

Tariff No. 3
(Cancels Tariff No. 2)

EVERGLADES PIPE LINE COMPANY, L.P.

RULES AND REGULATIONS

Applying On The Transportation Of

AVIATION TURBINE FUEL

From

PORT EVERGLADES, FLORIDA

To

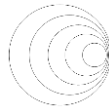
POINTS IN FLORIDA

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

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EFFECTIVE: MAY 1, 2018

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[C] RULES AND REGULATIONS

This carrier will receive petroleum products for pipe line transportation only to established delivery terminals on its own lines, subject to the following conditions:

1. ~~PETROLEUM PRODUCTS DEFINED~~ - The term "petroleum products" as used herein shall mean and be limited to gasoline and petroleum oil distillates.
2. ~~SPECIFICATIONS~~ - Petroleum products will be accepted for transportation only when specifications thereof are in agreement with those of petroleum products being currently transported; are free from water and other impurities and have a color not darker than No. 3 ASTM. A Certificate of Analysis must be provided to the delivery terminal and to Everglades Pipelien at lease 2 hours prior to shipment. The Certificate of Analysis must include the folloing information and results:
 - Batch Identification Number for the pipline batch that the tests represent
 - All test results from the latest version of ASTM D1655 Table 1
 - Millipore (ASTM D2276) result (NOTE: must use minimum of 3 gallons for Millipore test)
 - Aqua-glo Free Water (Note: test method must use 500 ML and 1 gallon flush)
 - Listing of any additives and the dosage rate
3. ~~DESTINATION FACILITIES~~ - Petroleum products will be received for transportation only when the shipper or consignee has provided the necessary facilities for receiving said petroleum products on arrival at destination.
4. ~~MINIMUM TENDERS~~ - Petroleum products shall be tendered for transportation in quantities of not less than 15,000 barrels of 42 U.S. gallons of any one specification product from one consignor, consigned to one consignee, except tenders for transportation to Fort Lauderdale-Hollywood International Airport, which shall not be less than 2,500 barrels.
5. ~~MEASURING AND VOLUME CORRECTION~~ - Quantities of petroleum products received at origin and delivered at destination shall be determined by meters or tank gauges. Volumes shall be corrected by recognized means from observed temperature and pressure to a temperature of 60 Degrees Fahrenheit and a pressure of zero psi gauge. Shippers or consignees shall have the privilege of being present or represented at the times of measuring and volume correction.
6. ~~LIENS AND UNPAID CHARGES~~ - Petroleum products will be accepted for transportation only when free from all liens and charges.
7. ~~TRANSPORTATION CHARGES~~ - Transportation charges will be assessed and collected at the rates named herein on the basis of the number of barrels of petroleum products actually delivered at destination after volume corrections as provided for in Item 5.
8. ~~PAYMENT OF TRANSPORTATION AND OTHER CHARGES~~ - The transportation and all other lawful charges accruing on petroleum products accepted for shipment, based on the rates applicable to the terminal points at which delivery is made, shall, on demand, be paid before the release of petroleum products in the custody of the carrier. If required, charges shall be paid at point of origin. Petroleum products accepted for transportation shall be subject to a lien for all lawful charges.
9. ~~LIABILITY OF CARRIER~~ - While in possession of the property herein described, the carrier shall not be liable for any loss or damage or delay caused by the act of God, public enemy, quarantine, authority of law, strikes, riots, fire, floods, or act or default of shipper or owner, or for any other cause not due to the negligence of the carrier whether similar or dissimilar to the

causes herein enumerated; in such cases, the owner shall stand the loss in the same proportion as the amount accepted for transportation and actually in the carrier's custody bears to the whole of the property of all shippers in the system of the carrier at the time of such loss and shall be entitled to receive only such portion of his shipment as is left after deducting a due proportion of the loss as above. In case of a loss by fire, if there be held by the carrier any insurance against such loss, the benefit of such insurance shall extend to the owner or party suffering the loss, so far as this shall not avoid the policies or contracts of insurance.

