

# NORCO PIPE LINE COMPANY, L.L.C.

## LOCAL TARIFF

Containing

## RATES, RULES & REGULATIONS

Governing

## TRANSPORTATION OF PETROLEUM PRODUCTS

By

## PIPELINE

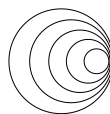
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## SECTION I RULES AND REGULATIONS

### ITEM NO. [W] 5 4 – DEFINITIONS

**“Actual Transportation Charges”** means the sum of the transportation charges that a Committed Shipper incurs for the Products it ships on the System during a particular Contract Year, excluding (i) any charges that the Committed Shipper incurs incidental to transportation charges, including but not limited to demurrage fees, pump-over fees, interest charges, penalties, and other similar charges, and (ii) any transportation charges that a Committed Shipper incurs for the shipment of Incremental Barrels that the Committed Shipper pays for using a credit from its Annual Deficiency Payment Account pursuant to the terms of its TSA.

**“Affiliated Shipper”** means any Shipper who is directly or indirectly controlled by, under the common control of, or otherwise affiliated with any other Shipper. In order to determine if a Shipper is controlled by, under the common control of, or otherwise affiliated with another Shipper for purposes of this administering this tariff, Carrier will consider a number of factors, including but not limited to, whether the two Shippers share common owners, parent companies, affiliates, registered agents, directors, officers, managers, organizers, employees, schedulers, mailing addresses, email addresses, telephone numbers, fax numbers, internet protocol addresses, or financial information.

**“A.P.I. Gravity”** means gravity determined in accordance with the currently-applicable American Society for Testing Materials Designation.

**“Annual Deficiency Payment”** has the meaning set forth in Item No. 50.

**“Annual Deficiency Payment Account”** means an account that Carrier maintains for a Committed Shipper and in which Carrier deposits Annual Deficiency Payments made by the Committed Shipper to Carrier, pursuant to the terms of the Committed Shipper’s TSA.

**“Barrel”** means forty-two (42) United States gallons at sixty degrees (60°) Fahrenheit and zero P.S.I.G.

**“Base Period”** means the twelve (12)-month period beginning thirteen (13) months prior to the Proration Month and excluding the month preceding the Proration Month. If Carrier’s System has been in operation less than twelve (12) months, then the Base Period shall be the number of months during which Carrier’s System has been in operation, excluding the month preceding the Proration Month.

**“Batch”** means a quantity of one Product moved in Carrier’s System as an identifiable unit. A Batch shall be designated by Shipper as Segregated or Fungible, as follows:

- A **“Segregated Batch”** is a quantity of one Product meeting the Quality Specifications, for which Shipper desires separate identity and segregation so as to deliver, as nearly as reasonably practicable, the identical Product received. Transportation of a Batch as a

Segregated Batch is subject to the availability of tankage.

- A "**Fungible Batch**" is a quantity of one Product that meets the Quality Specifications and may be commingled with other Batches of Products meeting the same Quality Specifications for transportation on Carrier's System.

"**BPD**" means Barrels per day.

"**Carrier**" means Norco Pipe Line Company, LLC.

"**Committed Shipper**" means any Shipper that has an effective TSA with Carrier.

"**Committed Shipper Capacity**" means the ninety percent (90%) of a line segment's capacity that is reserved for Committed Shippers in a Proration Month.

"**Consignee**" means the party to whom a Shipper has ordered the delivery of Products to a Destination.

"**Committed Rate(s)**" is the rate or rates to be paid by a Committed Shipper for the transportation of the Committed Shipper's Volume Commitment and any Priority Incremental Barrels, as that rate or those rates may be changed from time to time by Carrier in this tariff pursuant to the terms of the Committed Shipper's TSA.

"**Contract Year**" means the period beginning on the Commencement Date of a TSA (as such term is defined in the TSA) or any anniversary thereof and ending three hundred sixty-five (365) days (three hundred sixty-six (366) days in the case of leap years) later.

"**Destination(s)**" means the specific locations on Carrier's system, as designated in this tariff, where Carrier delivers Products.

"**Encumbered Product**" has the meaning set forth in Item No. 85(A).

"**Force Majeure**" means, without limitation: acts of God; strikes, lockouts, and other industrial disturbances; inability to obtain and delay in obtaining appropriate rights-of-way, permits, licenses, materials, supplies, or labor; acts of a public enemy, terrorism, wars, blockades, insurrections, and riots; epidemics, landslides, lightning, earthquakes, fires, storms, floods, and washouts; arrests and restraints of governments and people; civil disturbances; explosions, breakage of, and accidents to machinery, equipment, and lines of pipe; freezing of lines of pipe; valid rules, regulations, and orders of governments or governmental agencies; and other causes, whether of the same kind herein enumerated or otherwise, beyond the reasonable control of the party claiming such Force Majeure and that by the exercise of reasonable diligence such party is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty and that the requirements in this tariff that any Force Majeure shall be remedied with all reasonable diligence shall not require the settlement of strikes or lockouts by acceding to the demands of any opposing party when such course is inadvisable in the discretion of the party having the difficulty. In addition, any event of force majeure declared on Wood River Pipe Lines

LLC may, at Carrier's discretion, also be declared an event of force majeure on the Pipeline due to the fact that the Pipeline leases capacity from Wood River Pipe Lines LLC. Notwithstanding anything to the contrary set forth in this tariff, none of the following shall, under any circumstances, constitute a Force Majeure: (i) the lack of financial resources, or the inability of a party to secure funds or make payments as required by this tariff; (ii) adverse market, financial, or other economic conditions including changes in market conditions that either directly or indirectly affect the demand for or price of the Products; (iii) availability of more attractive markets for Products; (iv) Shipper's inability to receive, transport, and or deliver Products to, on, or from the Carrier's System under the terms of this tariff in a manner that Shipper deems economic.

~~[C] "In-Service Date" means the date on which transportation services commence under the TSAs, which date is expected to be June 1, 2015.~~

**"Incremental Barrels"** means any portion of a Committed Shipper's Nomination (or Tender) that exceeds the Committed Shipper's Monthly Volume Commitment.

