

EnLink NGL Pipeline, LP

LOCAL TARIFF

CONTAINING RATES, RULES, AND REGULATIONS
GOVERNING THE TRANSPORTATION
OF
NATURAL GAS LIQUIDS
BY PIPELINE

FERC ICA OIL TARIFF

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

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SECTION I TABLES OF RATES

From [Note 1]	To [Note 2]	Uncommitted Rates in Dollars per Barrel of 42 U.S. Gallons [Note 3]	Committed Rates in Dollars per Barrel of 42 U.S. Gallons [Note 4]
Interconnections near Mont Belvieu, Texas	Acadia Parish, Louisiana	[U] 1.9701	[U] 1.9809

From [Note 1]	To [Note 2]	Uncommitted Rate in Dollars per Barrel of 42 U.S. Gallons [Note 3]	Committed Rates in Dollars per Barrel of 42 U.S. Gallons [Note 4]
Interconnections near Mont Belvieu, Texas	Iberville Parish, Louisiana	[U] 3.6897	[U] 3.7944
	St. Mary Parish, Louisiana [Note 5]		

Note 1: The Receipt Points are West Texas LPG Pipeline, Black Lake Pipeline, Lone Star NGL Pipeline, and Arbuckle Pipeline.

Note 2: The Acadia Parish Delivery Point is the Eunice NGL fractionation plant just outside the town of Eunice and the Iberville Parish Delivery Point is the Plaquemine NGL fractionation plant in the town of Plaquemine.

Note 3: The Uncommitted Rates apply to shipments of Uncommitted Shippers.

Note 4: The Committed Rates apply to shipments of Committed Shippers.

Note 5: The St. Mary Parish Delivery Point is provided via an interconnection with EnLink Processing Services, LLC's ("EnLink Processing") LA-3535 Henry pipeline ("LA-3535"). Transportation service to the St. Mary Parish Delivery Point is provided in conjunction with a capacity lease between Carrier and EnLink Processing. If any capacity remains available for transportation services on LA-3535 in a month following EnLink Processing's fulfillment of all of the timely nominations submitted by its shippers, Carrier may request that EnLink Processing lease such available capacity, on a monthly basis only, to Carrier in order to allow Carrier to fulfill any unmet Nominations for service to the St. Mary Parish Destination Point. In the event Carrier does lease additional capacity from EnLink Processing, Carrier shall allocate such

capacity among Shippers in accordance with the provisions of Item No. 6 of this Tariff, and the rates set forth in this Section I shall apply to transportation services made using such leased capacity.

Shortfall Payments

If a Committed Shipper ships fewer barrels of NGLs in a Month than such Committed Shipper's Minimum Volume Commitment, such difference being the Committed Shipper's "Shortfall", then the Committed Shipper shall make a payment to Carrier for the difference ("Shortfall Payment"). The Shortfall Payment of a Committed Shipper shall be calculated as follows: (1) if the Committed Shipper has not Tendered, and Carrier has not transported, the Committed Shipper's NGLs for the three (3) prior consecutive Months for which the Carrier has shipment data, the average of the Committed Rates in effect during such Month for the then-effective Delivery Points shall be multiplied by the Committed Shipper's Shortfall; or (2) if the Committed Shipper has tendered, and Carrier has transported, the Committed Shipper's NGLs for the three (3) prior consecutive Months for which the Carrier has shipment data, the Shortfall Rate shall be multiplied by the Committed Shipper's Shortfall. For purposes of determining the Committed Shipper's Shortfall Payment, any of the Committed Shipper's NGLs that were not Tendered by the Committed Shipper to Carrier due to the unexcused fault of Carrier will be counted as volumes tendered by the Committed Shipper. Any other Shortfalls, including Shortfalls resulting from Carrier's rejection of volumes Tendered by the Committed Shipper that failed to meet Carrier's quality specifications, will be counted when calculating the Shortfall Payment.

SECTION II RULES AND REGULATIONS

1. DEFINITIONS:

"2013 TSA" means a Transportation Services Agreement executed by Carrier and a Committed Shipper pursuant to the open season held by Carrier beginning in May 2013 seeking volume and term commitments for transportation on Carrier's System.

"2018 TSA" means a Transportation Services Agreement executed by Carrier and a Committed Shipper pursuant to the open season held by Carrier beginning in November 2018 seeking volume and term commitments for transportation on Carrier's System.

"2013 TSA Committed Shipper" means a shipper that executed a 2013 TSA.

"2018 TSA Committed Shipper" means a shipper that executed a 2018 TSA.

"Aggregate Minimum Volume Commitments" means the sum of all Committed Shippers' Minimum Volume Commitments.

"Allocation Factor" means the fraction resulting from (1) each Committed Shipper's Minimum Volume Commitment divided by (2) the Aggregate Minimum Volume Commitments.

"Barrel" means a barrel of forty-two (42) gallons, United States measurement at sixty (60) degrees Fahrenheit and zero (0) pounds per square inch gauge pressure.