10. ~~CLAIMS, TIME FOR FILING~~ – As a condition precedent to recovery, ~~claims must be filed in writing with the carrier within nine (9) months after delivery of the property or in case of failure to make delivery, then within nine (9) months after a reasonable time has elapsed, and suit shall be instituted against the carrier only within two (2) years and one (1) day from the day that notice in writing is given by the carrier to the claimant that the carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims for loss or damage are not filed or suits are not instituted therein in accordance with the foregoing provisions, such claims will not be paid and the carrier will not be liable.~~

[N] TABLE OF CONTENTS

SUBJECT	ITEM NO.	PAGE NO.
Application of Rates	55	9
Application of Rates From and To Intermediate Points	60	9
Charge for Spill Compensation Acts and Regulations	95	15
Claims, Suits, Time for Filing	85	10
Commodity	10	6
Confirmation of Supply Source	105	15
Definitions and Abbreviations	5	5
Disposition of Commodities on Failure to Accept Delivery	115	16
Explanation of Reference Marks	-	18
Failure to Deliver at Scheduled Rate	135	17
Gauging, Metering, Testing and Deductions	45	8
General Application	-	5
Liability	80	10
Origin and Destination Facilities	20	7
Proration of Pipe Line Capacity	90	11
Quantities Tendered at Origins	25	8
Separate Pipeline Agreements	70	9
Specification of Commodities	15	6
Time for Submitting Nominations	100	15
Title	75	9
Transportation Charges	50	8
Warranties	110	15

[N] GENERAL APPLICATION

i. Rules and regulations published herein apply only in connection with rate sheets which make specific reference by number to this rate sheet; such reference will include supplements hereto and successive issues hereof.

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

iii. Carrier will operate its system and implement the rules and regulations contained in this rate sheet, including those provisions providing for Carrier's discretion, in a manner that is not unduly discriminatory or unduly preferential.

iv. Additional rules, as applicable and which may be changed, can be found in the *Buckeye Shipper Information Notebook*. A copy of Carrier's *Shipper Information Notebook* is available on Carrier's public website at:

<http://www.buckeye.com/BuckeyeShipperInformation/ShipperInformationNotebook/tabid/125/Default.aspx>.

[N] ITEM NO. 5 – DEFINITIONS AND ABBREVIATIONS

Barrel Means 42 United States gallons at 60 degrees Fahrenheit and zero P.S.I.G.

Batch Means a quantity of one Commodity moved in a pipeline as an identifiable unit. A Batch shall be designated by the Shipper as Segregated or Fungible, as follows:

- (1) A "Segregated Batch" is a quantity of one Commodity meeting the specifications set forth in Item 15, for which the 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.
- (2) A "Fungible Batch" is a quantity of one Commodity which meets Carrier's established specifications and may be commingled with other Batches of Commodities meeting the same specifications for pipeline movement.

Carrier Means and refers to Everglades Pipe Line Company, L.P.

Commodity Means and refers to refined petroleum products, intermediate petroleum products, liquefied petroleum gas, crude petroleum products, and aviation turbine fuel as specified and defined in Item 15 "Specifications of Commodities."

Consignee Means the party or Delivery Tanker to whom a Shipper has ordered the delivery of Commodities to a Destination.

Destination Means the specific location on Carrier's system as designated in its rate sheet where Carrier delivers Commodities.

- 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.
- Origin Means the specific location on Carrier's system as designated in its rate sheet where Carrier accepts Commodities for shipment.
- Shipper Means the party who contracts with the Carrier for transportation under the terms of this rate sheet.
- Supply Source..... Means the connecting facility or Receipt Tanker from whom a Shipper has ordered delivery of Commodities to Carrier's receipt manifold at a specified Origin.
- Tanker Means the connecting facility where the Shippers Commodities are being originated from (Receipt Tanker) or delivered to (Delivery Tanker).
- Tender An offer by a Shipper to the Carrier of a stated quantity of Commodities for transportation from a specified Origin to a specified Destination or Destinations.

ABBREVIATIONS..... EXPLANATION

- % 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
- P.S.I.G Pounds per Square Inch Gauge
- US United States

[N] ITEM NO. 10 – COMMODITY

Carrier will transport Commodities as specified and defined in Item 15 exclusively: no other materials qualify for transportation hereunder.