**"Incremental Capacity"** means the difference between (i) the Committed Shipper Capacity on a line segment in a Proration Month, less (ii) the aggregate amount of capacity allocated to all Committed Shippers under Item No. 100(C)(i).

~~[C] "Interim Service Period" has the meaning set forth in Item No. 5.~~

**"Monthly Volume Commitment"** means a Committed Shipper's Volume Commitment multiplied by the number of days in the applicable month.

**"New Shipper"** means an Uncommitted Shipper that is not a Regular Shipper.

**"Nomination"** means a designation or electronic communication from a Shipper to Carrier of an approximate quantity of Products for transportation from a specified Origin to a specified Destination(s) over a period of one calendar month.

**"Non-Priority Capacity"** means the capacity of a line segment that is available for allocation to Uncommitted Shippers each Proration Month following the allocation of capacity to Committed Shippers under Item No. 100(C), which shall always equal at least ten percent (10%) of the operating capacity of the line segment in a Proration Month.

**"Non-Priority Incremental Barrels"** means Incremental Barrels for which a Committed Shipper is allocated capacity under Item No. 100(E).

~~[C] "Off-Spec Penalty" has the meaning set forth in Item No. 15(I).~~

**"Open Season"** means the open season held by Carrier that commenced ~~[W] in~~ ~~on~~ March ~~[C] 18,~~ 2015.

**"Origin(s)"** means the specific locations on Carrier's system as designated in this tariff where Carrier accepts Products for shipment.

**“Priority Incremental Barrels”** means Incremental Barrels that a Committed Shipper is allocated capacity for under Item No. 100(C)(ii).

**“Product”** or **“Products”** means gasoline and diesel that conform to the Quality Specifications.

**“Proration Month”** means the month for which capacity is to be allocated under Item No. 100.

**“P.S.I.G.”** means pounds per square inch gauge.

**“Quality Specifications”** has the meaning set forth in Item No. 15.

**“Regular Shipper”** means an Uncommitted Shipper that has shipped Products on Carrier’s System during six (6) months of the Base Period.

**“Shipper”** means the party who contracts with Carrier for transportation under the terms of this tariff.

**“Shipping Information Notebook”** is the manual that addresses certain aspects of Carrier’s operation of the System that is available at <http://www.buckeye.com/BuckeyeShipperInformation/ShipperInformationNotebook/tabid/125/Default.aspx> or may be obtained from Carrier by writing to Norco Pipe Line Company, [C] Attn: ~~Measurement and Quality Control~~, Box 368, Emmaus, PA 18049-0368, or by calling 610-904-4000.

**“System”** means Carrier’s pipeline system, including all appurtenances thereto related to the provision of transportation services under this tariff.

**“Tender”** **“Tenders”**, or **“Tendered”** means an offer by a Shipper to Carrier of a stated quantity of Products for transportation from a specified Origin to a specified Destination.

**“Total Volume Commitments”** means the aggregate Volume Commitments of all Committed Shippers.

**“TSA”** means a transportation services agreement entered into between a Committed Shipper and Carrier during the Open Season for the transportation of Products on Carrier’s System.

**“Uncommitted Shipper”** means any Shipper that is not a Committed Shipper.

**“Volume Commitment”** means the volume of Products that a Committed Shipper agreed to ship on Carrier’s System each day during the term of the Committed Shipper’s TSA, as specified in Exhibit A to the Committed Shipper’s TSA.

**“Yearly Volume Commitment”** means a Committed Shipper’s Volume Commitment multiplied times the number of days in the applicable Contract Year.

**“Yearly Commitment Payment”** means, for a particular Contract Year, a Committed Shipper’s Yearly Volume Commitment multiplied by the Committed Rate(s) applicable to such Yearly

Volume Commitment that were effective during such Contract Year. If the applicable Committed Rate(s) change during the Contract Year, the Yearly Commitment Amount shall reflect such change(s) and shall be calculated using the Committed Rate(s) for the period that such rates were in effect during the Contract Year.

### **[C] ITEM NO. 5 – INTERIM SERVICE**

~~Carrier commenced an Open Season on March 18, 2015 to offer potential shippers the opportunity to make long-term commitments for transportation on the System (in the form of transportation services agreements) in exchange for receiving priority service. The Open Season is scheduled to conclude on April 30, 2015.~~

~~Certain of the capacity that Carrier is offering for commitment during the Open Season has recently become available for use and Carrier is making such capacity available to all interested shippers under this tariff until the In-Service Date (“Interim Service Period”). Carrier will reissue this tariff prior to the In-Service Date in order to notify all shippers of the termination of the Interim Service Period and the interim services being offered hereunder.~~

~~During the Interim Service Period, Carrier will, to the extent necessary, allocate capacity on a pro-rata basis among all Shippers that submitted a Nomination for service, based upon the level of each Shipper’s Nomination. Following the In-Service Date, Carrier will use the prorationing procedures set forth in Item No. 100 of this tariff to allocate capacity on the System. The transportation rates applicable to movements made during the Interim Service Period are subject to change as of the In-Service Date, as noted in Section II.~~

### **ITEM NO. 10 – COMMODITY**

Carrier will only transport Products meeting the Quality Specifications and will not accept any other commodity for transportation hereunder.

### **ITEM NO. 15 - SPECIFICATION OF PRODUCTS**

- A. The quality specifications set forth below (“**Quality Specifications**”) shall apply to each Barrel of Shipper’s Tender and shall not be limited to the composite sample of the Tender.
- i. Products shall have an A.P.I. Gravity at 60 degrees Fahrenheit of not less than 25 degrees and not more than 80 degrees; have a viscosity not more than 4.3 centistokes at 100 degrees Fahrenheit; have a vapor pressure not more than 15 P.S.I. Reid; and have a color not darker than No. 3 A.S.T.M., except that distillates to which artificial coloring has been added will be accepted for transportation regardless of color after addition of dye. In addition, gasolines shall not have a Reid vapor pressure in excess of the "applicable standard" as determined by the United States Environmental Protection Agency or any more stringent state requirement from time to time in effect. This specification includes the products of petroleum commonly known as gasoline, kerosene, fuel oil distillate and diesel fuel.
  - ii. Prior to Tendering Products for transportation, Shipper must inform Carrier of the percentage by volume and kind of any blending components or additives used in the Products that are not pure hydrocarbons and Carrier reserves the

right to reject the injection of any such components or additives. The use of methanol and ethanol as blending components is prohibited.

