

FERC No. 2
(Cancels FERC No. 14*)
*TransMontaigne Pipeline Inc. Series

NORCO PIPE LINE COMPANY, L.L.C.

LOCAL TARIFF

Containing

RULES & REGULATIONS

Governing

TRANSPORTATION OF PETROLEUM PRODUCTS

By

PIPELINE

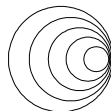
Rules have been brought forward from TransMontaigne Pipeline Inc.'s FERC No. 14
with changes as indicated herein in accordance with
NORCO Pipe Line, L.L.C.'s Adoption Notice FERC No. 1 effective July 31, 2001

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

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TABLE OF CONTENTS

SUBJECT	ITEM NO.	PAGE NO.
Abbreviations & Definitions	1	3
Acceptance of Pipeline Delivery	17	▲ 7
Batch Scheduling	5	▲ 4
Commodity	2	▲ 4
Common Stream Petroleum, Connecting Carriers	19	▲ 7
✓ Communication Facilities	15	▲ 7
Confirmation Of Supply Source	24	8
Diversion or Reconsignment	16	▲ 7
Duty of Carrier	22	▲ 8
Gauging & Metering	9	▲ 5
✓ General Application.....	-	3
Identity of Petroleum Products	6	4
Interface of Commingled Products	21	▲ 8
Liability for Charges	10	▲ 5
Liability of Carrier	11	▲ 6
Nominations	4	▲ 4
Origin & Destination Facilities	3	▲ 4
Pipeline Contracts Required	23	▲ 8
Proration of Pipeline Capacity	18	▲ 7
Quality, Specifications & Testing	7	▲ 5
Rates Applicable	14	▲ 6
Rates Applicable From/To Intermediate Points	13	5
Reference Marks, Explanation of	-	▲ 8
Tax Registration	20	▲ 8
Time Limitations of Claims	12	▲ 6
Title	8	▲ 5

GENERAL APPLICATION

Carrier will accept and transport Petroleum Products offered for transportation through Carrier's facilities only as provided in this Rules and Regulations Tariff, except that specific rules and regulations published in other tariffs will supersede the general rules and regulations in this tariff. This tariff will apply only to those tariffs which specifically incorporate this tariff by reference; such reference includes supplements to this tariff and successive issues thereof.

ITEM NO. 1 – ABBREVIATIONS AND DEFINITIONS

- Barrel Means 42 U.S. 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.
- Carrier Means and refers to ▲ NORCO Pipe Line Company, L.L.C.
- 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 tariff where Carrier delivers Commodities.
- FERC Means Federal Energy Regulatory Commission.
- No..... Means number.
- 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 tariff where Carrier accepts Commodities for shipment.
- Petroleum Products ... As used herein refers to gasoline, petroleum fuel oil distillate, jet fuel, kerosene, natural gasoline and/or other products accepted by Carrier.
- Shipper Means the party who contracts with Carrier for transportation of Petroleum Products.
- ✓ 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.
- U.S. Means the United States.

ITEM NO. 2 – COMMODITY

Carrier is engaged in the transportation of Petroleum Products, as defined herein, and will not accept any other commodity under this tariff.

ITEM NO. 3 – ORIGIN AND DESTINATION FACILITIES

Carrier will receive each shipment of Petroleum Products for transportation only when satisfactory evidence is furnished that Shipper has provided the necessary facilities for delivering same to Carrier, and Consignee has provided the necessary facilities for receiving the same as it arrives at destination.

ITEM NO. 4 – 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. 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.

ITEM NO. 5 – BATCH SCHEDULING

Batches will be accepted at point of origin for the same kind and quality of Petroleum Products. Carrier shall not be obligated to accept a tender of any batch that is less than 10,000 Barrels consigned to the same point of delivery. Batches shall be handled in the order in which they are received and accepted by Carrier. Carrier may, at its option and for its convenience, transport such Petroleum Products by intermittent pumping.

ITEM NO. 6 – IDENTITY OF PETROLEUM PRODUCTS

Petroleum Products will be accepted for transportation at such time as Petroleum Products of similar quality and specifications are currently being transported from point of origin to point of delivery in accordance with Carrier's sequence of pumping, and upon the conditions that:

- (a) Carrier may require Shipper to inject corrosion inhibitor in the Petroleum Products to be transported or
- (b) Carrier may inject corrosion inhibitor in the Petroleum Products to be transported, and
- (c) Consignee will accept delivery of shipments at destination containing corrosion inhibitor.

Acceptance of Petroleum Products for transportation shall also be upon the condition that said Petroleum Products shall be subject to such changes in gravity or other characteristics while in transit as may result from normal pipeline operations. Carrier will use due diligence to transport such Petroleum Products to destinations with a minimum amount of contamination, but Carrier will not be liable for discoloration, contamination or deterioration of Petroleum Products transported hereunder, unless such discoloration, contamination or deterioration is caused by negligence of Carrier.