"Business Day" means Monday through Friday of each week, excluding banking holidays.

"Carrier" means EnLink NGL Pipeline, LP, a Texas limited partnership, or any successor or permitted assignee thereof.

"Committed Rates" means the rates applicable to a Committed Shipper.

“Committed Shipper” means a 2013 TSA Committed Shipper or a 2018 TSA Committed Shipper.

“Common Stream(s)” means Product moved through Carrier’s System and associated facilities that is commingled or intermixed with other Product in the System.

“Consignee” means the party to whom a Shipper has ordered the delivery of Product.

“Delivery Point” means the point or points on the System where Product is delivered to Shipper or its Consignee, as specified in Section I of this Tariff.

“Encumbered Product” has the meaning set forth in Section 14 of this Tariff.

“EnLink Processing” has the meaning set forth in Section I Note 5 of this Tariff.

“Force Majeure” means events including: strikes, lockouts, or other industrial disturbances; wars, sabotage, terrorism, blockades, insurrections, or acts of the public enemy; epidemics, landslides, lightning, earthquakes, tornadoes, loss of utilities, fires, storms, floods, washouts, or other acts of God; arrests or restraints of governments and people; compliance (voluntary or involuntary) with federal, state or local laws, rules or regulations, permits, acts, orders, directives, requisitions, or requests of any official or agency of the federal, state, or local governments; rationing of, shortages of, or inability to obtain or a delay in obtaining any material or equipment; riots or civil disturbances, fires, explosions, failures, disruptions, breakdowns, or accidents to machinery, facilities, or lines of pipe (whether owned, leased or rented); the testing of, or the making of repairs, or the performing of maintenance, alterations, enlargements, turnarounds, or connections to machinery, facilities, or lines of pipe (whether owned, leased or rented); the necessity to not operate, or to reduce the operation of, equipment to protect the safety of the public and/or environment; freezing of lines; embargoes, priorities, expropriation, or condemnation by government or governmental authorities; interference by civil or military authorities; and any cause which is not reasonably within the control of the Carrier or Shipper, or its affiliates, claiming suspension. Force Majeure also includes: (a) those instances where either the Carrier or Shipper is required to obtain servitudes, right-of-way grants, permits or licenses to enable it to fulfill its obligations, the inability or delay of either the Carrier or Shipper to acquire, at reasonable cost and after the exercise of reasonable diligence, such servitudes, right-of-way grants, permits or licenses; (b) those instances where the Carrier is required to furnish materials and supplies for the purpose of constructing or maintaining facilities or is required to secure permits or permissions from any governmental authority to enable the Carrier to fulfill its obligations, the inability of the Carrier to acquire, at reasonable cost and after the exercise of reasonable diligence, such materials, supplies, permits and permissions; and (c) the event that a third party claims an event of force majeure or otherwise fails to perform under an agreement (whether the failure to perform is excused or unexcused), and such event prevents the performance by the Carrier.

“Incremental Barrels” means the Barrels of Product that a 2018 TSA Committed Shipper Nominates and Tenders for shipment on the System in a Month that exceed such 2018 TSA Committed Shipper’s Minimum Volume Commitment.

“Incremental Capacity” means the positive difference between ninety percent (90%) of available System capacity and the aggregate amount of capacity allocated to all Committed Shippers under Item 6(D) of this Tariff.

“LA-3535” has the meaning set forth in Section I Note 5 of this Tariff.

“Law” means all applicable local, state and federal constitutions, laws (including common law), treaties, statutes, orders, decrees, rules, regulations, codes, and ordinances issued by any governmental entity, and including judicial or administrative orders, consents, decrees, and

judgments, and determinations by, or interpretations of any of the foregoing by any governmental entity having jurisdiction over the matter in question.

“Minimum Volume Commitment” means the level of Product a Committed Shipper has committed to ship each Month on the System, as such amount is set forth in the Committed Shipper’s TSA.

“Month” means a calendar month, commencing at 12:01 a.m. Central Time on the first day of each month and ending at 12:01 a.m. Central Time on the first day of the following month.

“Nomination,” “Nominated,” or “Nominate” means a written notification (in form and context specified by Carrier) made by a Shipper to Carrier of a stated quantity of Product that Shipper proposes to tender to Carrier for transportation from a specified Receipt Point to a specified Delivery Point in the next following Month in accordance with Carrier’s applicable tariff or tariffs.

“Off-Spec Penalty” has the meaning set forth in Section 3(H) of this Tariff.

“Product(s)” or “NGL(s)” mean a demethanized mixture of natural gas liquids comprised primarily of ethane, propane, iso-butane, normal butane, iso-pentane, normal pentane, hexanes and heavier hydrocarbons, incidental volumes of methane, as well as other non-hydrocarbon compounds.

“Proportionate Share” means, at a given time, the percentage equal to a 2018 TSA Committed Shipper’s Minimum Volume Commitment divided by the Total 2018 TSA Minimum Volume Commitments at such time.