- B. Carrier shall have no obligation to accept Products for transportation that contain water or other impurities.
- C. In addition to meeting the Quality Specifications set forth in Item No. 15(A) above, the Products that Shipper Tenders for transportation on the System must also meet (i) all required Federal, state and local regulations, and (ii) the Commodity Specifications published in Carrier's *Shipping Information Notebook* (which requirements shall also be referred to as "**Quality Specifications**").
- D. Shipper or Shipper's custodian shall perform applicable tests to ensure that the Products it Tenders to Carrier for transportation on the System conform to the Quality Specifications and Carrier may require Shipper or Shipper's custodian to provide a certification of this fact. Such certification must include a data sheet showing key product specifications prior to Carrier's acceptance of Products and a certification of analysis of product quality for each Batch of Products Tended. Shipper or Shipper's custodian shall be liable for any contamination or damage to other Products in Carrier's custody or to Carrier's System or other facilities to the extent such contamination or damage results from Shipper Tendering Products to the System that fail to meet the specifications stated in Shipper's certification.
- E. Carrier or its representatives may test all Products Tended for transportation for compliance with the Quality Specifications. All such tests shall be performed by Carrier, but Shipper or Consignee may be present or represented at the testing, provided such witnessing does not unreasonably interfere with Carrier's operation of the System. Carrier shall provide reasonable advance notice of any such testing (other than the continuous monitoring of the System) to Shipper. Quantities shall be tested in accordance with applicable A.P.I./ASTM standards and pipeline industry practice or such other tests as may be agreed upon by Carrier and Shipper. All tests performed by Carrier shall be determinative unless Shipper or Consignee submits to Carrier, within ninety (90) days of the date of the test, appropriate documentation contesting the test. In the event of variance between Carrier's test results and Shipper's test results or the specifications contained in a certificate provided by Shipper pursuant to Item No. 15(D), Carrier's test results will prevail (absent error demonstrated by Shipper or fraud).
- F. Carrier reserves the right to reject a Tender of Products, or any portion thereof, and refuse transportation of such Tender if Carrier determines that the Products Tended (i) do not conform to the Quality Specifications, (ii) are not merchantable, (iii) are not readily acceptable for transportation through Carrier's System, (iv) would otherwise adversely affect the System or other Products on the System, and/or (v) would, in Carrier's sole judgment, expose Carrier's employees and/or its representatives or the System to undue risk of harm or property damage.
- G. In the event Shipper Tenders Products to the System that do not meet, individually or collectively, the Quality Specifications: (i) Carrier may accept such Tender if Carrier determines, in its sole discretion, that the quality of the Products in the Tender, when commingled as a Fungible Batch, will nonetheless meet the Quality Specifications; or (ii) Carrier may exclude such Shipper from further entry into Carrier's System until such time



as Shipper returns the quality of its Products to a level satisfactory to Carrier in accordance with this tariff, including to a level that meets the Quality Specifications.

- H. Carrier is not responsible for monitoring receipts or deliveries for contaminants. Further, Carrier reserves the right to dispose of any contaminated Products blocking Carrier's System. Disposal thereof may be made in any reasonable manner including, but not limited to, commercial sales. Shipper shall be liable for and shall defend, indemnify and hold Carrier harmless from and against any and all claims, actions, suits, losses, demands, costs and expenses (including attorney's fees and costs of repairing, inspecting, cleaning and decontaminating Carrier's System or the facilities of third parties) of every kind, nature or description to the extent caused by contaminated Products that Shipper has delivered into Carrier's System.
- I. If Products received by Carrier into the System do not meet the Quality Specifications, Carrier reserves the right to charge the Shipper **[C]** (i) the actual costs and expenses incurred by Carrier to treat, handle, or otherwise dispose of all such **[C]** contaminated Products, and (ii) ~~a one hundred (100) cents per Barrel charge for each Barrel of contaminated Products Shipper Tended for transportation on Carrier's System ("Off-Spec Penalty")~~. ~~The Off-Spec Penalty is a penalty intended to discourage deliveries of Product to Carrier's System that violate Carrier's Quality Specifications.~~ **[N]** off-specification Products.

## **ITEM NO. 20 - ORIGIN AND DESTINATION FACILITIES**

- A. Shipper shall furnish facilities at the Origin that are capable of delivering Products to the System at a pumping rate equal to Carrier's pipeline pumping rate at such Origin at a minimum pressure of 50 P.S.I.G., unless a lower pumping rate or pressure is designated. Carrier will not accept a Nomination for transportation on the System unless such facilities have been provided at the Origin and such facilities conform to the operating requirements of Carrier, in Carrier's sole discretion. The cost of such facilities shall be provided at the sole cost of the Shipper seeking access to Carrier's System.
- B. Carrier may agree to accept Products at less than the full pipeline pumping rate provided space is available after all other Nominations have been scheduled and under such other terms as Carrier may specify.
- C. Shipper or Consignee shall furnish facilities at the Destination(s) that are capable of receiving Products promptly as they arrive at the full pipeline pumping rate and pressure, unless a lower pumping rate or pressure is designated. Carrier will not accept a Nomination unless such facilities have been provided at the Destination(s) and such facilities conform to the operating requirements of Carrier, in Carrier's sole discretion. The cost of such facilities shall be provided at the sole cost of Shipper seeking access to Carrier's System.

## **ITEM NO. 25 - QUANTITIES TENDERED AT ORIGIN**

The minimum quantity of Products that will be accepted for transportation from a single Shipper from a single Origin for movement as a Segregated or Fungible Batch shall be 25,000 Barrels. However, Carrier may, in its sole discretion, decide to accept Nominations below the minimum nomination, provided that space is available and operating conditions permit lots less than 25,000 Barrels.

### **ITEM NO. 30 - MINIMUM DELIVERIES AND PRODUCT CYCLES**

- A. The minimum quantity of Products that shall be delivered to any Destination shall be 5,000 Barrels.
- B. Products will be scheduled through Carrier's System in repetitive cycles, with a minimum of three (3) cycles per month. Cycles for each Product handled will be established by Carrier, in Carrier' sole discretion, in order to meet operating conditions. Shippers will be required to schedule their Products for delivery into the System at an Origin to meet the cycle within which the Products will move.

