

BUCKEYE PIPE LINE TRANSPORTATION LLC

LOCAL TARIFF

Containing

RULES & REGULATIONS

Governing

TRANSPORTATION OF PETROLEUM PRODUCTS

By

PIPELINE

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GENERAL APPLICATION

Rules and regulations published herein apply only in connection with tariffs which make specific reference by number to this tariff; such reference will include successive issues hereof.

Commodities as specified and defined herein will be transported through Carrier's facilities only as provided in this rules and regulations tariff, except that specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

ITEM NO. 5 – DEFINITIONS

“Actual Transportation Charges” means the sum of the transportation charges that a Committed Shipper incurs for the Commodities it ships on the Pipeline during a particular Contract Year, exclusive of (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 the Committed Shipper incurs for the shipment of Incremental Barrels that Shipper pays for using a credit from its Annual Deficiency Payment Account (as such term is defined in the 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 Firm Transportation Charge” 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 Annual Firm Transportation Charge 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.

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

“Base Period” means the twelve (12) month period beginning fourteen (14) months prior to the Proration Month and excluding the two (2) months preceding the Proration Month. If Carrier's System has been in operation less than fourteen (14) months, then the Base Period shall be the number of months during which Carrier's System has been in operation, excluding the two (2) months preceding the Proration Month.

“Batch” means a quantity of one Commodity 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 Commodity meeting the Quality Specifications,

for which Shipper desires separate identity and segregation so as to deliver, as nearly as reasonably practicable, the identical Commodity received. Transportation of a Batch as a Segregated Batch is subject to the availability of tankage.

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

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

"**Carrier**" means Buckeye Pipe Line Transportation, 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.

"**Commodities**" or "**Commodity**" means products of petroleum commonly known as gasoline and diesel fuel that conform to the Quality Specifications.

"**Consignee**" means the party to whom a Shipper has ordered the delivery of Commodities 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, any Flexible-Service Barrels, and 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 Commodities.

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

"**FERC**" means the Federal Energy Regulatory Commission.

"**Flexible-Service Barrels**" means the portion of a Committed Shipper's Nomination for a Proration Month that differs from, but does not exceed, the Committed Shipper's Monthly Volume Commitment.

"**Flexible-Service Capacity**" means the difference between (i) the Committed Shipper Capacity that is required to ship the Total Volume Commitments in a particular Proration Month, less (ii) the aggregate amount of capacity that is allocated to all Committed Shippers under Item Nos. 100(C)(i), 100(C)(ii)(1), and 100(C)(ii)(2)(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 event of Force Majeure and that by the exercise of reasonable diligence such party is unable to prevent or overcome. In addition, any event of force majeure declared on Buckeye Pipe Line Company, L.P. may, at Carrier's discretion, also be declared an event of force majeure on the System due to the fact that the System leases capacity from Buckeye Pipe Line Company, L.P. 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 and/or any TSA that any event of 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. Notwithstanding anything to the contrary set forth in this tariff or a TSA, none of the following shall, under any circumstances, constitute an event of 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 or a TSA; (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 Commodities; (iii) availability of more attractive markets for Commodities; (iv) a Shipper's inability to receive, transport, and or deliver Commodities to, on, or from the System under the terms of this tariff or a TSA in a manner that Shipper deems economic.

"Incremental Barrels" means (i) the Flexible-Service Barrels that a Committed Shipper Nominates for shipment in a Proration Month but which the Committed Shipper is not allocated capacity for under Item No. 100(C)(ii)(2)(b), plus (ii) any portion of a Committed Shipper's Nomination 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 Nos. 100(C)(i), 100(C)(ii)(1), 100(C)(ii)(2)(a), and 100(C)(ii)(2)(b).

"Monthly Volume Commitment" means a Committed Shipper's Volume Commitment multiplied by the number of days in the applicable Proration 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 Commodities for transportation from a specified Origin(s) 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, which shall always equal at least ten percent (10%) of the operating capacity of the line segment in a Proration Month.

