethane, propane, isobutane, normal butane, and natural gasoline.

Initial Term – a period of time which ends on the fifteenth (15th) anniversary of the in-service date

Month - shall mean 7:00 A.M. of the first day of a calendar month to 7:00 A.M. on the first day of the following calendar month.

Nomination or Nominated - shall mean an offer by Shipper to Carriers of a stated quantity of Product for transportation from the specified origin to the specified destination pursuant to the terms of these Rules and Regulations.

Product - shall mean Demethanized Mix meeting specifications issued by Carriers.

Shipper - shall mean any party who gives notice to transport Product under the provisions outlined in these Rules and Regulations.

Transportation Services Agreement or (TSA) - shall mean an Agreement executed by a Shipper, which includes a ship or pay obligation on the part of Shipper.

ITEM 2 - SCHEDULING OF RECEIPT

When Shipper desires to originate Product it shall furnish a Nomination via Estream no later than the 15th calendar Day of the preceding Month in which Shipper desires transportation. If Shipper does not furnish such Nomination, Carriers will be under no obligation to accept such Product for transportation. Product will be accepted for transportation, subject to the Rules and Regulations contained herein, at such time and in such quantity as scheduled by Carriers. Carriers will transport and deliver Product with reasonable diligence and dispatch considering the quantity, distance of transportation, safety of operations, and other material factors, but will accept no Product to be transported in time for any particular market.

ITEM 3 - PRODUCT REQUIREMENTS AND TESTING

Carriers reserve the right to refuse to accept any Product for transportation which does not meet Carriers' Product specifications or which is not good merchantable Product readily acceptable for transportation through Carriers' existing facilities. Shipper may be required to furnish Carriers with a certificate setting forth the specifications of each shipment of Product to be transported in Carriers' facilities. Each Carrier reserves the right to sample and/or test any such shipment prior to acceptance or during receipt, and in the event of variance between Shipper's certificate and Carrier's test, the latter shall prevail. If, upon investigation, either Carrier determines that Shipper has delivered to Carrier's facilities Product that does not meet Carrier's Product specifications or which is not good merchantable Product as set forth above, Carrier reserves the right to treat or otherwise dispose of all such Product in any reasonable commercial manner at Shipper's sole expense. Carrier reserves the right to collect its actual treating and handling charges plus an additional [U]104 cents per Barrel penalty charge.

ITEM 4 - MINIMUM SHIPMENT

Product shall be offered for transportation in quantities that can be received into Carriers' pipeline facilities. Carriers will specify, on a non-discriminatory basis, the quantity to be delivered to Carrier at the origin point. Shipper will be subject to linefill requirements of up to 21 days receipts.

ITEM 5 - APPLICATION OF RATES

Carriers shall assess transportation and all other lawful charges accruing on Product accepted for transportation at the rate in effect at date Product is received at origin. Carriers will invoice Shipper for transportation charges and all other lawful charges accruing on Product accepted or deficiency charges if any on Product not tendered for transportation in accordance with the Agreement and Carriers' then current payment policies and procedures, and at the rates set forth in the Agreement.

ITEM 6 - ORIGIN AND DESTINATION FACILITIES

Carriers shall accept Product only when Shipper has provided necessary facilities for receipt of Product into Carriers' pipelines and delivery of Product from Carriers' pipelines at pressures and pumping rates required by Carriers on a non-discriminatory basis.

ITEM 7 - MEASUREMENT

Except as otherwise provided, Carriers shall not charge for metering Product upon receipt and delivery. Observed volumes of Product shall be corrected to net component volumes at 60°F and equilibrium vapor pressure by the use of flowing mass, a component analysis of a sample accumulated from the flowing stream, and component densities from the latest GPA 2145 Standard.

ITEM 8 - COMPONENT BALANCING

Shipper shall be responsible for bringing into balance on a monthly basis any accumulated component volume differences resulting from the receipt, transportation, and delivery of commingled Demethanized Mix.