### **ITEM NO. 35 - BUFFER MATERIAL**

- A. In order to protect the quality of Products in transit, Carrier, as a condition of shipment, may require the Shipper to furnish buffer material in kind and quantity satisfactory to Carrier; provided, however, Carrier shall not require Shipper to furnish buffer material when the Product is fungible RBOB or fungible ULSD (as such Products are further defined in the Carrier's *Shipping Information Notebook*). Carrier will deliver such buffer material, which may include other Products commingled with it, into the facilities which shall be supplied by Shipper or Consignee at Destination.
- B. Carrier reserves the right to determine the quality and quantities of Products commingled and included in deliveries of buffer material to the Shipper or Consignee at the Destination, and Shipper shall pay charges on such buffer material in accordance with this tariff at the same rate applicable to the Products transported.

### **ITEM NO. 40 - IDENTITY OF AND MIXING OF PRODUCTS**

- A. It is inherent in the operations of a batched pipeline system that interface mixtures will occur between Batches of different Products. Carrier shall not be liable for variations in gravity or quality of Products occurring while in its custody resulting from any cause other than the negligence of Carrier, and Carrier is under no obligation to deliver the identical Products received, but may deliver Products of substantially the same specifications. Normal commingling which occurs between Batches shall be divided as equitably as possible among Shippers by Carrier.
- B. With respect to Segregated Batches, Carrier will, subject to the foregoing and to the extent permitted by Carrier's facilities, make delivery to Shipper at the Destination of substantially the identical Products received from Shipper at the Origin; provided, however, that because it is impractical to maintain absolute identity of each Batch of Products, Carrier is permitted to make reasonable substitution of Products having substantially the same specifications.
- C. Carrier shall not be required to transport Products except with reasonable diligence, considering the quality of the Products, the distance of transportation and other material elements, including the operational conditions of the System and any operational storage requirements of Carrier's System. Carrier cannot commit to delivering Products to a particular Destination, at a particular time.

## ITEM NO. 45 - GAUGING, METERING, TESTING AND DEDUCTIONS

- A. When received, Products will be gauged or metered and may be tested by a representative of Carrier, and Shipper or Consignee shall have the privilege of being present or represented at the gauging, metering and/or testing, provided such witnessing does not unreasonably interfere with Carrier's operation of the System. Should Shipper or Consignee not avail themselves of the right to be present at the time or times of measuring and testing pursuant to the terms of this Item No. 45, then, and in that event, it shall be presumed that Carrier's records of quantities of Products received or delivered by Carrier are correct. If tank gauges are used, quantities will be computed from regularly compiled tank tables showing 100% of the full capacity of the tanks.
- i. Products shall be received and delivered on the basis of volume corrected for temperature from observed degrees Fahrenheit to the basis of 60 degrees Fahrenheit and pressure from observed values to zero P.S.I.G.
  - ii. The net balance at 60 degrees Fahrenheit will be the quantity deliverable by Carrier, except as otherwise provided in Item No. 80.
- B. Full volume deductions will be made for all water in Products received or delivered as determined by recognized means.
- C. Product losses due to evaporation, interface mixtures and other routine shrinkage factors are inherent in products pipeline operations. The total overage or shortage resulting from Carrier's operation will be allocated to each Shipper's account on an accrual basis calculated by the proportion of the Shipper's total delivered volumes to the total volumes delivered by Carrier during the same period. Carrier will account to each Shipper for all Products received and will settle for net Product gains and losses from normal operations based on prevailing prices in Carrier's areas of operations.

## ITEM NO. 50 - DEFICIENCY PAYMENTS

If a Committed Shipper's Actual Transportation Charges for a Contract Year are less than the Committed Shipper's Yearly Commitment Payment for such Contract Year, the Committed Shipper shall make a payment to Carrier equal to its Yearly Commitment Payment minus its Actual Transportation Charges ("**Annual Deficiency Payment**"). Carrier shall calculate, assess and collect Annual Deficiency Payments in accordance with the provisions of each Committed Shipper's TSA. The TSA provides that certain adjustments may be made to a Committed Shipper's Annual Deficiency Payment in the event of a Force Majeure declared by Carrier. It further provides that if a Committed Shipper makes an Annual Deficiency Payment to Carrier, the Committed Shipper shall have the right to use such Annual Deficiency Payment as a credit against transportation charges the Committed Shipper incurs for the shipment of Incremental Barrels in the twelve (12) month period following the Contract Year in which the Committed Shipper incurred the Annual Deficiency Payment.

## ITEM NO. 55 – PAYMENT OF TRANSPORTATION RATES AND OTHER CHARGES

- A. Carrier calculation of transportation charges and other lawful charges incurred by Shipper for Carrier's transportation of Shipper's Products under this tariff, and the invoicing of such charges, shall be in accordance with the Accounting Procedures (Section 5) of the *Shipping Information Notebook*.
- B. Transportation charges and other lawful charges accruing on Products accepted for transportation shall be paid by a Shipper on demand and prior to the release of Products from custody of Carrier unless arrangements satisfactory to Carrier are made prior to acceptance of Products.
- C. Transportation charges will be assessed and collected on the basis of the number of Barrels actually delivered at the Destination, subject to adjustments provided for in this tariff.
- D. If required by Carrier, charges shall be prepaid by the Shipper prior to acceptance of Products by Carrier. No prior course of dealing between the parties shall constitute a waiver of Carrier's right to require payment on demand or prepayment of charges.
- E. Carrier shall have a lien on all Products delivered to Carrier to secure the payment of any and all charges and fees owed to Carrier by Shipper, whether under this tariff, a TSA if applicable, or any other agreement, including but not limited to transportation fees, Annual Deficiency Payments, penalties, interest and late payment charges. Such lien shall extend to all Products in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier and shall survive delivery of Products to Shipper. Shipper agrees to execute such additional documents as may be reasonably necessary to perfect or evidence such lien. If a bill of lading is required under applicable law for such a lien to arise, acceptance of the Nomination will be deemed to be the bill of lading for all Products subject to such Nomination. The lien provided herein shall be in addition to any lien or security interest provided by this tariff, statute or applicable law.
- F. In the event that an invoice for transportation charges or other lawful amounts due Carrier are not paid to Carrier in full when due, Shipper will pay to Carrier interest on the outstanding amount from original invoice date until paid at an annual rate equal to the lower of four percent (4%) over the prime interest rate published by *The Wall Street Journal* as of the invoice date or the highest lawful rate permitted. Any interest resulting from a Committed Shipper's failure to pay an Annual Deficiency Payment when due shall be calculated and paid in accordance with the terms of the Committed Shipper's TSA.
- G. Carrier may refuse to deliver Shipper's Products until all charges, including any Annual Deficiency Payments, have been paid. If any charges remain unpaid ten (10) days after the due date, Carrier may collect such charges by selling the Shipper's Products at a public or private sale in a commercially reasonable manner. Out of the proceeds of said sale, Carrier may also pay itself for expenses of notice, advertising, and care and