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

"Open Season" means the open season held by Carrier that commenced in January, 2015.

"Origin(s)" means the specific locations on Carrier's system as designated in this tariff where Carrier

accepts Commodities for shipment.

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

“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 Commodities 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.

“Shipper 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 Buckeye Pipe Line Transportation, LLC, Five TEK Park, 9999 Hamilton Blvd., Breinigsville, PA 18031 or calling 610-904-4000.

“System” means Carrier’s pipeline system, including all appurtenances thereto and any leased capacity, 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 Commodities for transportation from a specified Origin to a specified Destination.

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

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

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

“Volume Commitment” means the volume of Commodities 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.

ITEM NO. 10 – COMMODITIES AND SCHEDULING

- (A) Carrier will transport Commodities as specified and defined in Item No. 15 exclusively; no other materials qualify for transportation hereunder.
- (B) Subject to the Rules and Regulations contained herein, Commodities will be accepted for transportation at points of Origin at such times as Commodities of the same quality and specifications are currently being transported or Carrier is scheduling such Commodities for

shipment from such Origins in accordance with Carrier's sequence of pumping. Carrier reserves the right to establish and alter pumping sequences and schedules to facilitate the efficient use and operation of its facilities. Carrier may decline to accept certain Commodities with specific product grade specifications based on the operating availability of pipeline facilities or when tankage constraints or other operating conditions do not permit the acceptance of said specific Commodity product grade.

ITEM NO. 15 - SPECIFICATION OF COMMODITIES

- (A) The quality specifications set forth below ("**Quality Specifications**") shall apply to each Barrel of Shipper's Tender of Commodities and shall not be limited to the composite sample of the Tender:

Refined Petroleum 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.

- (B) In addition to meeting the Quality Specifications set forth in Item No. 15(A), the Commodities that Shipper tenders for transportation on the System must also meet (i) all the required Federal, state and local regulations, and (ii) the Commodity Specifications published in Carrier's Shipping Information Notebook, with such requirements also being referred to as "**Quality Specifications**".
- (C) Prior to Tendering Commodities for transportation, Shipper must inform Carrier of the percentage by volume and kind of any blending components or additives used in Commodities 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.
- (D) Carrier shall have no obligation to accept Commodities for transportation if such Commodities contain water or other impurities.
- (E) Shipper shall perform applicable tests to ensure that the Commodities it tenders to Carrier for transportation on the System conform to the Quality Specifications and Carrier may require Shipper to provide a certification of this fact. Such certification must include a data sheet showing key product specifications prior to Carrier's acceptance of Commodities and a certification of analysis of product quality for each Batch of Commodities Tended. Shipper shall be liable for any contamination or damage to other Commodities in Carrier's custody or to Carrier's System or other facilities to the extent such contamination or damage results from Shipper Tendering Commodities to the System that fail to meet the specifications stated in Shipper's certification.
- (F) Carrier or its representatives may test all Commodities 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(E), Carrier's test results will prevail (absent error demonstrated by Shipper or fraud).

- (G) Carrier reserves the right to reject a Tender of Commodities, or any portion thereof, and refuse transportation of such Tender if Carrier determines that the Commodities Tendered (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 Commodities 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.
- (H) In the event Shipper Tenders Commodities 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 Commodities 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 Commodities to a level satisfactory to Carrier in accordance with this tariff, including to a level that meets the Quality Specifications.
- (I) Carrier is not responsible for monitoring receipts or deliveries for contaminants. Further, Carrier reserves the right to dispose of any contaminated Commodities 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 Commodities that Shipper has delivered into Carrier's System.
- (J) If Commodities received by Carrier into the System do not meet the Quality Specifications, Carrier reserves the right to charge Shipper (i) the actual costs and expenses incurred by Carrier to treat, handle, or otherwise dispose of all such contaminated Commodities, and (ii) a **[U]** one-hundred (100) cents per Barrel charge for each Barrel of contaminated Commodities Shipper Tendered for transportation on Carrier's System ("**Off-Spec Penalty**"). The Off-Spec Penalty is a penalty intended to discourage deliveries of Commodities to Carrier's System that violate Carrier's Quality Specifications.