[N] ITEM NO. 15 - SPECIFICATION OF COMMODITIES

(A) General Specifications: Refined Petroleum Products, and Aviation Turbine Fuel. Petroleum products will be accepted for transportation only when specifications thereof are in agreement with those of petroleum products being currently transported; are free from water and other impurities and have a color not darker than No. 3 ASTM. A Certificate of Analyses must be provided to the delivery terminal and to Everglades Pipeline at least 2 hours prior to shipment. The Certificate of Analysis must include the following information and results:

- Batch Identification Number for the pipeline batch that the tests represent
- All test results from the latest version of ASTM D1655 Table 1
- Millipore (ASTM D2276) result (NOTE: must use minimum of 3 gallons for Millipore test)
- Aqua-glo Free Water (Note: test method must use 500 ML and 1 gallon flush)

- Listing of any additives and the dosage rate
- (B) Carrier shall have no obligation to accept Commodities for transportation if such Commodities contain water or other impurities.
- (C) Commodities shall be accepted for transportation only when such Commodities meet all the required Federal, state and local regulations and the Carrier's published Commodity Specifications as published in the Carrier's Shipping Information Notebook. A copy of the Commodity Specifications may be obtained from the Carrier by writing to: Everglades Pipe Line Company, Attn: Measurement and Quality Control, Box 368, Emmaus, PA 18049-0368, or by calling 610-904-4000.
- (D) Carrier will require the Shipper to demonstrate that Commodities tendered for transportation meet required specifications as prescribed herein. Such demonstrations will include a data sheet showing key products specifications prior to Carrier's acceptance of Commodities, and a certification of analysis of product quality for each Commodity Batch tendered.

[N] ITEM NO. 20 - ORIGIN AND DESTINATION FACILITIES

- (A) Shipper shall furnish necessary facilities at the Supply Source to deliver Commodities to Carrier's pump suction manifold at a pumping rate equal to Carrier's pipeline pumping rate at such Supply Source (or injection point if applicable) at a minimum pressure of 50 P.S.I.G., unless a lower pumping rate or pressure is designated. The Supply Source shall have the necessary facilities to meet a minimum pumping rate of 3,150 barrels per hour to the Miami-Dade International Airport (the "MIA Required Rate") and 2,500 barrels per hour to the Fort Lauderdale International Airport (the "FLL Required Rate" and collectively the "Required Rates"). The Supply Source will be subject to the provisions of Item No. 135 herein should they fail to meet the Required Rates. In addition, if there should be a further upward revision in the Required Rates, Carrier shall give notice via this "Rules and Regulations" document and the Supply Source shall have twelve months to meet the revised Required Rates (the "Notification Period"). After such Notification Period, the Supply Source will be subject to the provision of Item No. 135 herein if the Supply Source fails to meet the revised Required Rates.

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 the Carrier may specify.

- (B) Shipper or Consignee shall furnish the necessary facilities at Destination 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. The Destination shall have the necessary facilities to receive the Required Rates. The Destination will be subject to the provisions of Item No. 135 herein should they fail to meet the Required Rates. In addition, if there should be a further upward revision in the Required Rates, Carrier shall give notice via this "Rules and Regulations" document and the Destination shall have twelve months to meet the revised Required Rates (the "Notification Period"). After such Notification Period, the Destination will be subject to the provision of Item No. 135 herein should they fail to meet the upward revision in the Required Rates.

[N] 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 Supply Source shall be 10,000 Barrels.

- Except tenders for transportation to Fort Lauderdale which shall not be less than 2500 barrels.

[N] ITEM NO. 45 - GAUGING, METERING, TESTING, DEDUCTIONS AND FILTERING

(A) When received, Commodities will be gauged or metered and may be tested by a representative of the Carrier, and the Shipper or Consignee shall have the privilege of being present or represented at the gauging, metering and/or testing. 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, 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 the Carrier, except as otherwise provided in Item 80.

(B) Section 5 (Accounting Procedures) of Carrier's *Shipper Information Notebook*. A copy of Carrier's *Shipper Information Notebook* is available on Carrier's public website at: <http://www.buckeye.com/BuckeyeShipperInformation/ShipperInformationNotebook/tabid/125/Default.aspx>. Carrier will account to each Shipper for all Petroleum Products received and will settle with each Shipper for net products gains and losses from normal operations based on prevailing prices in the 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.

