

BUCKEYE PIPE LINE COMPANY, L.P.

In Connection With Participating Carriers Named Herein

LOCAL & JOINT PIPE LINE TARIFF

Containing

RULES AND REGULATIONS

Governing the Handling and Transportation by Pipeline From and To

Points Named in Tariffs Making Reference Hereto

Of

REFINED PETROLEUM PRODUCTS

INTERMEDIATE PETROLEUM PRODUCTS

LIQUEFIED PETROLEUM PRODUCTS

AVIATION TURBINE FUEL

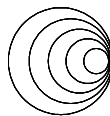
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Federal Energy Regulatory Commission in Docket No. IS87-14-000
issued December 31, 1990 and April 18, 1991 respectively.

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

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ITEM NO. 90A (Cancels Item 90) - PRORATION OF PIPE LINE CAPACITY

✓ (A) Application

▲ This proration rule will be applied separately to each line segment or facility when, during any period, the total volume of Commodities nominated for shipment through any segment or facility of the Carrier's pipelines is in excess of the capacity of said segment or facility.

✓ (B) Definitions

For the purposes of this Item, the following terms are defined as:

Allocation means the pipeline capacity, expressed either in average barrels per day or total barrels, which Buckeye apportions to a given Shipper during the period of proration.

Base Period means that period within which actual deliveries made for the account of a Shipper to terminals, connecting carriers and refineries at particular locations moved through the line segment or facility being prorated are taken into account for purposes of prorating pipeline capacity. It will consist of a continuous moving base of 12 consecutive calendar months beginning 14 months prior to the period of proration and ending 2 months preceding the period of proration. Such base period may include intervals when no proration is in effect.

Binding Nomination means the final Nomination tendered by a Shipper for a prorated line segment or facility after being advised that said line segment or facility is over nominated and subject to proration.

New Shipper means a Shipper which does not qualify as a Regular Shipper but does satisfy the shipping requirements of Buckeye's Rules and Regulations Tariff. At the end of 14 consecutive calendar months from the beginning of the first month in which a New Shipper begins using the pipeline, it will become a Regular Shipper and the actual volumes delivered for its account over the pipeline segment or facility being prorated will become the basis for pipeline capacity allocation in the same manner as for other Regular Shippers.

Regular Shipper means a Shipper which has actively used the pipeline segment subject to allocation during the base period and for which volumes are nominated during the period of proration.

✓ (C) Use of Standard Base

Where appropriate, Carrier will, at its option, convert Commodities of differing flow rate characteristics to a standard base.

✓ (D) Allocations for Regular Shippers

Carrier may, without liability, allocate available pipeline capacity for any period in which Nominations exceed available capacity in accordance with the following procedures, proceeding to each succeeding step only if the Nominations continue to exceed available pipeline capacity.

- (1) Nominations not submitted using the Carrier's electronic commerce and communications system or submitted after the deadline established in Item 100 will be rejected, unless the Carrier has specifically instructed the Shipper to submit Nominations by another means or by a later date.
- (2) When, it is determined that insufficient capacity is available to accommodate all valid timely, and properly submitted Nominations, Carrier will notify via electronic mail, telephone, facsimile, electronic bulletin posting or other appropriate method as selected by the Carrier, each Shipper that has tendered a Nomination for the affected line segment or facility. Each affected Shipper will then have a period of two business days to reduce its Nomination. Each affected Shipper may adjust its Nomination using the Carrier's electronic commerce and communications system (unless otherwise instructed by the Carrier) to edit or change its Nominations during this period. At 12:01am on the third business day following the day notification was made to Shippers, this adjusted Nomination shall be considered a Binding Nomination, or if a Shipper does not change or submit a reduced Nomination, then its initial Nomination shall be considered its Binding Nomination.
- (3) If Nominations continue to exceed available capacity, Carrier will review all receiving and delivery facilities to determine if any are incapable of 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 100 percent of the quantity nominated from or to the restricted facility, as necessary to equate total Nominations to available pipeline capacity. If more than one receipt or delivery facility is restricted from injecting into or receiving from Carrier at less than Carrier's existing flow rates or throughput rates, Nominations from or to such facilities will be allocated in order of their actual capability, with the facility able to inject or receive at higher rates taking priority over those capable of lesser rates. 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. Carrier reserves right to adjust allocations at restricted facilities in order to maximize total available pipeline capacity and throughput. Shippers will be notified of the proration of Nominations made from or to the restricted facility and will be permitted to re-nominate those volumes to another unrestricted facility prior to further allocation.
- (4) If Nominations continue to exceed available pipeline capacity, the percentage of pipeline capacity to be allocated to each Regular Shipper will be calculated by using data from the applicable base period and dividing the shipments made for the account of each Regular Shipper by the total shipments made for all Shippers during the base period. The resulting percentages will then be applied to the line segment or facility capacity to determine capacity allocation for each Regular Shipper. Each Regular Shipper will receive the lesser of its actual Nominations and its allocation resulting from the above calculation. In the event any Shipper(s) is (are) allocated more capacity than its (their) nominated requirements, the excess of its (their) allocation(s) over its (their) Nominations will be reallocated among all other Shippers in proportion to their unsatisfied requirements (i.e., each Shipper's Nominations minus initial allocation). Allocations for Regular Shippers will be subject to reduction if required to accommodate New Shippers.