ITEM 9 - IDENTITY OF SHIPMENTS

Carriers may commingle Product received from the origin set forth in the Agreement. Carriers reserve the right at any time to substitute and deliver Product of the same specification as the Product shipped.

ITEM 10 - DEMURRAGE

Shipper shall remove Product, or cause Product to be removed, from downstream 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 either Carrier's facilities, and/or threatens or causes congestion at either Carrier's terminals, each Carrier shall have the right, without liability to Shipper, to make such disposition of unremoved Product as is necessary for the efficient operation of its facilities, and Shipper shall pay Carrier all charges 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.

ITEM 11 - PAYMENT OF CARRIER CHARGES

The Shipper or its consignee shall pay all transportation and other lawful charges accruing on Product delivered to and accepted by Carriers for shipment or deficiency charges if any on Product not tendered for transportation, and, if required, shall pay the same before delivery at the destination point. Each Carrier shall have a lien on all Product in its possession belonging to Shipper or its consignee to secure the payment of any and all unpaid transportation, or any lawful charges that are due Carrier, that are unpaid by Shipper or consignee, and may withhold such Product from delivery until all unpaid charges have been paid. If said charges remain unpaid ten (10) days after final notice and demand therefor, Carrier shall have the right, through an agent, to sell such Product at public auction, on any day not a legal holiday, in not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town or city where the sale is to be held, stating the time, place of sale, and the quantity and location of Product to be sold. At said sale, Carrier shall have the right to bid, and if the highest bidder, to become the purchaser. From the proceeds of said sale, Carrier will pay itself the transportation and all other lawful charges, including expenses incident to said sale, and the balance remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.

ITEM 12 - ACCEPTANCE FREE FROM LIENS AND CHARGES

Either Carrier may refuse, on a non-discriminatory basis, any shipment for transportation which may be encumbered by a lien or charge of any kind, or which may be involved in litigation or the ownership thereof may be in dispute. When any Product so encumbered or subject to litigation or dispute is tendered for transportation, either Carrier may require of Shipper satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity bond to protect such Carrier against any or all loss.

ITEM 13 - LIABILITY OF CARRIER

Neither Carrier shall be liable to Shipper for any delay in delivery or for any loss of Product caused by an act of God, public enemy, quarantine, authority of law, strikes, riots, fire, floods or by act of default of consignor or consignee, or resulting from any other cause not due to the negligence of such Carrier, whether similar or dissimilar to the causes herein enumerated. Any such loss shall be apportioned by the impacted Carrier to each shipment of Product or portion thereof involved in such loss in the proportion that such shipment or portion thereof bears to the total of all Product in the loss, and each consignee shall be entitled to receive only that portion of its shipment remaining after deducting his proportion as above determined of such loss. The impacted Carrier shall prepare and submit a statement to Shipper and consignee showing the apportionment of any such loss. The Carriers operate under the Agreement and these Rules and Regulations solely as a common carrier and not as an owner, manufacturer, or seller of the Product transported or stored hereunder, and Carriers expressly disclaim any liability for any expressed or implied warranty for Products transported or stored hereunder including any warranties of merchantability or fitness for intended use.

ITEM 14 - CLAIMS-TIME FOR FILING

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

ITEM 15 - SCHEDULING OF DELIVERY

When Shipper requests for delivery from the pipeline at the destination a volume of Product greater than can be immediately delivered, Carrier shall schedule delivery. Carrier shall not be liable for any delay in delivery resulting from such scheduling of delivery.