maintenance of the Products prior to the sale. The Shipper represents and warrants that the Products are not subject to any lien that has priority over the Carrier's lien described in Item No. 55(E), and agrees that Carrier shall have a first priority warehouse lien, carrier's lien and common law lien for all unpaid charges, including interest and late payment charges. Such lien shall be in addition to any and all other rights and remedies Carrier has at law or in equity.

## **ITEM NO. 60 – FINANCIAL ASSURANCES**

In order to receive the transportation services provided under this tariff, Shipper shall adhere to the credit requirements set forth in the Accounting Procedures (Section 5) of Carrier's Shipping Information Notebook.

## **ITEM NO. 65 - APPLICATION OF RATES**

Products transported shall be subject to the rates, rules and regulations governing the transportation of such Products that are in effect on the date such Products are received by Carrier at their Origin regardless of the date of Nomination.

## **ITEM NO. 70 - APPLICATION OF RATES FROM AND TO INTERMEDIATE POINTS**

- A. For shipments of Products accepted for transportation from any point on Carrier's System not named in this tariff, but which is intermediate to an Origin from which rates are published in this tariff, through such unnamed origin, will be assessed the rate in effect from the next more distant Origin published in this tariff.
- B. For shipments accepted for transportation to any point on Carrier's System not named in this tariff, but which is intermediate to a Destination to which rates are published in this tariff, through such unnamed destination, will be assessed the rate in effect to the next more distant Destination published in this tariff.

## **ITEM NO. 75 - DIVERSION OR RECONSIGNMENT**

Diversion or reconsignment of Products delivered by Carrier to a Destination may be made if requested by Shipper prior to delivery at the original Destination, subject to the rate, rules and regulations applicable from the Origin to the final Destination, except that no backhaul movement will be made.

## **ITEM NO. 80 - SEPARATE PIPELINE AGREEMENTS**

- A. Separate agreements in association with pipeline connections or other facilities ancillary to Carrier's System and in accordance with this tariff may be required of any Shipper or Consignee before any obligation to provide transportation shall arise.
- B. Carrier is only required to consider connections to Carrier's System that are made by formal written application to Carrier in accordance with Carrier's connection policy. All connections will be subject to design requirements necessary to protect the safety, security, integrity and efficient operation of Carrier's System in accordance with generally accepted industry standards. Acceptance of any request for connection will be

within the sole discretion of Carrier and will be subject to compliance with governmental regulations.

#### **ITEM NO. 85 - TITLE**

- A. Unless arrangements satisfactory to Carrier are made prior to acceptance of Products, Carrier shall have no obligation to accept any Product that is in litigation, or as to which a dispute of title may exist or which may be subject to any lien or other encumbrance, other than the lien created hereunder in favor of Carrier ("**Encumbered Product**"). In the event Carrier learns that Shipper has or will Nominate or Tender Encumbered Product, Carrier, in its discretion, may require Shipper to provide one or more of the following: (i) satisfactory evidence of its perfected and unencumbered title, (ii) satisfactory indemnity bond to protect Carrier against any and all loss, (iii) prepayment of transportation charges, or (iv) subordination agreement from the applicable lienholder. Carrier also has the right to refuse any shipment of Encumbered Product.
- B. Tenders submitted by Shipper shall be considered as a warranty of title and absence of encumbrance, and Carrier shall have no obligation to make any inquiry with respect thereto. No acceptance of such Products by Carrier shall constitute a waiver or subordination of Carrier's lien under Item No. 55 or any other rights hereunder. Shipper shall not cause or permit any lien, security interest or other form of burden to be filed or created with respect to Products in Carrier's possession, except for the lien created in favor of Carrier under Item No. 55 of this tariff.

#### **ITEM NO. 90 - LIABILITY OF CARRIER**

- A. While in the possession of any Products herein described, Carrier shall not be liable for, and Shipper hereby waives any claims against Carrier for, any loss thereof, damage thereto or delay caused by an event of Force Majeure, an act of the Shipper himself, an act of God, the public enemy, accident, government regulation, the inherent vice or nature of the Products, the public authority, or resulting from any other causes not due to the sole negligence of Carrier, whether similar or dissimilar to the causes herein enumerated.
- B. Carrier shall not be liable for any loss or damage to Products incurred prior to delivery of the Products to Carrier at the Origin and after re-delivery of the Products to Shipper at the Destination.
- C. In the event of loss of Product from any of the causes identified in Item No. 90(A) and subject to the other provisions of this tariff, Shipper shall bear the loss in the same proportion as the amount accepted for transportation and actually in Carrier's custody bears to the whole of the property of all Shippers in the Carrier's custody at the time of such loss and Shipper shall be entitled to receive only such portion of its shipment as is left after deducting its due proportion of the loss. Statements of quantities ascertained and computed from the records in the usual manner by Carrier shall be accepted as prima facie correct in the distribution of such losses under this Item No. 90.
- D. Carrier shall not be liable for discoloration, commingling, contamination, or deterioration

of Products transported unless same is caused by the negligence of Carrier. Carrier's liability to Shipper or Consignee for any claim of negligence or other loss shall be limited to the value of the Commodities transported and related transportation charges. In no event shall Carrier be liable for any indirect, special, incidental or consequential damages, lost profit or other economic loss.