(D) Section 3.3.15b. (Everglades Pipeline Quality Guidelines) of Carrier's *Shipper Information Notebook*. A copy of Carrier's *Shipper Information Notebook* is available on Carrier's public website at: <http://www.buckeye.com/BuckeyeShipperInformation/ShipperInformationNotebook/tabid/125/Default.aspx>. Failure to meet water and particulate specifications will result in additional filtration charges and/or refusal to transport product.

[N] ITEM NO. 50 - 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 45.

(B) Transportation charges and other lawful charges accruing on Commodities accepted for transportation, based on the rates applicable from Origin to Destination to which Commodities are delivered, shall be paid by the Shipper on demand and prior to the release of Commodities from custody of the Carrier unless arrangements satisfactory to Carrier are made prior to acceptance of Commodities. If required by the Carrier, charges shall be prepaid by the

Shipper prior to acceptance of Commodities by the 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. Carrier shall have a lien and security interest to the fullest extent permitted by law on all Commodities in its possession to secure all unpaid transportation and other lawful charges due from the Shipper and Carrier may withhold all or a portion of Commodities from delivery until all charges have been paid. Carrier's rights under this Item are not exclusive but shall be in addition to any other rights or remedies available hereunder or under applicable law.

- (C) In the event that an invoice for transportation or other lawful charges is not paid to Carrier in full when due, the 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.

[N] ITEM NO. 55 - APPLICATION OF RATES

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

[N] ITEM NO. 60 - APPLICATION OF RATES FROM AND TO INTERMEDIATE POINTS

- (A) Carrier will receive Commodities for transportation only from and to established Origins and Destinations.
- (B) Commodities received from an established Origin on Carrier's lines which is not named in rate sheet making reference hereto, but which is intermediate to an Origin from which rates are published in said rate sheets, through such unnamed Origin, will be assessed the rate in effect from the next more distant Origin, published in the rate sheet.

Commodities delivered to an established Destination on the Carrier's lines which is not named in rate sheet making reference hereto, but which is intermediate to a Destination to which rates are published in said rate sheets, through such unnamed Destination, will be assessed the rate in effect to the next more distant Destination published in the rate sheet.

[N] ITEM NO. 70 - SEPARATE PIPELINE AGREEMENTS

Separate agreements in association with pipeline connections or other facilities ancillary to the Carrier's pipeline system and in accordance with this rate sheet may be required of any Shipper or Consignee before any obligation to provide transportation shall arise.

[N] ITEM NO. 75 - TITLE

Unless arrangements satisfactory to Carrier are made prior to acceptance of Commodities, Carrier shall have no obligation to accept any Commodity which is in litigation, or as to which a dispute of title may exist or which may be subject to any lien or other encumbrance. Tenders submitted by Shipper shall be considered as a warranty of title and absence of encumbrance, and Carrier shall have no

obligation to make inquiry with respect thereto. No acceptance of such Commodities by Carrier shall constitute a waiver or subordination of Carrier's lien under Item 50 or any other rights hereunder.

[N] ITEM NO. 80 - LIABILITY

(A) Liability of Carrier

While in the possession of any Commodity herein described, Carrier shall not be liable for any loss, damage or delay caused by an act of God, public enemy, accident, government regulation, strikes or other labor dispute, riots, fire, floods, or act or default of Shipper or Consignee, or from any other cause outside of the reasonable control of the Carrier whether similar or dissimilar to the causes herein enumerated. In such cases, the Shipper shall bear the loss in the same proportion as the amount accepted for transportation and actually in the 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 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 the Carrier shall be accepted as prima facie correct in the distribution of such losses under this Item.

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.

(B) Liability of Shipper

Shipper shall be solely responsible for any loss or damage to Commodity that occurs prior to the delivery of Shipper's Commodity to Carrier at an Origin point and after delivery of such Commodity to Shipper at a Destination point. As a condition to Carrier's acceptance of Commodity for transportation on Carrier's system, each Shipper agrees to protect and indemnify Carrier against claims or actions for injury and/or death of any and all Persons whomever and for damage to property of or any other loss sustained by Carrier, Shipper, Consignor, Consignee and/or any third party, resulting from or arising out of (a) any breach of or failure to adhere to any provision of Carrier's rate sheet(s) by such Shipper or any of its Consignors, Consignees, or any of their agents, employees or representatives and (b) the negligent act(s) or failure(s) to act of such Shipper or any of its Consignors, Consignees, or any of their agents, employees or representatives in connection with delivery or receipt of Commodity.