Carrier will use its best efforts to maintain the identity of individual shipments of Petroleum Products. However, in view of the impracticability of maintaining the exact identity of shipments at all times,

Carrier reserves the right at any time to substitute and deliver Petroleum Products of the kind and quality comparable to the Petroleum Products shipped.

ITEM NO. 7 – QUALITY, SPECIFICATIONS AND TESTING

No shipment hereunder will be received by Carrier for transportation unless the same consists of good merchantable Petroleum Products free from water and other foreign substances. Such Petroleum Products shall meet the specifications set forth in ▲ NORCO System Fungible Product Specifications effective July 31, 2001 as amended and modified from time to time. Said document is available upon request.

ITEM NO. 8 – TITLE

Carrier will not receive any Petroleum Products that are in litigation, or that involve a dispute of title, or that may be encumbered by any lien. Tender of Product by Shipper shall be considered a warranty of title and Carrier shall not be held responsible in the event of failure of title.

Title to any Shipper Petroleum Products delivered to Carrier shall remain with Shipper at all times.

ITEM NO. 9 – GAUGING, MEASURING AND DEDUCTIONS

The volume of Petroleum Products received and delivered by Carrier will be measured in Barrel units by tank gauges and computations made from correctly compiled tank tables or by meter. Measured volumes at recorded or observed temperatures will be converted to volumes at 60 degrees Fahrenheit using the latest applicable standards. All measurements shall be determined by Carrier, but may be witnessed by Shipper and Consignee or their representatives.

ITEM NO. 10 – LIABILITY FOR CHARGES

Shipper and Consignee shall be jointly and severally liable for the payment of transportation and all other charges upon Petroleum Products delivered by Carrier to Consignee.

Carrier will bill Shipper ▲ for transportation and other charges on Petroleum Products delivered to Consignee. If such a bill is not paid within 10 days after date of invoice, Carrier shall have the right to sell Shipper's Petroleum Products which may be in Carrier's possession, at public or private sale. Carrier may be a bidder and purchaser at such sale. From the proceeds of such sale, Carrier may pay itself all charges lawfully accruing and all expenses of such sale, and the balance remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.

- ✓ 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.

Carrier shall have a lien on all Petroleum Products that are received from a Shipper or are destined to a Consignee who has failed to pay Carrier for transportation or other charges, to secure payment of such charges.

Carrier may require a Shipper or Consignee to prepay transportation or other charges before making delivery of Petroleum Products, if it appears that the value of Petroleum Products received from such

Shipper and destined to such Consignee remaining in the custody of Carrier after making such delivery, will not exceed the total of all transportation and other charges which will be due from Shipper and Consignee upon making such delivery.

ITEM NO. 11 – LIABILITY OF CARRIER

Carrier will not be liable for any loss of Petroleum Products while in the possession of Carrier or for any delay in receiving or delivering Petroleum Products, if caused by an act of God, the public enemy, quarantine, the authority of law, strikes, riots, the act or default of Shipper or Consignee, requisition by an agency of government, or other cause beyond the reasonable control of Carrier. If such loss occurs to Petroleum Products in a segregated shipment, then the Shipper and Consignee thereof shall bear the entire loss, damage, or delay that occurs. However, if such loss occurs to Petroleum Products which are not in a segregated shipment, then each Shipper of the kind of Petroleum Products lost via the system in which the loss occurs shall share such loss in the proportion that the amount of such kind of Petroleum Products then in the custody of Carrier for the account of such Shipper in such system bears to the total amount of such kind of Petroleum Products then in the custody of Carrier in such system, and Carrier will be obligated to deliver only that portion of a Petroleum Products shipment remaining after deducting such loss. Transportation charges will be made only on quantities of Petroleum Products delivered.

If Petroleum Products are lost in transit, while in the custody of Carrier, due to causes other than those described in the first paragraph of this item, Carrier may obtain and deliver to Consignee thereof other Petroleum Products of the same quantity and kind as that which was lost, but Carrier shall not be obligated to do so; in the alternative, Carrier may compensate Shipper for such loss in money.

ITEM NO. 12 – TIME LIMITATIONS OF CLAIMS

As a condition precedent to recovery for loss or damage, claims must be filed in writing with the originating or delivering Carrier within nine months and one day after delivery of the property, or in case of failure to make delivery, then within nine months and one day after a reasonable time for delivery has elapsed; and suits shall be instituted against Carrier only within two years and one day from the day when 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 are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable and such claims will not be paid.

ITEM NO. 13 – RATES APPLICABLE FROM AND TO INTERMEDIATE POINTS

Petroleum Products received from a point on Carrier's lines that is not named in tariffs making reference to this tariff, but which point is intermediate to a point for which rates are published in tariffs making reference to this tariff, will be assessed the rate in effect from the next more distant point published in such tariffs.