✓ (E) Allocations for New Shippers

Unless more capacity is required for Regular Shippers in Section (F), up to two and one-half percent (2.5%) of available capacity will be made to each new shipper subject to a total of ten percent (10%) of available capacity for all new Shippers. Commodities nominated by a New

Shipper during periods of proration not caused by unusual market conditions will be allocated pipeline capacity as follows:

If less than four (4) new shippers have submitted nominations for the affected facility or segment, each shipper will be allocated the lesser of either two and one-half percent (2.5%) of available capacity or their nominated volume. In the event that more the four (4) new shippers have submitted nominations for the affected facility or segment, the nominated volumes for each New Shipper shall be totaled and divided into ten percent (10%) of the available pipeline capacity. The resulting percentage shall be the initial New Shipper Proration factor. Each New Shipper will be allocated pipeline segment or facility capacity equal to the lesser of:

- (a) (2.5%) of available capacity,
- (b) its nominated volumes,
- (c) its nominated volumes multiplied by the initial New Shipper proration factor.

Any remaining pipeline segment or facility capacity will be allocated to Regular Shippers as set forth in Section (D). If there remains available pipeline capacity after New Shippers have been allocated capacity in accordance with the preceding paragraphs of this Section, and after Regular Shippers have received allocations equal to one-hundred per cent (100%) of their nominated volumes, the remaining available pipeline capacity shall be allocated to New Shippers using the same process as used for Regular Shippers in Section (D).

✓ (F) Unusual Market Conditions

If the Carrier, in its sole discretion, should determine that Nominations exceed capacity as the results of unusual petroleum product market conditions that are expected to be of a temporary nature, capacity will be allocated as follows: Each Regular Shipper who has utilized the pipeline segment subject to allocation during each of the 12 months during the Base Period will be allocated capacity equal to their average actual deliveries during the Base Period. Any unsatisfied Nominations of the Shippers who have utilized the pipeline segment or facility subject to allocation during each of the 12 months during the Base Period, and the nominated volumes for other Regular Shipper(s) and any New Shipper(s) shall be allocated according to the procedures outlined in Sections (D) and (E).

✓ (G) Penalties for Failure to Utilize Allocated Space

If a Shipper tenders a volume greater or equal to eighty-five percent (85%) of its Prorated Binding Nomination, then such a Shipper shall be invoiced based on its delivered volumes. If a Shipper tenders less than eighty-five percent (85%) of its Binding Nomination, then Shipper shall be invoiced for its delivered volumes for that month, plus a charge equal to:

$$\frac{[\text{Eighty-five percent (85\%)} \text{ of Prorated Binding Nomination} \quad \text{less} \\ \text{The actual volumes delivered}] \quad \text{times}}{\text{The applicable current tariff rate.}}$$

Charge will be waived when deliveries were reduced at the request of the Carrier, or where Carrier operational problems prevented full receipt or delivery of barrels tendered by shipper.

✓ (H) General

In the event that calculation of a Shipper's allocated nomination results in a volume less than the required minimum batch size, Carrier will at its option either round up the Shipper's nomination to the required minimum batch size or waive the minimum batch size requirement.

As delineated above, pipeline or facility capacity is allocated among Regular Shippers based upon historical usage. Inflated Nominations do not result in increased capacity allocation. In

no event will any portion of an allocation granted either to a Regular Shipper or New Shipper be used in such a manner that it will increase the allocation for any other Shipper beyond what it is entitled to under the proration policy.

Nominations must be made in accordance with published tariff provisions, rules and regulations.

ITEM NO. 100A (Cancels Item 100) - TIME ▲ AND METHOD FOR SUBMITTING NOMINATIONS

Carrier is under no obligation to accept a tender of Commodities for transportation for any month unless the Shipper submits a Nomination on or before the fifteenth calendar day of the preceding calendar month. ✓ Any new Nomination, or request to increase a Nomination for a given facility or line segment made after this deadline will be rejected by the Carrier in the event that nominations received prior to this deadline exceed facility or segment capacity.

✓ In the event that a pipeline segment or facility is operating under allocations as established in Item 90, Carrier may at its option require Nominations for the prorated segment or facility to be submitted on or before the tenth calendar day of the preceding calendar month. Carrier will announce any such earlier deadline for Nomination submission by publishing notice of the change on the Carrier's electronic commerce and communications system at least 5 calendar days prior to the revised deadline.

A Nomination must indicate, for each Batch, The Shipper, Product, System, Receipt Location, Receipt Volume, receipt requested date, Delivery Location(s), Delivery Volume(s), and Delivery Tanker. ✓ Nominations must be submitted using the Carrier's electronic commerce and communications system (<https://transport4.com>) unless otherwise instructed by the Carrier.

EXPLANATION OF REFERENCE MARKS

▲ Change in Wording Only

✓ New