“Proration Month” means the calendar Month for which capacity is to be allocated under Item No. 6 of this Tariff.

“Receipt Point” means the point or points where Product is received into the System, as specified in Section I of this Tariff.

“Shipper” means the party that contracts with Carrier for transportation of Products in accordance with this Tariff and any other applicable tariffs.

“Shortfall” has the meaning set forth in Section I of this Tariff.

“Shortfall Payment” has the meaning set forth in Section I of this Tariff.

“Shortfall Rate” means, during each rolling three-month period, the weighted average transportation rate owed by the Committed Shipper to Carrier for the Committed Shipper’s NGLs transported by Carrier, excluding the Committed Shipper’s volumes each Month in excess of the Committed Shipper’s Minimum Volume Commitment.

“System” means Carrier’s pipeline system and all related facilities, whether owned or leased by Carrier, necessary for Carrier to provide transportation service.

“Tender” or “Tendered” means the presentation by a Shipper to Carrier of a stated quantity of Products for transportation from a specified Receipt Point to a specified Delivery Point in accordance with this Tariff.

“Total 2018 TSA Minimum Volume Commitments” means the aggregate Minimum Volume Commitments of all 2018 TSA Committed Shippers (as such amounts are individually defined in the 2018 TSA of each 2018 TSA Committed Shipper).

“TSA” means a Transportation Services Agreement executed by Carrier and a Committed

Shipper, including all of the 2013 TSAs and 2018 TSAs.

"Uncommitted Rates" means the rates applicable to an Uncommitted Shipper.

"Uncommitted Shipper" means a Shipper that is not a Committed Shipper.

2. COMMODITY:

Carrier is engaged in the transportation of Product as defined herein and therefore will not accept any other commodity for transportation under this Tariff.

3. PRODUCT SPECIFICATIONS:

- A. Shipper shall not Tender Product for transportation on the System unless the Product will be readily susceptible to transportation through the System, such Product will not adversely damage the Common Stream or the System, and such Product otherwise conforms to the specifications set forth in this Item No. 3.
- B. As a prerequisite to transportation on the System, Shipper's Product must also conform to the quality specifications of the connecting carrier or facility at the Nominated Delivery Point.
- C. Shipper shall perform applicable tests to ensure that the Product it Tenders to Carrier for delivery on the System conforms to the specifications set forth in this Item No. 3. Should spot samples, analyses, or any other test (including tests performed by Carrier) indicate that the Product Tendered or to be Tendered does not meet the specifications required by Carrier, Shipper agrees to stop delivery of such off-specification Product to Carrier until such time as it is determined by additional testing that the Product meets the definition of Product issued by Carrier.
- D. The specifications set forth in this Item No. 3 shall apply to each Barrel of Shipper's Tender and shall not be limited to the composite sample of the Tender.

PRODUCT SPECIFICATIONS	MAXIMUM	TEST METHOD
1. <u>Composition:</u> Predominantly Ethane, Propane, Butanes & Natural Gasoline (C5 Plus)		ASTM D-2163
Methane	3.0% of contained Ethane ¹	ASTM D-2163
Total Fluorides	None	UOP 619
2. <u>Vapor Pressure:</u> At 100°F. PSIG	450 psia (Composite Blend) at 85°F	ASTM D-1267
3. <u>Corrosiveness:</u> Copper Strip at 100°F	1-b	ASTM D-1838
4. <u>Total Sulfur:</u> PPM by Weight in Liquid	50	ASTM D-3246
5. <u>Carbon Dioxide:</u> PPM by Weight	700	GPA 2177
6. <u>Distillation:</u> End Point, °F	375	ASTM D-216
7. <u>Dryness:</u> Free Water	None	Visual
8. <u>Color:</u> Saybolt Number	Plus 25 (Minimum)	ASTM D-156
9. <u>Propylene</u>	5% of Propane	
10. <u>C4 Olefins</u>	10ppmv of contained Normal Butane	
11. <u>Hydrogen Sulfide and COS</u>	2ppmv of contained Propane	GPA Std. 2377
12. <u>Temperature</u>	120°F	

- E. Carrier reserves the right to reject all Tenders or any part thereof and refuse transportation for such Tender, if Carrier determines, on a non-discriminatory basis, that Shipper has delivered Product that (i) does not conform to the quality specifications set

¹ Methane in excess of limits stated herein, as measured on each Shipper's individual plant stream, shall be considered as contaminant and Product so contaminated will not be received by Carrier. However, it is recognized that Product so contaminated may be received by Carrier without Carrier's knowledge. During any period in which Shipper's product exceeds the specification, Carrier shall have the right to deduct the methane content in excess of the specification from Shipper's desired volume, but Shipper will nevertheless be required to pay the tariff rate on total volume of methane shipped.

forth in this Item No. 3, (ii) is not merchantable, (iii) is not readily acceptable for transportation through Carrier's System, (iv) would otherwise adversely affect the System or other Products on the System, and/or (v) would, in the Carrier's sole judgment, expose employees of the Carrier or the System to an undue risk of harm or property damage.