ITEM NO. 20 - ORIGIN AND DESTINATION FACILITIES

- (A) Shipper shall furnish necessary facilities at the Origin that are capable of delivering Commodities to Carrier's pump suction manifold at a pumping rate equal to Carrier's pipeline pumping rate at such Origin (or injection point if applicable) 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 Shipper seeking access to Carrier's System.
- (B) Carrier may agree to accept Commodities 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 the necessary facilities at the Destination(s) that are

capable of receiving Commodities 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 ORIGINS

The minimum quantity of Commodities which will be accepted for transportation from a single Shipper from a single Origin for movement as a Segregated or Fungible Batch shall be 10,000 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 10,000 Barrels.

ITEM NO. 30 - MINIMUM DELIVERIES

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

ITEM NO. 35 - BUFFER MATERIAL

- (A) In order to protect the quality of Commodities in transit, Carrier, as a condition of shipment, may require Shipper to furnish buffer material in kind and quantity satisfactory to Carrier. Carrier will deliver such buffer material, which may include other Commodities 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 Commodities commingled and included in deliveries of buffer material to Shipper or Consignee at Destination, and Shipper shall pay charges on such buffer material in accordance with this tariff and/or of tariffs making reference hereto at the same rate as the Commodities transported.

ITEM NO. 40 - IDENTITY OF AND MIXING OF COMMODITIES

- (A) It is inherent in the operations of a batched pipeline system that interface mixtures will occur between Batches of different Commodities. Carrier shall not be liable for variations in gravity or quality of Commodities 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 Commodities received, but may deliver Commodities 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 Commodities received from Shipper at the Origin; provided, however, that because it is impractical to maintain absolute identity of each Batch of Commodities, Carrier is permitted to make reasonable substitution of Commodities having substantially the same specifications.

- (C) Carrier shall not be required to transport Commodities except with reasonable diligence, considering the quality of the Commodities, 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 Commodities to a particular Destination, at a particular time.

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

- (A) When received, Commodities 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 Commodities 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.
 - (1) Commodities 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.
 - (2) The net balance at 60 Degrees Fahrenheit will be the quantity deliverable by Carrier, except as otherwise provided in Item No. 80.
- (B) Commodity 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 Shipper's total delivered volumes to the total volumes delivered by Carrier during the same period. Carrier will account to each Shipper for all Commodities received and will settle for net products gains and losses from normal operations based on prevailing prices in Carrier's area of operations.
- (C) Full volume deductions will be made for all water in Commodities received or delivered as determined by recognized means.

ITEM NO. 50 – DEFICIENCY PAYMENTS

If the Actual Transportation Charges a Committed Shipper incurs at the end of any Contract Year are less than the less than the Committed Shipper's Annual Firm Transportation Charge for such Contract Year, the Committed Shipper shall make a payment to Carrier equal to its Annual Firm Transportation Charge minus its Actual Transportation Charges ("**Annual Deficiency Payment**").

ITEM NO. 55 – TRANSPORTATION CHARGES

- (A) Transportation charges will be assessed and collected on the basis of the number of Barrels actually delivered at Destination, subject to temperature and/or compressibility corrections and deductions as provided for in Item No. 45.
- (B) Transportation charges and other lawful charges accruing on Commodities accepted for transportation shall be paid by a Shipper on demand and prior to the release of Commodities from custody of Carrier unless arrangements satisfactory to Carrier are made prior to acceptance of Commodities.