### **ITEM NO. 95 - CLAIMS, SUITS, TIME FOR FILING**

As a condition precedent to recovery by Shipper for loss, damage or delay in receipt or delivery of Shipper's Products for which Carrier may be responsible, Shipper's claims must be filed in writing with Carrier within nine (9) months after delivery of the affected Products or in case of Carrier's failure to make delivery of Shipper's Products, then within nine (9) months after a reasonable time for delivery has elapsed, and suits shall be instituted against Carrier only within two (2) years and one (1) day from the day that notice in writing is given by Carrier to Shipper 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 by Shipper on such claims in accordance with the foregoing provisions, such claims will not be paid and Carrier will not be liable.

### **ITEM NO. 100 - PRORATION OF PIPE LINE CAPACITY**

~~[C] The prorationing procedures set forth in this Item No. 100 will apply as of the In-Service Date. Please see Item No. 5 for a description of how Carrier will prorate capacity during the Interim Service Period.~~

- A. When Carrier receives more Nominations in a month for transportation of Products on a line segment of Carrier's System than Carrier is able to transport, Carrier shall allocate the capacity of such line segment under the provisions of this Item No. 100.
- B. Capacity on a line segment will initially 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 No. 100(E).
- C. Allocation to Committed Shippers.
  - i. Except as provided in Item No. 100(C)(iv), Carrier shall allocate each Committed Shipper on a line segment an amount of capacity equal to the lesser of the Committed Shipper's Nomination for the Proration Month or its Monthly Volume Commitment.
  - ii. Carrier shall then allocate each Committed Shipper capacity equal to its Nomination for Incremental Barrels, provided that the allocation of Incremental Barrels to all Committed Shippers does not cause the Non-Priority Capacity on a line segment to be reduced below ten percent (10%) of the capacity of the line segment for the Proration Month. If Carrier determines, in its sole discretion, that would occur as a result of such an allocation, Carrier shall instead allocate the Incremental Capacity available on Carrier's System for the Proration Month among all Committed Shippers that submitted a Nomination for Incremental Barrels in the Proration Month, with such allocation being done on a pro rata basis according to the level of each Committed Shipper's Volume Commitment.

- iii. Any portion of a Committed Shipper's Nomination that the Committed Shipper is not allocated capacity for under this Item No. 100(C) shall be subject to allocation under the remaining provisions of this Item No. 100.
- iv. If an event of Force Majeure or other operational issue causes the capacity of a line segment to be reduced for the Proration Month, the allocation of capacity to each Committed Shipper under this Item No. 100(C) shall be reduced by the same percentage as the reduction in capacity to the line segment that is caused by the Force Majeure event or operational issue.

D. Allocation of Capacity to Uncommitted Shippers.

- i. Following the allocation of capacity set forth in Item No. 100(C), Carrier shall next allocate the Non-Priority Capacity on the line segment among all Uncommitted Shippers in the following manner.

- 1. Each New Shipper shall be allocated an amount of capacity in the Proration Month that is equal to:
  - a. its Nomination, if the total volume Nominated by all New Shippers is less than or equal to ten percent (10%) of the Non-Priority Capacity; or
  - b. its pro rata share, in accordance with its Nomination, of ten percent (10%) of the Non-Priority Capacity, if the total volume Nominated by all New Shippers is greater than ten percent (10%) of the Non-Priority Capacity.
- 2. Following the allocation in Item No. 100(D)(i)(1), each Regular Shipper shall be allocated the lesser of (i) its Nomination, or (ii) a fraction of the Non-Priority Capacity that is remaining after the allocation to New Shippers, as provided in Item No. 100(D)(i)(1), where the numerator of such fraction shall equal the number of Barrels shipped by the Regular Shipper on the System during the Base Period and the denominator of such fraction shall equal the total number of Barrels shipped by all Regular Shippers during the Base Period.

- E. Any remaining capacity that is not allocated through the application of Item Nos. 100(C) or 100(D) shall be allocated pro rata among all Committed Shippers having unmet Nominations according to the level of each Committed Shipper's Volume Commitment.

F. During periods when Carrier applies this Item No. 100:

- i. The capacity allocated to a Shipper will be provided as a daily or monthly value, at Carrier's discretion, and will be calculated for the Proration Month; and
- ii. Carrier will use its reasonable efforts to notify each Shipper of its allocation not later than the first working day of the Proration Month.



- G. If a Shipper does not use the capacity allocated to it under this Item No. 100 at the times and in the amounts designated by Carrier, Carrier shall have the right to use Shipper's unused capacity to fulfill the unmet Nominations of other Shippers.
- H. If an Uncommitted Shipper does not use at least eighty-five percent (85%) of the capacity allocated to it under this Item No. 100 in a Proration Month, such Shipper shall pay Carrier the transportation rate applicable to each such Barrel of capacity that the Uncommitted Shipper was allocated but did not use in the Proration Month. Notwithstanding the foregoing, Carrier has the discretion to waive or modify application of this Item No. 100(H) when Carrier determines that the Uncommitted Shipper's failure to use such allocated capacity was due to factors beyond the Shipper's control.
- I. A Shipper may not assign, convey, loan, transfer, or allow another Shipper to use in any manner (i) the capacity allocated to Shipper under this Item No. 100, or (ii) the shipment history accumulated by a Shipper, which is used by Carrier for purposes of administering this Item No. 100; provided, however, that a Shipper's allocation of capacity or shipment history may be transferred as an incident of the bona fide sale of the Shipper's business or to a successor to the Shipper's business by the operation of law, such as an executor or trustee in bankruptcy.
- J. A Shipper may not use an Affiliated Shipper or any other cooperating entity to increase its allocation of capacity under this Item No. 100, or in the case of Regular Shippers, seek New Shipper status in order to pool two or more allocations of capacity to the benefit of the Shipper.