- F. In the event Shipper delivers Product to the System that does not meet, individually and collectively, the quality specifications set forth in this Item No. 3: (i) Carrier may accept such Shipper's delivery if Carrier determines that the quality of the Common Stream will nonetheless meet the specifications set forth in this Item No. 3; and (2) if Carrier does not make such a determination as provided for in this Item No. 3(F)(i), Carrier may exclude such Shipper from further entry into applicable segments of Carrier's System until such time as the Shipper returns the quality of its Product to a level satisfactory to Carrier.
- G. Carrier is not responsible for monitoring receipts or deliveries for contaminants. Further, Carrier reserves the right to dispose of any contaminated Product on Carrier's System. Disposal thereof may be made in any reasonable manner including but not limited to commercial sales. Any liability associated with the contamination or disposal of any Products shall be borne by Shipper introducing the contaminated Products into Carrier's System. Shipper liability includes, but is not limited to, claims from other Shippers, carriers, or users of the contaminated Products and the costs of any regulatory or judicial proceeding.
- H. If Product received by Carrier does not meet the quality specifications set forth in this Item No. 3, Carrier reserves the right to charge the Shipper the greater of (i) the actual costs and expenses incurred by Carrier to treat, handle, or otherwise dispose of all such contaminated Product, or (ii) a **[U]** one-hundred (100) cents per Barrel charge for the volume of contaminated Product transported by Carrier ("Off-Spec Penalty"). The Off-Spec Penalty is a penalty intended to discourage Product Tenders that violate Carrier's quality specifications. If a composite sample, spot sample, or the results of any other test demonstrate that a Shipper's Product delivered to Carrier fails to meet the quality specifications set forth in this Item No. 3, the total penalty will be assessed by multiplying the Off-Spec Penalty by the total volume of Shipper's Product (in Barrels) received by Carrier during the Month when Carrier received the contaminated Product.

4. IDENTITY OF PRODUCTS:

- A. Carrier shall not be liable to Shipper for changes in gravity or quality of Shipper's Products that may occur from commingling or intermixing Shipper's Products with other Products in the same Common Stream while in transit. Carrier is not obligated to deliver to Shipper the identical Product nominated by Shipper; Carrier will deliver the Product it is regularly transporting as a Common Stream.
- B. Carrier shall have no responsibility in, or for, any revaluation or settlements that may be deemed appropriate by Shippers and/or Consignees because of mixing or commingling of Products between the receipt and delivery of such shipments by Carrier within the same Common Stream.
- C. Carrier shall not be required to transport Product except with reasonable diligence, considering the quality of the Product, the distance of transportation and other material elements. Carrier cannot commit to delivering Product to a particular destination, at a particular time.

5. NOMINATIONS REQUIRED:

- A. Product for shipment through the System will be received only on a properly executed

Nomination from Shipper showing the Receipt Point at which the Product is to be received, the Delivery Point of the shipment, Consignee (if any), and the amount of Product to be transported. Carrier may refuse to accept Product for transportation if Carrier reasonably determines that Shipper or Consignee has not made provision for prompt receipt thereof at the Delivery Point. Any Shipper desiring to nominate Product for transportation shall make such Nomination to Carrier in writing on or before 9:00 a.m., prevailing Central Time of the fifth (5th) Business Day immediately preceding the first day of the Month during which the transportation under the Nomination is to begin; except that, if space is available for current movement, a Shipper may nominate Product for transportation after the twenty-fifth (25th) day of the Month preceding the Month during which the transportation under the Nomination is to begin.

- B. Carrier may refuse to accept Product for transportation where Shipper or Consignee is not in compliance with other provisions of this Tariff or any other applicable tariff of Carrier or where Shipper or Consignee has failed to comply with all applicable Laws, rules and regulations made by any governmental authorities regulating shipments of Products.
- C. All Products accepted for transportation will be transported at such time and in such quantity as scheduled by Carrier.