- (C) If required by Carrier, charges shall be prepaid by Shipper prior to acceptance of Commodities 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.
- (D) Carrier shall have a lien on all Commodities 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 Commodities in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier and shall survive delivery of Commodities 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 Commodities 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.
- (E) Any payment hereunder not made on or before its due date under this tariff shall be subject to an interest charge equal to U.S. prime rate as published in the Wall Street Journal on the date such payment was due or, if such rate isn't published on the due date, on such immediately preceding business day, plus two percent (2%) per annum beginning on the day after such payment was due and continuing until the day such payment is made. The interest shall be calculated on the basis of actual days elapsed divided by Three Hundred and Sixty (360). Notwithstanding any provision to the contrary in this tariff, in no event will this tariff require the payment or permit the collection or charging of interest in excess of the maximum amounts legally permitted by the applicable usury laws. If any such excess of interest is contracted for, charged, or received under or in connection with this tariff so that under any circumstances whatsoever the amount of interest contracted for, charged, or received under or in connection with this tariff shall exceed the maximum amount of interest permitted by such applicable usury laws, then (i) the limitations herein shall govern and control, (ii) no person or entity now or hereafter liable for such indebtedness shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by such applicable usury law, (iii) any such excess that may have been collected shall be refunded to the person or entity that paid such amount, and (iv) the effective rate of interest automatically shall be reduced to the maximum lawful contract rate allowed for this tariff under such applicable usury laws..
- (F) Carrier may refuse to deliver Shipper's Commodities 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 Shipper's Commodities 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 Commodities prior to the sale. The Shipper represents and warrants that the Commodities are not subject to any lien that has priority over 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 Shipper Information Notebook. For purposes of this tariff, the credit requirements set forth in Section 5 of the Shipping Information Notebook shall apply to (1) any payments owed for transportation services provided under this tariff, and (2) any payments owed under a related agreement for transportation, including but not limited to any deficiency payments owed under a TSA.

ITEM NO. 65 – APPLICATION OF RATES

Commodities transported shall be subject to rates, rules and regulations governing the transportation of such Commodities that are in effect on the date such Commodities 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 Commodities 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 of Commodities 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 Destination may be made if requested by Shipper prior to delivery at original Destination, subject to the rate, rules and regulations applicable from point of Origin to point of 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 Commodities, Carrier shall have no obligation to accept any Commodity 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 Commodities**"). In the event Carrier learns that Shipper has or will Nominate or Tender Encumbered Commodities, 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) pre-payment of transportation charges, or (iv) subordination agreement from the applicable lienholder. Carrier also has the right to refuse any shipment of Encumbered Commodities.
- (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 Commodities 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 Commodities 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 Commodities 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 Shipper himself, an act of God, the public enemy, accident, government regulation, the inherent vice or nature of the Commodities, 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 Commodities incurred prior to delivery of the Commodities to Carrier at the Origin and after re-delivery of the Commodities to Shipper at the Destination.
- (C) In the event of loss of Commodities 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 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 Commodities 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, claims must be filed in writing with Carrier within nine months after delivery of the Commodities or in case of failure to make delivery, then within nine months after a reasonable time for delivery has elapsed, and suit shall be instituted against Carrier only within two years and one day from the day that notice in writing is given by Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims for loss or damage are not filed with Carrier or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable thereon.