#### **ITEM NO. 105 - CHARGE FOR SPILL COMPENSATION ACTS AND REGULATIONS**

In addition to the transportation charges and all other charges accruing on Products accepted for transportation, a per Barrel charge will be assessed and collected in the amount of any tax, fee, levy or other charge against Carrier in connection with such Product, pursuant to any federal, state, or local law or regulation which imposes a tax, fee, levy or other charge, on the receipt, delivery, transfer or transportation of such Products for the purpose of creating a fund for the prevention, containment, clean up and/or removal of spills, the reimbursement of persons sustaining loss therefrom or any other lawful purpose. Such charge will be included in the appropriate tariff filed with the Federal Energy Regulatory Commission. Carrier shall be under no obligation to contest or protest on behalf of Shipper or Consignee the legality of such tax, fee, levy or other charges.

#### **ITEM NO. 110 - TIME AND METHOD FOR SUBMITTING NOMINATIONS**

- A. Carrier is under no obligation to accept a Tender of Products for transportation for any month unless the Shipper submits a Nomination on or before the fifteenth (15<sup>th</sup>) calendar day of the calendar month preceding the month during which the transportation of Products is to begin. Any new Nomination, or request to increase a Nomination for a given facility or line segment made after this deadline will be rejected by Carrier in the event that Nominations received prior to this deadline exceed facility or segment capacity.
- B. In the event that a pipeline segment or facility is operating under allocations as established in Item No. 100, Carrier may, at its option require Nominations for the

prorated segment or facility to be submitted on or before the tenth (10<sup>th</sup>) calendar day of the preceding calendar month. Carrier will announce any such earlier deadline for Nomination submissions by publishing notice of the change on Carrier's electronic commerce and communications system at least five (5) calendar days prior to the revised deadline.

- C. A Nomination must indicate, for each Batch, the Shipper, Product, Origin, receipt volume, receipt requested date, Destination and destination volume(s). Nominations must be submitted using Carrier's electronic commerce and communications system unless otherwise instructed by Carrier.
- D. Shipper must confirm the supply source (receipt tanker) of all Products to be shipped on the System at least three working days prior to delivering the Products to Carrier's receipt manifold. Any Product that does not have a confirmed supply source by such specified time will be removed from Shipper's Nomination and it will thereafter be Shipper's responsibility to renominate the Products for shipment for a later date.

#### **ITEM NO. 115 - DISPOSITION OF PRODUCTS ON FAILURE TO ACCEPT DELIVERY**

- A. In the event Carrier accepts Products for transportation in reliance upon Shipper's representations as to acceptance of such Products at their specified Destination, and Shipper fails to promptly accept (or arrange for prompt acceptance) of such Products as scheduled at the specified Destination(s), then, and in such event, Carrier shall have the right to divert, reassign, or make whatever arrangements for disposition of the Products as it deems appropriate to clear the System.
- B. If Shipper cannot accept the scheduled delivery of its Products and Shipper makes timely arrangements for delivery of the Products at another local or more distant Destination, Carrier will permit such diversion or reassignment consistent with the provisions of Item No. 75 of this tariff. Carrier will consider all such diversion or reassignment arrangements to be timely if notice of these alternate arrangements is received by Carrier in sufficient time to avoid shutting down operation of the affected pipeline segment or facilities of Carrier's System. ~~[C] If suitable diversion or reassignment arrangements are made by Shipper but Carrier is not notified in time sufficient to avoid a shutdown of the affected pipeline segment or facilities of Carrier's System, Carrier shall charge Shipper a fee of five thousand dollars (\$5,000.00) for each hour of lost operation or fraction thereof.~~
- C. If Shipper cannot accept the scheduled delivery of its Products, fails to make suitable arrangements for diversion or reassignment of its Products, and Carrier has available intermediate or local storage facilities that will permit Carrier to divert Shipper's Products, Carrier will divert the Products to its own facilities and reschedule the delivery of the Products on the next cycle when like Products are being delivered by Carrier. In each such instance, Carrier will charge Shipper a fee of one thousand dollars (\$1,000) to account for Carrier's diversion and rescheduling of Shipper's Products. In addition, Carrier will charge Shipper a storage charge of twenty-five cents (25.0¢) per Barrel per week for each diverted Barrel of Products held by Carrier for each week or fraction thereof between the date the Products were originally scheduled for delivery and the date the Products are finally delivered to Shipper. [N] in such an event, Carrier will use

commercially reasonable efforts to deliver the Products to a destination acceptable to both Carrier and Shipper.

- D. If Shipper cannot accept the scheduled delivery of its Products, fails to make suitable arrangements for diversion or reconsignment of the Products, and Carrier does not have available intermediate or local storage facilities that will permit Carrier to promptly divert the Products, Carrier will seek the most expeditious means to divert or dispose of the Products. Such disposition includes the right to sell the Products at private or public sale. Carrier may be a purchaser at such public sale. From the proceeds of any such sale, Carrier may pay itself all transportation and other charges and expenses in caring for and maintaining the Products and the costs of sale, and the balance shall be held for whomsoever may be lawfully entitled thereto.
- E. In the event that physical limitations or any other factors prevent Carrier from arranging for the prompt disposal of the Products and the Carrier is forced to shut down operation of all or a portion of its System as a result thereof, Shipper will be assessed penalties and fees as follows:
1. Shipper will be responsible for the prompt payment of any and all claims that may be brought against Carrier from other Shippers or affected parties as a result of the extended interruption of scheduled services on the System.
  2. Shipper will also be responsible for the prompt payment of any and all costs incurred by Carrier to provide alternative service to other Shippers whose Products are blocked in Carrier's System (or otherwise affected) by the shutdown. Such costs may include expenses for trucking said Products and any related charges for loading and/or unloading the Products.
  3. Shipper will be assessed fees of five thousand dollars (\$5,000.00) for each hour of lost operation or fraction thereof to compensate Carrier for revenues lost during the time Carrier's System (or portion thereof) was forced to shut down.

#### **ITEM NO 120 – PIPELINE ADDITIVES**

- A. Carrier may inject corrosion inhibitor compound into the Products to be transported and Shipper will accept delivery of such Products containing the corrosion inhibitor compound at the applicable Destination.
- B. Carrier may inject drag reducing agents (or DRA) into the Products to be transported and Shipper will accept delivery of shipments containing such DRA compound at the applicable Destination.
- C. Shippers will be given thirty (30) days' notice stating any changes in the additives to be injected (generic and trade name), the maximum quantity, the Products into which it will be injected, and the date the injection shall begin.