6. NOMINATIONS IN EXCESS OF CAPACITY:

- A. ***When capacity will be prorated.*** Carrier will prorate the capacity of its System or a portion of its System during any Month when Carrier receives more Nominations for transportation of Products than Carrier is able to transport.
- B. ***Division of capacity between Shipper classes.*** Except as provided in Paragraphs 6(G) and 6(I), Carrier shall allocate capacity during a Proration Month between Committed Shippers as a class and Uncommitted Shippers as a class.
- C. ***Allocation to Uncommitted Shippers.*** Up to ten (10) percent of available System capacity shall be allocated among all Uncommitted Shippers on a pro rata basis according to Nominations, up to the level of each Uncommitted Shipper's Nomination for the Proration Month.
- D. ***Allocation to Committed Shippers.*** Each Committed Shipper will be allocated an amount of capacity equal to the lesser of (i) its Nomination or (ii) its Minimum Volume Commitment. In the event the Aggregate Minimum Volume Commitments cannot be transported on a line segment, then each Committed Shipper will be allocated the lesser of (i) its Nomination or (ii) the product of the Committed Shippers' Allocation Factor and the available capacity remaining following allocations under Paragraph 6(C). If a Committed Shipper Nominates volumes in excess of its Minimum Volume Commitment, then the excess incremental volume shall be subject to proration under Paragraph 6(E) below.
- E. ***Remaining Capacity.*** Any Incremental Capacity not allocated through the application of Items 6(C) or 6(D) will be allocated first among all 2018 TSA Committed Shippers that Nominated Incremental Barrels up to the remaining unmet Nominations of such 2018 TSA Committed Shippers. Any such 2018 TSA Committed Shippers that ship Incremental Barrels pursuant to the first sentence of this Item 6(E) shall be charged the Committed Rate for shipment of such Incremental Barrels. In the event that the Incremental Capacity is not sufficient to fulfill the remaining unmet Nominations of all

2018 TSA Committed Shippers, then any such remaining Incremental Capacity will be allocated first among all 2018 TSA Committed Shippers that Nominated Incremental Barrels, with each 2018 TSA Committed Shipper receiving the lower of its remaining unmet Nomination or its Proportionate Share of Incremental Capacity. Any such 2018 TSA Committed Shippers that ship Incremental Barrels pursuant to the third sentence of this Item 6(E) shall be charged the Uncommitted Rate for shipment of such Incremental Barrels. Any remaining capacity not allocated through the application of Paragraphs 6(C) and 6(D) and this additional allocation to 2018 TSA Committed Shippers' Incremental Barrels shall be allocated first, pro rata, among all Committed Shippers having remaining unmet Nominations. If allocation to any Shipper pursuant to this Paragraph 6(E) exceeds such Shipper's remaining Nomination or there remains unallocated capacity following this additional allocation to Committed Shippers, then the excess volume will be allocated among all other Shippers having unmet Nominations until the remaining capacity is fully allocated or all of the remaining Nominations have been fulfilled.

- F. ***Basis for Allocation: Notification.*** When prorationing of the capacity of Carrier's System or portion thereof is in effect:
- I. Carrier shall allocate available capacity on a monthly basis; and
 - II. Carrier shall use reasonable efforts to notify each Shipper entitled to an allocation of capacity of the amount of its allocation no later than the first working day of the Proration Month.
- G. ***Reallocation of Unused Allocated Capacity.*** If Carrier becomes aware that a Shipper will not use all of its allocated capacity during a Proration Month, such unused capacity shall be made available to other Shippers, as follows:
- I. Unused allocated capacity resulting from a Committed Shipper's failure to use all of its allocated capacity shall be made available first to other Committed Shippers in proportion to each such Shipper's capacity allocation resulting from the application of Paragraphs 6(D) and 6(E) and then to Uncommitted Shippers in proportion to each such Shipper's capacity allocation resulting from the application of Paragraphs 6(C) and 6(E). Any such reduction shall not relieve any Committed Shipper of its obligation to pay Shortfall Payments pursuant to Section I of this Tariff.
 - II. Unused allocated capacity resulting from Uncommitted Shipper's failure to use all of its allocated capacity shall be made available first to other Uncommitted Shippers in proportion to each such Shipper's capacity allocation resulting from the application of Paragraphs 6(C) and 6(E) and then to Committed Shippers in proportion to each such Shipper's capacity allocation resulting from the application of Paragraphs 6(D) and 6(E).
- H. ***Failure of Uncommitted Shipper to Use Allocated Capacity.***
- I. Except as provided in subparagraph (ii) of this paragraph, an Uncommitted Shipper that fails to use all of its allocated capacity during a Month of prorationing shall have its allocation of capacity reduced in each subsequent month of prorationing until the total reductions equal the amount of the deficiency. The amount of any such reduction shall be treated as unused allocated capacity and shall be reallocated among other Shippers in accordance with the rules in Paragraph 6(G). Any such reduction shall not relieve any Committed Shipper of its obligation to pay Shortfall Payments pursuant to Section I of this Tariff.

- II. Reduction of a Shipper's allocation for failure to use its allocated capacity during a prior Month of prorationing may be waived, in whole or in part if Carrier determines that the Shipper's failure to use all or some of its allocated capacity was due to factors beyond the Shipper's reasonable control.

- I. ***Transfer of Prorated Capacity; Use of Affiliates.*** Except as provided in this Paragraph 6(I), capacity allocated to a Shipper under this Item No. 6 may not be assigned, conveyed, loaned, transferred to, or used in any manner by another Shipper; provided, however, that a Shipper's allocation of capacity may be transferred as an incident of the bona fide sale of the Shipper's business or to a successor to the Shipper's business by the operation of law, such as an executor or trustee in bankruptcy.