ITEM 16 - ALLOCATION

When there is offered to Carrier Product quantities greater than can be transported between origins and destinations, Carrier shall allocate transportation capacity, then Carrier shall accept and transport, during such period, only that portion of each good-faith offer to ship which Carrier shall determine to be equitable to all Shippers, having regard to the operating conditions of the pipeline system, as determined by Carrier, in accordance with the following allocation procedures:

- a. Ninety percent (90%) of the available capacity shall be allocated by Carrier, on a non-discriminatory basis, to all Shippers, with an individual Contract Shipper's entitlement based on the greater of:
 - (1) The volume transported during an historical period or
 - (2) Shipper's Contract Volume applicable to the allocation period, provided however that clause (1) shall only establish an allocation exceeding Shipper's Contract Volume to the extent such excess volume does not cause an allocation to another Contract Shipper that reduces such other Contract Shipper below its Contract Volume for the allocation period, and provided further that, in the case of any Shipper that has executed a TSA, its historical volume for the first month beyond the first ten (10) years of the Initial Term shall be deemed to be that Shipper's Contract Volume for the last Month of the first ten (10) years of the Initial Term.
- b. The remaining ten (10%) of the available capacity shall be allocated on a pro rata basis to new Shippers. Any new Shipper shall not be allocated more than one percent (1%) of the available capacity. If the aggregate Nominated volumes by new Shippers are less than ten percent (10%) of the available capacity of the pipeline system, each new Shipper will be allocated its Nominated volume and the remaining available capacity will be allocated to historical Shippers which shipped or paid for volumes of Product during a representative period.
- c. During instances of allocation, a Shipper will be deemed to have submitted a revised Nomination volume equal to its allocation determined by Carrier in accordance with the procedures set forth above.

Allocation will be given as a daily or monthly volume, at Carriers' discretion, and will be calculated for the calendar month. Allocation shall not be brokered or transferred. With agreement of the Shippers concerned, historical volume may be transferred under the following conditions:

- No commercial transaction occurs between the participating shippers with regard to historical volumes.
- The transfer is irrevocable.
- The request to transfer must be the result of an unusual situation as may be reasonably determined by the Carrier on a non-discriminatory basis.

ITEM 17 - ROUTING INSTRUCTIONS

Joint rates in this tariff apply via routes made by the use of origins in Kansas, Oklahoma and Texas on Mid-America Pipeline system to Skellytown, Texas, and then via the use of Texas Express Pipeline system from Skellytown, Texas to Mont Belvieu, Texas. Local rates in this tariff apply via routes made by use of Texas Express Pipeline system to the requested destination.

ITEM 18 - TRANSPORTATION INVENTORY

Quantities of Product received into either Carrier's custody for transportation to Shipper's nominated destination will constitute Shipper's transportation inventory prior to delivery. If Product cannot be accepted by the nominated destination through no fault of the applicable Carrier, undelivered quantities will be returned to Shipper's holding (storage) inventory.

ITEM 19 - PIPEAGE CONTRACTS

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

ITEM 20 - PARTICIPATING CARRIERS

Mid-America Pipeline Company, LLC

ITEM 21 - STORAGE

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

RATES

ITEM 200 - GENERAL COMMODITY RATES

Rates in Cents per Barrel of 42 U.S. Gallons each.

[I] All rates in this section are increased.

Local Rates

ORIGIN	DESTINATION	INTERSTATE RATE
Skellytown, TX	Mont Belvieu, TX	497.76

Joint Rates

ORIGIN	DESTINATION	INTERSTATE RATE
Bushton, KS	Mont Belvieu, TX	684.80
Conway, KS		652.04
Hugoton, KS		615.23
Satanta, KS		615.23
Camrick, OK		615.23
Southern Hills, OK		615.23
Tyrone, OK		615.23
Hobbs-Gaines, TX		608.77

ITEM 300 - CONTRACT RATES ⁽¹⁾

Rates in Cents per Barrel of 42 U.S. Gallons each

[I] All rates in this section are increased.

ORIGIN	DESTINATION	INTERSTATE RATE
Bushton, KS	Mont Belvieu, TX	457.20
Conway, KS		416.54
Hugoton, KS		378.96
Satanta, KS		378.96
Camrick, OK		378.96
Southern Hills, OK		378.96
Tyrone, OK		378.96
Hobbs-Gaines, TX		372.35
Skellytown, TX		259.07

Footnote:

- 1 Applicable only to Shipper that executed a TSA with Carrier.

EXPLANATION OF REFERENCE MARKS

- [C] Cancel
- [I] Increase
- [U] Unchanged Rate