#### **ITEM NO. 125 – CARRIER DISCRETION**

Carrier will operate its System and implement the rules and regulations contained in this tariff,

including those provisions providing for Carrier's discretion, in a manner that is not unduly discriminatory or unduly preferential.

### **ITEM NO. 130 - WARRANTIES**

- A. Shipper warrants that all Products tendered to Carrier (i) will conform with Carrier's Quality Specifications, (ii) are owned by Shipper and are free from disputes as to title, liens, or other encumbrances as set forth in Item No. 85, and (iii) will be merchantable and will not be contaminated with water or other impurities. Shipper will be liable to and will indemnify Carrier, other Shippers and Consignees for damage, loss, liability, claim, cost or expense arising from a breach of this warranty.
- B. Carrier operates under this tariff solely as a common carrier and not as an owner, manufacturer, or seller of the Products transported hereunder, and Carrier expressly disclaims any liability for any express or implied warranty for Products transported hereunder including any warranties of merchantability or fitness for intended use.

### **[N] ITEM NO. 135 - LEASING OF CAPACITY**

- [N] A. If any capacity remains available for transportation services on the System in a month following Carrier's fulfillment of all of the timely Nominations submitted by Shippers in accordance with the provisions of this tariff, Carrier shall be entitled to lease such available capacity, on a monthly basis only, to Wood River Pipe Lines LLC (an affiliate of Carrier), in order to allow Wood River Pipe Lines LLC to fulfill any unmet nominations for service on the North Line segment of its pipeline system. Carrier shall not undertake such a capacity lease to Wood River Pipe Lines LLC if Carrier is unable to completely fulfill all of the timely Nominations for service on the System submitted by Shippers in accordance with the provisions of this tariff and Carrier shall incur no liability to any Shippers on the System in the event of such a lease.
- [N] B. Conversely, if any capacity remains available for transportation services on the North Line segment of Wood River Pipe Lines LLC's pipeline system in a month Wood River Pipe Lines LLC's fulfillment of all of the timely nominations submitted by its shippers in accordance with the provisions of its tariff, Carrier may request that Wood River Pipe Lines LLC lease such available capacity, on a monthly basis only, to Carrier in order to allow Carrier to fulfill any unmet Nominations for service on the System. In the event Carrier does lease additional capacity from Wood River Pipe Lines LLC, Carrier shall allocate such capacity among Shippers in accordance with the provisions of Item No. 100 of this tariff and the rates set forth in Section II of this tariff shall apply to transportation services made using such leased capacity.

**EXPLANATION OF ABBREVIATIONS**

% ..... Percent  
A.P.I. .... American Petroleum Institute  
A.S.T.M. .... American Society for Testing Materials  
F.E.R.C. .... Federal Energy Regulatory Commission  
No. .... Number

**EXPLANATION OF REFERENCE MARKS**

**[C]** Cancel  
**[N]** New  
**[W]** Change in Wording Only

**SECTION II  
TABLE OF RATES**

(All rates are listed in U.S. cents per Barrel)

<b>[C] <u>ORIGIN</u></b>	<b>[C] <u>DESTINATION</u></b>	<b>[C] <u>Rate</u></b>
<b>[C] Buckeye Partners, L.P.'s Chicago Complex at Hammond, (Lake County) IN</b>	<b>[C] Argo (Cook County), IL</b>	<b>[C] 40.56</b>
<b>[C] Buckeye Partners, L.P.'s Chicago Complex at Hammond, (Lake County) IN</b>	<b>[C] Des Plaines (Cook County), IL</b>	<b>[C] 49.54</b>

**[C] NOTES**

**[C]** The rates listed in this Section II apply to transportation services offered during the Interim Service Period only. Carrier shall implement new rates for transportation services to be provided following the In-Service Date.

<b>[N] <u>ORIGIN</u></b>	<b>[N] <u>DESTINATION</u></b>	<b>[N] <u>VOLUME</u></b> [Note 1]		<b>[N] <u>Uncommitted Shipper Rates</u></b> [Note 2]	<b>[N] <u>Committed Shipper Rates</u></b> [Note 3]
<b>[N] Buckeye Partners L.P.'s Chicago Complex at Hammond, (Lake County) IN</b>	<b>[N] Argo (Cook County), IL</b>	<b>[N] Tier One (Base Rates)</b>	<b>[N] 0 – 2,999 BPD</b>	<b>[N] 40.56</b>	<b>[N] N/A</b>
		<b>[N] Tier Two</b>	<b>[N] 3,000 – 4,999 BPD</b>	<b>[N] 38.45</b>	<b>[N] N/A</b>
		<b>[N] Tier Three</b>	<b>[N] 5,000 – 9,999 BPD</b>	<b>[N] 36.33</b>	<b>[N] N/A</b>
		<b>[N] Tier Four</b>	<b>[N] ≥ 10,000 BPD</b>	<b>[N] 34.21</b>	<b>[N] 35.21</b>
<b>[N] Buckeye Partners L.P.'s Chicago Complex at Hammond, (Lake County) IN</b>	<b>[N] Des Plaines (Cook County), IL</b>	<b>[N] Tier One (Base Rates)</b>	<b>[N] 0 – 2,999 BPD</b>	<b>[N] 74.67</b>	<b>[N] N/A</b>
		<b>[N] Tier Two</b>	<b>[N] 3,000 – 4,999 BPD</b>	<b>[N] 66.29</b>	<b>[N] N/A</b>
		<b>[N] Tier Three</b>	<b>[N] 5,000 – 9,999 BPD</b>	<b>[N] 57.92</b>	<b>[N] N/A</b>
		<b>[N] Tier Four</b>	<b>[N] ≥ 10,000 BPD</b>	<b>[N] 48.54</b>	<b>[N] 49.54</b>

**[N] NOTES**

1. The rate that an Uncommitted Shipper will qualify to pay each month will be based upon the volume of Barrels that the Uncommitted Shipper actually ships on the System, on an average daily basis, during the month.
2. The Uncommitted Shipper Rates listed herein will apply to shipments by (i) all Shippers that are not Committed Shippers, and (ii) all shipments of Non-Priority Incremental Barrels by Committed Shippers.
3. The Committed Shipper Rates listed herein will only apply to Committed Shippers.