7. MINIMUM TENDER:

Products of the required specifications shall be Tendered for transportation in quantities of not less than 3,500 Barrels of the same specification, except that Carrier may, in its sole discretion, accept any quantity of Product if such quantity can be consolidated with other Product such that Carrier can make a single delivery of not less than 3,500 Barrels. The term "single delivery" as used herein means a delivery of Product in one continuous operation to one or more Consignees into a single facility, furnished by such Consignee or Consignees, to which Carrier is connected.

8. MEASUREMENT AND EVIDENCE OF RECEIPTS AND DELIVERIES:

- A. Carrier or its representative may measure and test all Product Tendered for transportation prior to its receipt and may measure and test such Product at any time thereafter. Shipper or Consignee may be present or represented at the gauging and testing. Quantities shall be determined in accordance with applicable A.P.I. Manual of Petroleum Measurement Standards and applicable Gas Processors Association procedures.
- B. Any overage or shortage not due to the negligence of Carrier, including losses resulting from shrinkage, evaporation, other physical Product loss and interface mixture in any Month, will be allocated on a monthly accrual basis among Shippers in the proportion that the total number of Barrels delivered from the entire System for each Shipper bears to the total number of Barrels delivered from the entire System for all Shippers.
- C. Carrier may require Shipper to furnish a certificate setting forth in detail the specification of each shipment of Product offered for transportation hereunder, and Shipper shall be liable for any contamination or damage to other Product in Carrier's custody or to Carrier's System or other facilities caused by failure of the Product Tendered to meet the specifications stated in Shipper's certification. Carrier may, but shall not be required to, sample and/or test any shipment prior to acceptance or during receipt of shipment, and, in the event of variance between the specifications contained in said certificate and the specifications indicated by Carrier's test, Carrier's test result shall prevail and be used to determine whether the shipment meets Carrier's specifications. Shipper or Consignee may be present or represented at such measuring and testing.
- D. A representative of Carrier shall have the right to enter upon the premises where Shipper's Product is received or delivered and have access to any and all storage receptacles or meters for the purposes of measuring and testing and to make any examination, inspection, measurement or test required.

- E. All measurements and tests performed by Carrier shall be deemed final and determinative unless Shipper presents appropriate documentation to contest such measurements and/or tests within ninety (90) days of receipt.

9. ORIGATION FACILITIES:

Products will be received only from the Receipt Points, and only so long as such facilities conform to the operating requirements of Carrier.

10. STORAGE OF PRODUCTS IN TRANSIT:

Carrier does not provide storage.

11. DESTINATION FACILITIES:

Carrier will accept Products for transportation only when Shipper or Consignee has provided the necessary facilities for taking delivery of the shipment as it arrives at the Delivery Point, and such facilities conform to the operating requirements of Carrier. The Delivery Point facilities must be capable of receiving deliveries of Product without delay at maximum operating pressures and pumping rates of Carrier. The Shipper is responsible for making the necessary arrangements for the Delivery Point facilities' acceptance of shipments promptly upon arrival, and shall have the sole duty to determine that sufficient storage space is available to receive deliveries and to make all other necessary arrangements for the safe and proper receipt of Products.

12. NOTICE OF ARRIVAL, DELIVERY AT DESTINATION:

At any time after Carrier's receipt of a Tender of Product, Carrier may deliver such shipment from its common stock to Shipper or Consignee at Carrier's current rate of pumping. Shipper shall timely remove Product, or cause Product to be removed, from the System upon delivery to a Nominated Delivery Point. If Shipper or Consignee is unable or refuses to receive said shipment, a demurrage penalty of **[U]** one dollar and five twenty-one one-hundredths cents (\$1.0521) per Barrel per twenty-four (24) hours shall accrue on that part of such shipment which is not received by Shipper or Consignee. In addition to such demurrage charge, Carrier shall have the right to make such disposition of unremoved Product as is necessary for the efficient operation of the System, and Shipper shall pay Carrier all charges associated with such disposition the same as if Shipper had authorized such, together with any associated additional costs and damages borne or incurred by Carrier. Shipper shall indemnify Carrier for all losses associated with unremoved Product and Carrier's disposition of unremoved Product. Carrier shall have no liability to Shipper associated with Shipper's unremoved Product or Carrier's disposition of unremoved Product.

13. LINEFILL REQUIREMENTS:

Carrier shall require Shipper to supply a pro rata share of Product for linefill as Carrier deems is necessary for efficient operation of Carrier's System. In the event Shipper's inventory balance drops below its pro rata part of the volume of Product necessary for linefill, then Carrier will require Shipper to provide the necessary volume of Product in order to meet its pro rata part of linefill before Carrier is obligated to make deliveries or shipments on behalf of Shipper.

Subject to the provisions of Item No. 16 (PAYMENT FOR TRANSPORTATION CHARGES), Product furnished to Carrier pursuant to this Item No. 13 shall be returned to Shipper and charged applicable tariff rates in Item No. 15 (RATES APPLICABLE) only after: (i) such Shipper has provided written notice to Carrier of Shipper's intent to cease shipping on the System, and (ii) a reasonable period of time has occurred to allow for administrative and operational requirements associated with the withdrawal of such Product (but no later than nine months following such notice).