Petroleum Products delivered to a point on Carrier's lines that is not named in tariffs making reference to this tariff, but which point is intermediate to a point for which rates are published in tariffs making reference to this tariff, will be assessed the rate in effect to the next more distant point published in such tariffs.

ITEM NO. 14 – RATES APPLICABLE

Petroleum Products received shall be subject to the rates in effect on the date of receipt of the Petroleum Products by originating Carrier.

ITEM NO.15 – COMMUNICATION FACILITIES

Shippers may use Carrier's private communication facilities without additional charges for messages incident to their shipments. Carrier will not be liable for non-delivery of messages, or for errors or delays in transmission or interruption of the service.

ITEM NO. 16 – DIVERSION OR RECONSIGNMENT

Diversion or reconsignment may be made without charge if requested in writing by Shipper within forty-eight (48) hours prior to delivery at original destination, subject to the rates, rules and regulations applicable from point of origin to point of destination, provided that the then current pipeline operations of Carrier will permit such diversion or reconsignment.

ITEM NO. 17 – ACCEPTANCE OF PIPELINE DELIVERY

After a shipment has had time to arrive at the point of destination, Carrier may begin delivery of such shipment to Consignee at its current rate of pumping. If there is a failure to take delivery of such shipment at destination, then, ▲ Carrier shall have the right to divert, reassign or make whatever arrangements for disposition of the Petroleum Products or portion thereof, as it deems appropriate to clear its pipeline. Carrier shall have the right to sell such Petroleum Products to the first available purchaser at the best price obtainable and to use the proceeds therefrom to pay transportation, and other charges due and payable hereunder or necessary for the care and maintenance of the Petroleum Products, which shall be due as if delivery had been made, and to hold the balance of the proceeds for whomsoever may be legally entitled thereto. Carrier may be a purchaser at any such sale. In the event that Shipper or Consignee fails to take delivery of Petroleum Products at destination as set forth herein, Carrier shall be reimbursed all its cost and expense incurred as a result thereof. Shipper and Consignee shall be jointly and severally liable for any such cost and expense incurred by Carrier. Carrier shall not be liable for any damages, loss of profit, loss in transit, loss in storage or diminution in value which may occur by reason of Carrier exercising its rights hereunder.

ITEM NO. 18 – PRORATION OF PIPELINE CAPACITY

No Shipper may nominate a greater volume of Petroleum Products via a particular pipeline or segment of line during any period of time than can be pumped through such line or segment of line during such periods. In the event Carrier receives nominations to ship a greater volume of Petroleum Products via a particular pipeline or segment of line during any period of time than can be pumped through such line or segment of line during such period, then Carrier shall accept and transport, during such period, only that portion of each good-faith offer to ship which Carrier shall determine to be equitable to all Shippers.

ITEM NO. 19 – COMMON STREAM PETROLEUM, CONNECTING CARRIERS

When both receipts from and deliveries to a connecting carrier of substantially the same kind of Petroleum Products are scheduled at the same interconnection, Carrier reserves the right, with

cooperation of the connecting carrier, to offset like volumes of such common stream Petroleum Products, in order to avoid the unnecessary use of energy which would be required to physically pump the offsetting volumes. The applicable tariff rate will be applied to such transactions. When this right is exercised, Carrier will make the further deliveries for the Shipper involved from its common stream Petroleum Products.

ITEM NO. 20 – TAX REGISTRATION

Shippers and Consignees shall furnish Carrier proof of registration with, or tax exemption from, appropriate federal and state tax authorities related to the collection and payment of excise taxes and other similar taxes, levies, or assessments associated with the sale of Petroleum Products. Failure of Shipper and Consignee to do so shall not relieve Shipper and Consignee from the obligation to pay same. Any tax, levy, assessment or other charge imposed by such authorities against Carrier as the result of such failure shall be collected by Carrier under the provisions of item 10.

ITEM NO. 21 – INTERFACE OF COMMINGLED PRODUCTS

Interface of commingled products will be distributed equally among the number of Shippers who participate in movements which generate interface. Shipper shall be notified of its share of interface and shall be required to arrange for disposition thereof.

If Shipper does not provide such tankage, Shipper will reimburse Carrier's cost associated with obtaining other arrangements.

ITEM NO. 22 – DUTY OF CARRIER

Carrier shall transport and deliver to destination, with reasonable diligence, the quantity of Petroleum Products accepted for transportation, less a tender deduction of one twentieth (1/20) of one percent (1%). In the event of non-delivery due to interface cuts or other operating losses in excess of the tender deduction, Carrier shall have the right to satisfy any claim by product replacement or cash payment.

ITEM NO. 23 – PIPEAGE CONTRACTS REQUIRED

In the event that construction of new facilities are required, then a pipeage contract, in accordance with this tariff and these rules and regulations, will be required of the proposed Shipper before any duty of transportation shall arise.

✓ ITEM NO. 24 - 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.

EXPLANATION OF REFERENCE MARKS

▲ Change in Wording Only

✓ New