[N] ITEM NO. 85 - 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.

[N] ITEM NO. 90 - PRORATION OF PIPE LINE CAPACITY

(A) Application

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

(B) Definitions

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

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

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

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

New Shipper means (1) a Shipper which does not qualify as a Regular Shipper but does satisfy the shipping requirements of the Carrier's Rules and Regulations Rate Sheet. At the end of 14 consecutive calendar months from the beginning of the first month in which a New Shipper begins using any segment or facility of the Carrier's pipeline system (whether prorated or not), it will become a Regular Shipper and the actual volumes delivered for its account over the pipeline segment or facility being prorated will become the basis for pipeline capacity allocation in the same manner as for other Regular Shippers.

Or (2) a Shipper who has not shipped any volumes in the prorated segment or facility during any non-prorated month during the base period

Regular Shipper means a Shipper which: (1) has used the pipeline segment subject to allocation during at least one month of the base period, and (2) does not meet the definition of "New Shipper", and (3) has volumes nominated for its account on the prorated segment or facility during the period of proration. If a Shipper, that would otherwise be classified as a New Shipper, has a volume history in the prorated segment or facility such that calculating Shippers Allocation classifying the Shipper as a Regular Shipper results in a larger allocation than if that Shipper were classified as a New Shipper, said Shipper will be classified as a Regular Shipper.

(C) Use of Standard Base

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

(D) Allocations for Regular Shippers

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

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

of each Regular Shipper by the total shipments made for all Shippers during the base period. The resulting percentages will then be applied to the line segment or facility capacity to determine capacity allocation for each Regular Shipper. Each Regular Shipper will receive the lesser of its actual Nominations and its allocation resulting from the above calculation. In the event any Shipper(s) is (are) allocated more capacity than its (their) nominated requirements, the excess of its (their) allocation(s) over its (their) Nominations will be reallocated among all other Shippers in proportion to their base period history. Allocations for Regular Shippers will be subject to reduction if required to accommodate New Shippers.

(E) Allocations for New Shippers

Unless more capacity is required for Regular Shippers in Section (F), up to two and one-half percent (2.5%) of available capacity will be made to each new shipper subject to a total of ten percent (10%) of available capacity for all new Shippers. Commodities nominated by a New Shipper during periods of proration not caused by unusual market conditions will be allocated pipeline capacity as follows:

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

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

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

(F) Unusual Market Conditions

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

(G) Penalties for Failure to Utilize Allocated Space

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

Eighty-five percent (85%) of Prorated Binding Nomination less
The actual volumes delivered] times
The applicable current rate sheet rate.

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

(H) Allocation of Additional Capacity after Calculation and Notification of Prorated Binding Nominations

In the event that additional space or capacity become available on the prorated segment or facility due to the cancellation of nominations by another shipper, earlier than scheduled completion of maintenance, restoration, or repair work, or other such event, the Carrier may elect to offer that newly available or additional space to shippers. Carrier will notify each Shipper that has tendered a Nomination for the affected line segment or facility. Notification will be made via electronic mail, telephone, facsimile, electronic bulletin posting or other appropriate method as selected by the Carrier. This notification will advise shippers of the availability of the additional space and all pertinent details and conditions for tendering additional volumes to be shipped in the additional space. As part of the notification, Carrier will advise shippers of the means by which shippers should submit requests for use the additional space, and the deadline by which all such requests must be submitted to the Carrier. The deadline for submitting requests to the Carrier will not be less than twenty-four (24) hours after the notice or announcement concerning the availability of space is made.

Carrier will allocate additional space on a lottery basis, using an unbiased, random, and non-discriminatory method to select (an) individual shipper request(s) from the pool of all requests submitted by the announced deadline. Carrier will continue to randomly select shipper requests from the pool of remaining requests until all of the additional space is allocated. In the event that a selected request is for a volume amount greater than the (remaining) available space, Carrier will allocate only the available space.