14. TITLE:

At the time of Nomination, Shipper shall inform Carrier if any Product Nominated and/or to be Tendered to Carrier for transportation (i) may be involved in litigation, (ii) may be subject to a title dispute, or (iii) may be encumbered by a lien or charge of any kind (other than the lien created hereunder in favor of Carrier) ("Encumbered Product"). In the event Carrier receives such Shipper notice of Encumbered Product or otherwise learns that Shipper has or will Nominate or Tender Encumbered Product, Carrier, acting in a manner that is not unduly discriminatory or preferential, may require Shipper to provide any one or more of the following: a satisfactory indemnity bond, pre-payment of transportation charges, or a subordination agreement from the applicable lienholder. Carrier shall have the right to reject Encumbered Product, when Nominated or Tendered for transportation. Shipper agrees to hold Carrier harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto; provided that acceptance for transportation shall not be deemed a representation by Carrier as to title.

15. RATES APPLICABLE:

Product accepted for transportation shall be subject to the rates in effect on the date of receipt by Carrier, irrespective of the date of the Nomination.

16. PAYMENT OF TRANSPORTATION CHARGES:

- A. Shipper or Consignee shall pay, as provided below, all applicable transportation and other charges accruing on Products handled by Carrier.
- B. All payments are due on the later of: (1) within ten (10) days of receipt of the invoice; (2) the twenty-seventh (27th) of the Month following receipt of the invoice, or; (3) if the twenty-seventh (27th) of the Month following receipt of the invoice is not a Business Day, on the next Business Day thereafter.
- C. If any charge remains unpaid after the due date, then such amount due may bear interest from the day after the due date until paid, calculated at an annual rate equivalent to the greater of (1) one percent (1%) or (2) the maximum rate allowed by law. In addition, Shipper shall pay all documented costs incurred by Carrier to collect any unpaid amounts, including reasonable attorney fees and costs incurred by Carrier.
- D. In the event Shipper fails to pay any such charges when due, Carrier shall not be obligated to provide Shipper access to the System or provide services pursuant to this Tariff until such time as payment is received by Carrier and Shipper meets the requirements of the following paragraph. In addition, in the event Shipper fails to pay any such charges when due, Carrier shall have the right to set off such amounts owed and future amounts owed against any amounts Carrier owes Shipper.
- E. All prospective shippers shall, twenty-five (25) days prior to making their first Nomination, provide information to Carrier that will allow Carrier to determine the prospective shipper's capacity to perform any financial obligations that could arise from the transportation of that prospective shipper's Product under the terms of this Tariff. At any time, upon the request of Carrier, Shipper shall, within ten (10) days of such request, provide information to Carrier that will allow Carrier to determine Shipper's capacity to perform any financial obligations that could arise from the transportation of that Shipper's Product under the terms of this Tariff. Carrier shall not be obligated to accept Product for transportation from any Shipper or prospective shipper if such Shipper or prospective

shipper fails to provide the requested information to Carrier within the time periods set forth herein, or if Carrier's review of the requested information reveals that such Shipper or prospective shipper does not have the capacity to perform any financial obligations that could arise from the transportation of its Product under the terms of this Tariff.

- F. Subject to the provisions of Item No. 16(G), Carrier upon notice to Shipper or prospective shipper, may require one or more of the following financial assurances (with Carrier, in its sole discretion, to determine which of the financial assurances shall be provided by Shipper or prospective Shipper) for the payment of all charges and costs as provided for in this Tariff, or otherwise lawfully due to Carrier to be provided at the expense of such Shipper or prospective shipper:
- i. payment security by wire transfer in an amount equal to two and a half months of transportation charges based on Shipper's or prospective shipper's likely actual shipments for the production Month for each applicable line segment. For purposes of this rule, a prospective shipper's likely actual shipments will be based on the anticipated shipments listed in such prospective shipper's shipper application; or
 - ii. a letter of credit in favor of Carrier in an amount sufficient to ensure payment of all costs and charges that could reasonably accrue due to Carrier in a form and from an institution acceptable to Carrier;
 - iii. a parent guarantee from a creditworthy entity (with the creditworthiness of such parent determined at the sole discretion of Carrier).
- G. In the event that Carrier reasonably determines that: (i) any Shipper's financial condition is or has become impaired or unsatisfactory; (ii) any financial assurances previously provided by Shipper no longer provide adequate security for the performance of such Shipper's obligations that could arise from the transportation of its Product under the terms of this Tariff; or (iii) Carrier otherwise determines that it is necessary to obtain financial assurances from any Shipper or prospective shipper, then such Shipper or prospective shipper shall provide financial assurances for the payment of the charges and costs as provided for in this Tariff or otherwise lawfully due to Carrier relating to the transportation of such Shipper's or prospective shipper's Product by Carrier.
- H. Any financial assurances received by Carrier in accordance with Item No. 16(F)(i) shall be retained by Carrier in a non-interest-bearing escrow account until such time as Carrier determines that the Shipper or prospective shipper that provided such financial assurance is capable of performing its financial obligations to Carrier. Within ten (10) business days of such a determination by Carrier, the financial assurance provided in accordance with Item No. 16(F)(i) shall be returned to such Shipper or prospective shipper.
- I. Carrier shall have a self-executing lien on all Products delivered to Carrier to secure the payment of any and all charges that are owed to Carrier. Such lien shall survive delivery of Products to Shipper. Such lien shall extend to all Products in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier. The lien provided herein shall be in addition to any lien or security interest provided by this Tariff, statute or applicable Law. Carrier may withhold delivery to Shipper of any of Shipper's Products in its possession and exercise any other rights and remedies granted under the applicable tariffs or existing under applicable Law until all such charges have been paid as provided above.