ITEM NO. 100 - PRORATION OF PIPE LINE CAPACITY

- (A) When Carrier receives more Nominations in a month for transportation of Commodities 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 Paragraph 100(C)(iv), Carrier shall allocate each Committed Shipper on a line segment an amount of capacity equal to the Committed Shipper's Monthly Volume Commitment, provided that the Committed Shipper's Nomination for the Proration Month corresponds to the Committed Shipper's Monthly Volume Commitment in all respects.
- ii. If a Committed Shipper's Nomination for the Proration Month differs from its Monthly Volume Commitment, Carrier shall allocate capacity to the Committed Shipper in the following manner:
 1. If the Committed Shipper's Nomination corresponds to its Monthly Volume Commitment in all respects except that the Nomination is for a volume level that is less than Shipper's Monthly Volume Commitment level, the Committed Shipper shall be allocated an amount of capacity equal to its Nomination.
 2. If the Committed Shipper's Nomination differs from its Monthly Volume Commitment in any respect other than that specified in Paragraph 100(C)(ii)(1) above:
 - a. Carrier shall first allocate the Committed Shipper capacity equal to the portion of its Nomination that corresponds to its Monthly Volume Commitment;
 - b. Carrier shall then allocate the Committed Shipper capacity equal to its Nomination for Flexible-Service Barrels, provided that (x) the operating conditions of Carrier's System permit the shipment of all of the Flexible-Service Barrels Nominated for shipment by all Committed Shippers in the Proration Month, and (y) such an allocation would not cause Committed Shippers to be allocated more than the Committed Shipper Capacity of the line segment in the Proration Month. If Carrier determines, in its sole discretion, that either (x) or (y) would occur as a result of such an allocation, Carrier shall instead allocate the Flexible-Service Capacity among all of the Committed Shippers that submitted a Nomination for Flexible-Service 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.
 - c. Carrier shall then allocate the 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) 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 Shipper's Nomination to the required minimum batch size or waive the minimum batch size requirement.

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

In addition to the transportation charges and all other charges accruing on Commodities 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 Commodity, 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 Commodities 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 FERC. 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 Commodities for transportation for any month unless Shipper submits a Nomination on or before the fifteenth (15th) calendar day of the calendar month preceding the month during which the transportation of Commodities 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 (10th) 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: Shipper, Commodity, 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 of all Commodities to be shipped on the System at least three working days prior to delivering the Commodities to Carrier's receipt manifold. Any Commodity 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 Commodities for shipment for a later date.

ITEM NO. 115 - WARRANTIES

- (A) Shipper warrants that all Commodities tendered to Carrier (i) will conform with the 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 Commodities transported hereunder, and Carrier expressly disclaims any liability for any express or implied warranty for Commodities transported hereunder including any warranties of merchantability or fitness for intended use.

ITEM NO. 120 - DISPOSITION OF COMMODITIES ON FAILURE TO ACCEPT DELIVERY

- (A) In the event Carrier accepts Commodities for transportation in reliance upon Shipper's representations as to acceptance of such Commodities at their specified Destination, and Shipper fails to promptly accept (or arrange for prompt acceptance) of such Commodities 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 Commodities as it deems appropriate to clear the System.
- (B) If Shipper cannot accept the scheduled delivery of its Commodities and Shipper makes timely arrangements for delivery of the Commodities 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. 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 **[U]** 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 Commodities, fails to make suitable arrangements for diversion or reassignment of its Commodities, and Carrier has available intermediate or local storage facilities that will permit Carrier to divert Shipper's Commodities, Carrier will divert the Commodities to its own facilities and reschedule the delivery of the Commodities on the next cycle when like Commodities are being delivered by Carrier. In each such instance, Carrier will charge Shipper a fee of **[U]** one thousand dollars (\$1,000) to account for Carrier's diversion and rescheduling of Shipper's Commodities. In addition, Carrier will charge Shipper a storage charge of **[U]** twenty-five cents (25.0¢) per Barrel per week for each diverted Barrel of Commodities held by Carrier for each week or fraction thereof between the date the Commodities were originally scheduled for delivery and the date the Commodities are finally delivered to Shipper.
- (D) If Shipper cannot accept the scheduled delivery of its Commodities, fails to make suitable arrangements for diversion or reassignment of the Commodities, and Carrier does not have available intermediate or local storage facilities that will permit Carrier to promptly divert the Commodities, Carrier will seek the most expeditious means to divert or dispose of the Commodities. Such disposition includes the right to sell the Commodities 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 Commodities 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 Commodities and 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 Commodities are blocked in Carrier's System (or otherwise affected) by the shutdown. Such costs may include

expenses for trucking said Commodities and any related charges for loading and/or unloading the Commodities.