Upon notification to a Shipper by the Carrier that additional space has been allocated, the Shipper will have twenty-four hours to accept the additional space allocation by notifying the Carrier of the Shippers intent to accept that space and submitting an Allocated Binding Nomination for the additional space. In the event that a Shipper that is allocated additional space under the provisions of this section and fails to accept or declines to use the additional space, Carrier will continue to use a random selection lottery basis to pick from the pool of remaining requests, until all of the additional space is allocated.

(I) General

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

As delineated above, pipeline or facility capacity is allocated among Regular Shippers based upon historical usage. Inflated Nominations do not result in increased capacity allocation. In no event will any portion of an allocation granted either to a Regular Shipper or New Shipper be used in such a manner that it will increase the allocation for any other Shipper beyond what it is entitled to under the proration policy.

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

[N] ITEM NO. 95 - 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 the 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. Carrier shall be under no obligation to contest or protest on behalf of the Shipper or Consignee the legality of such tax, fee, levy or other charges.

[N] ITEM NO. 100 - TIME AND METHOD FOR SUBMITTING NOMINATIONS

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

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

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

[N] ITEM NO. 105 - CONFIRMATION OF SUPPLY SOURCE

For all Commodities it is the responsibility of the Shipper to confirm the Supply Source (Receipt Tanker) a minimum of three working days prior to delivering the Commodity to Carrier's receipt manifold. Any Commodity that does not have a confirmed Supply Source will be removed from Nomination. It will be the Shipper's responsibility to renominate for a later date.

[N] ITEM NO. 110 - WARRANTIES

Shipper warrants that all Commodities tendered to Carrier will conform with Carrier's specifications set forth in Item 15 for Segregated Batches or Carrier's established specifications for Fungible Batches, including applicable standards for gasoline Reid vapor pressure; are owned by the Shipper and are free from disputes as to title, liens, or other encumbrances as set forth in Item 75; 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. The transportation of the Commodity may be refused or cancelled if Carrier determines or is advised that the Commodity does not meet the requirements of Carrier's rules and regulations, but Carrier has no obligation to make such determination or to make inquiry with respect thereto.

Carrier does not make any warranties expressed or implied, including, but not limited to, fitness for a particular purpose and merchantability, concerning the quality of the Commodities delivered.

[N] ITEM NO. 115 - DISPOSITION OF COMMODITIES ON FAILURE TO ACCEPT DELIVERY/FAILURE TO PROVIDE SUPPLY TO CARRIER

Failure to Provide Supply to Carrier

(A) In the event Carrier has accepted Commodities for transportation in reliance upon Shipper's representations as to discharge at Receipt point to Carrier, and there is failure to promptly discharge such Commodities as scheduled at Origin, then and in such event Carrier shall have the right to divert, reconsign, or make whatever arrangements to fulfill the original scheduled time of the Commodities it deems appropriate to clear its pipeline facilities.

(B) If the Shipper cannot discharge the scheduled receipt to the Carrier and Shipper makes timely arrangements for receipt at another local or more distant origin point, Carrier will permit such diversion or reconsignment consistent with the provisions of Item No. 65 of this rate sheet. Carrier will consider all such diversion or reconsignment arrangements to be timely if notice of these alternate arrangements is received by the Carrier in sufficient time to avoid shutting down operation of the affected pipeline segment or facilities. If suitable diversion or reconsignment arrangements are made by the Shipper but the Carrier is not notified in time sufficient to avoid a shutdown of the affected pipeline segment or facilities, then an assessment of two thousand dollars (\$2,000.00) for each hour of lost operation or fraction thereof may be made on the Shipper.

(C) In the event that physical limitations or any other factors prevent the Carrier from receipting the Commodities at the published scheduled event and the Carrier is forced to shut down operation of the pipeline facilities, the 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 the Carrier from other Shippers or affected Parties as a result of the extended interruption of scheduled pipeline service.

(2) Shipper will also be responsible for the prompt payment of any and all costs incurred by the pipeline to provide alternative service to its other Shippers whose Commodities are blocked in the pipeline facilities by the shutdown. Such costs may include expenses for trucking said products and any related charges for loading and/or unloading the Commodities.