- J. If Shipper fails to pay an invoice by the due date, Carrier will notify Shipper of the failure, and if Shipper has not remedied the failure within thirty (30) days following receipt of notice from Carrier, in addition to any other remedies under this Tariff or under applicable Law, Carrier shall have the right, either directly or through an agent, to sell any Products of such Shipper in Carrier's custody at public auction, on any day not a legal holiday, not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town, city, or general area where the sale is to be held, stating the time and place of sale and the quantity and location of the Products to be sold. At said sale, Carrier shall have the right to bid, and, if it is the highest bidder, to become the purchaser. The proceeds of any sale shall be applied in the following order: (1) To the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by Law, reasonable attorney's fees and legal expenses incurred by Carrier; and (2) To the satisfaction of Shipper's indebtedness including interest herein provided from the date payment is due. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto. Carrier will have a claim for and against Shipper with respect to any deficiency arising from the debt due to Carrier from Shipper and the proceeds of any sale after reduction as set forth above.

17. CHARGE FOR FUND COMPENSATION:

In addition to all other charges to Shipper accruing on Products accepted for transportation, a per Barrel charge will be assessed and collected by Carrier in the amount of any tax, fee, or other charge levied against Carrier in connection with such Product by any Federal, State or local act, regulation or agency for the purpose of creating a fund for the prevention, containment, clean up, and/or removal of spills and/or the reimbursement of persons sustaining a loss therefrom or any program where Carrier is acting as a collecting agent. Such charge will be included in the appropriate tariff filed with the Federal Energy Regulatory Commission.

18. LIABILITY OF CARRIER:

Carrier shall not be liable for, and Shipper hereby waives any claims against Carrier for, any loss or damage to Products prior to the delivery of Products at the Receipt Points and after delivery of Products at the Delivery Points. Additionally, Carrier shall not be liable for, and Shipper hereby waives any claims against Carrier for, any loss or damage to Products in its possession, or any delay in the receipt or delivery of those Products to the extent such loss or damage or delay is caused by a Force Majeure event (including, but not limited to, any act of God or act of the public enemy), by act or default by the Product owner (if different from Shipper), by a defect or vice in the transported Product, or other cause that is not the result of the negligence or willful misconduct of the Carrier.

19. CLAIMS, SUITS, AND TIME FOR FILING:

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

20. TRANSFERS WITHIN SYSTEM:

Line transfers or ownership transfers of Product in the custody of Carrier within its System from one Shipper (transferor) to another Shipper (transferee) will be permitted provided:

- A. Each transferor will be charged [**U**] one-half cent (1/2¢) per gallon for each line transfer or ownership transfer of Product in custody of Carrier within its System.
- B. All intrasystem transfer requests to Carrier must be made in accordance with this Tariff. Both transferor and transferee shall provide written notice to Carrier containing like data relative to the kind, quantity, source, location, transferor and transferee of the Product and the Month during which transfer is to occur. Verbal transfer requests will be recognized provided written confirmation is received by the first day of the Month during which ownership transfer is requested.
- C. Any party involved in an intrasystem transfer hereunder shall be subject to any and all applicable provisions or requirements contained in this Tariff.

21. CONNECTION POLICY:

At this time, Carrier is not offering connections at points other than the Receipt Points and Delivery Points specified in Section I of this Tariff. If Carrier elects in the future to offer connections at any other points, all such 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.

22. COMMON STREAM – CONNECTING CARRIERS:

- A. When receipts from and/or deliveries to a connecting carrier of substantially the same grade of Product are scheduled at the same interconnection or at interconnections along the same pipeline system, Carrier reserves the right, with cooperation of the connecting carrier, to offset like volumes of such Common Stream Product in order to avoid capacity constraints or the unnecessary use of energy which would be required to physically pump the offsetting volumes. When this right is exercised, Carrier will make the further deliveries for Shipper involved from its Common Stream Product.
- B. Sediment, water and quality limitations of a connecting facility may be imposed upon Carrier. When such limitations of the connecting facility vary from that of Carrier, the limitations of the connecting facility will be enforced.

Explanation of Reference Marks:

[**U**] Unchanged rate.