3. Shipper will be assessed fees of **[U]** 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. 125 – PIPELINE ADDITIVES

- (A) Carrier may inject corrosion inhibitor compound into the Commodities to be transported and Shipper will accept delivery of such Commodities containing the corrosion inhibitor compound at the applicable Destination.
- (B) Carrier may inject drag reducing agents (or DRA) into the Commodities 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 Commodities into which it will be injected, and the date the injection shall begin.

ITEM NO. 130 – 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. 135– LINE FILL AND TANK BOTTOM INVENTORY

- (A) Either prior to or after the acceptance of Commodities for transportation, Carrier will require each Shipper to provide a pro rata part of the volume of Commodities necessary for the efficient operation of Carrier's System. Commodities provided by a Shipper for this purpose may be withdrawn after reasonable written notice of Shipper's intention to discontinue shipment in the system pursuant to Carrier's applicable tariff or tariffs. Carrier may require advance payment of final transportation charges and settlement of any unpaid accounts receivable, before final delivery will be made..
- (B) In the event a Shipper's inventory balance drops below its pro rata part of the volume of Commodities required pursuant to this Item No. 135, Carrier will require the Shipper to provide the necessary volume to meet its pro rata part of such volume of Commodities.
- (C) In the event that Shipper maintains an inventory balance after Shipper ceases movements on the system or Shipper gives written notice of its intent to cease movements over the system and such Shipper is unable to schedule appropriate shipments to clear the inactive inventory balance, Shipper will be required to settle the inactive inventory balance through Carrier. Such settlement will be based upon prevailing prices in Carrier's area of operations at the time Shipper informs Carrier in writing of its intention to discontinue shipments on the system pursuant to Carrier's applicable tariff or tariffs, or if no such written notice is given, at such time as Carrier calls for the settlement of Shipper's inventory balance.

[N] ITEM NO. 140 – PENALTIES FOR LATE CHANGES IN NOMINATIONS

Unless otherwise noted, to reduce the schedule’s variability, a late change penalty will be assessed to any Shipper who, within three (3) business days prior to the scheduled lifting date, (1) changes any designated Origin Point or Tanker from the Origin Point or Tanker identified in Shipper’s Nomination, or first identifies the designated Origin Point or Tanker, or (2) changes the amount of Barrels of Petroleum Products for transportation from what is reflected in Shipper’s Nomination, or within three (3) business days prior to the scheduled delivery date, (1) changes any designated Destination Point or Tanker from the Destination Point or Tanker identified in Shipper’s Nomination, or (2) changes the amount of Barrels of Petroleum Products for transportation from what is reflected in Shipper’s Nomination. The applicable late change penalty will depend on the number of business days prior to the scheduled lifting or delivery date on which Shipper makes any of the above-noted changes to its Nomination, as provided in the table below:

<u>Nomination Change*</u>	<u>Penalty (in cents per barrel)</u>
<u>Three (3) business days prior to scheduled lifting or delivery date</u>	<u>15.00</u>
<u>Two (2) business days prior to scheduled lifting or delivery date</u>	<u>20.00</u>
<u>One (1) business day prior to scheduled lifting or delivery date</u>	<u>30.00</u>
<u>Same day as scheduled lifting or delivery date</u>	<u>40.00</u>

The penalties described in this Item No. 140 shall not apply when (1) Carrier or Shipper disrupts or otherwise modifies the pipeline schedule due to an event of Force Majeure and/or (2) deliveries of Shipper’s Petroleum Products were reduced at the request of Carrier, or where Carrier’s operational issues prevent receipt or delivery of Barrels tendered by Shipper.

*For purposes of determining whether a Shipper makes late changes to its Nominations pursuant to this Item No. 140, a “business day” shall be any weekday, Monday through Friday, and shall include weekdays that are company holidays.

EXPLANATION OF REFERENCE MARKS

[C] Cancel

[N] New

[U] Unchanged

[W] Change in Wording Only