(3) Shipper may be assessed fees of [U] two thousand dollars (\$2,000.00) for each hour of lost operation or fraction thereof to compensate Carrier for revenues lost during the time the pipeline facilities were forced to shut down.

Failure to Accept Delivery

(A) In the event Carrier has accepted Commodities for transportation in reliance upon Shipper's representations as to acceptance at Destination, and there is failure to promptly accept such Commodities as scheduled at Destination, then and in such event Carrier shall have the right to divert, reconsign, or make whatever arrangements for disposition of the Commodities it deems appropriate to clear its pipeline facilities.

(B) If the Shipper cannot accept the scheduled delivery and Shipper makes timely arrangements for delivery at another local or more distant destination point, Carrier will permit such diversion or reconsignment consistent with the provisions of Item No. 65 of this rate sheet. Carrier will consider all such diversion or reconsignment arrangements to be timely if notice of these alternate arrangements is

received by the Carrier in sufficient time to avoid shutting down operation of the affected pipeline segment or facilities. If suitable diversion or reconsignment arrangements are made by the Shipper but the Carrier is not notified in time sufficient to avoid a shutdown of the affected pipeline segment or facilities, then an assessment of two thousand dollars (\$2,000.00) for each hour of lost operation or fraction thereof may be made on the Shipper.

(C) At Carrier discretion, if the Shipper fails to make suitable arrangements for diversion or reconsignment of the Commodities, and the Carrier has available intermediate or local storage facilities that will permit the Carrier to divert the Commodities, the 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 the Carrier, A Rescheduling and Diversion Charge of One Thousand Dollars (\$1,000) will be imposed for each instance the Carrier is required to divert Commodities and reschedule delivery. In addition, a Storage Charge of twenty-five cents (25.0¢) per barrel per week will apply to each diverted barrel held by the 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 the Shipper.

(D) If the Shipper fails to make suitable arrangements for diversion or reconsignment of the Commodities, and the Carrier does not have available intermediate or local storage facilities that will permit the 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 whosoever may be lawfully entitled thereto.

(E) In the event that physical limitations or any other factors prevent the Carrier from arranging for the prompt disposal of the Commodities and the Carrier is forced to shut down operation of the pipeline facilities, the 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 the Carrier from other Shippers or affected Parties as a result of the extended interruption of scheduled pipeline service.

(2) Shipper will also be responsible for the prompt payment of any and all costs incurred by the pipeline to provide alternative service to its other Shippers whose Commodities are blocked in the pipeline facilities by the shutdown. Such costs may include expenses for trucking said products and any related charges for loading and/or unloading the Commodities.

(3) Shipper may be assessed fees of [U] two thousand dollars (\$2,000.00) for each hour of lost operation or fraction thereof to compensate Carrier for revenues lost during the time the pipeline facilities were forced to shut down.

[N] ITEM NO. 135 – FAILURE TO DELIVER OR RECEIVE AT SCHEDULED RATE

In the event Carrier has accepted a Batch of Commodity for transportation in reliance upon Shipper's representation as to delivery at Origin from Receipt Tanker and/or receipt at Destination by Delivery Tanker, and the Tanker fails to accomplish delivery and/or receipt of Commodity at the rate of delivery necessary to complete delivery of the Batch within the delivery period ("Required Scheduled Rate"), which shall not exceed the full pipeline pumping rate, Shipper may be assessed a penalty which shall only be applied to the reduction in the rate of delivery. The penalty shall be calculated under the following formula:

Penalty = \$2,000.00 X Penalty Percentage X Batch delivery period (in hours), where:

- a. Penalty Percentage = 100% minus Slow Down Percentage Rate;
- b. Slow Down Percentage Rate = Slow Down Rate divided by Required Scheduled Rate;
and
- c. Slow Down Rate = Average actual rate of delivery over Batch delivery period.

Shipper will be responsible for the prompt payment of any and all claims that may be brought against the Carrier from other Shippers or affected Parties as a result of a failure of delivery or receipt by the Tanker under this item.

EXPLANATION OF REFERENCE MARKS

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