

T.R.R.C. No. 2.1.0
(Cancels T.R.R.C. No. 2.0.0)

[N] CANCELLATION NOTICE

OXY INGLESIDE LPG PIPELINE, LLC

LOCAL TARIFF

CONTAINING

RULES, REGULATIONS, AND RATES

APPLYING TO THE TRANSPORTATION OF

PROPANE

(as defined herein)

BY PIPELINE

**RECEIVED
RRC OF TEXAS**

DEC 30 2015

**SAFETY DIVISION
AUSTIN, TEXAS**

EFFECTIVE: December 30, 2015

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**[C] SECTION I
RULES AND REGULATIONS**

ITEM 1 — DEFINITIONS AND ABBREVIATIONS

~~"Affiliate" means a Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another Person. For purposes of this definition, a Person shall be deemed to have "control" when such Person possesses the power, directly or indirectly, to direct, or cause the direction of, the management and policies of another Person, whether through the ownership of voting securities, by contract or otherwise, including acting as a general partner of a partnership.~~

~~"Allocation Deadline" has the meaning set forth in Item 2.~~

~~"Annual Maintenance Plan" has the meaning set forth in Item 2.~~

~~"API" means the American Petroleum Institute.~~

~~"BPD" means Barrels per day.~~

~~"Barrel" means forty two (42) United States gallons at sixty degrees Fahrenheit (60°), determined as prescribed in Item 7 (Measurement and Volume Corrections).~~

~~"Business Day" means Monday through Friday, excluding U.S. holidays or holidays in the State of Texas that fall on those days.~~

~~"Carrier" means Oxy Ingleside LPG Pipeline, LLC.~~

~~"Committed Shipper" means a Shipper that is a party to a Throughput and Deficiency Agreement.~~

~~"Committed Volume" means the BPD volume commitment for a Committed Shipper set forth in its Throughput and Deficiency Agreement.~~

~~"Common Stream" means the Product moved through the System that is commingled or intermixed with other Product, which shall in all cases meet the Specifications.~~

~~"Compliance Costs" means expenses, including capital expenditures (but excluding any ad valorem property taxes and all other taxes, fees, assessments and charges resulting from or in connection with ownership or operation of the System for which Carrier is responsible), incurred by Carrier to comply with a change in law, irrespective of whether such expenses are to be incurred as a onetime expenditure or periodically for an extended period.~~

~~"Compliance Costs Surcharge" has the meaning set forth in Item 18.~~

~~"Consignee" means the party to whom a Shipper has ordered the delivery of Product at the Destination Point(s).~~

~~"Cooperating Shipper" means any Shipper that (1) is an Affiliate of another Shipper, or (2) acts in concert with, pursuant to the direction of, or in coordination with, another Shipper, whether written or verbal, or (3) shares with another Shipper officers, managers,~~

~~employees, street addresses, email addresses, telephone numbers, fax numbers, internet protocol addresses, or user information in Carrier's scheduling system.~~

~~"Deficiency Payment" has the meaning set forth in Carrier's applicable Throughput and Deficiency Agreements, if any.~~

~~"Destination Point(s)" means the outlet flange from the System identified in the Table of Rates in Section II of this Tariff, at which point Carrier will deliver Product to Shipper or its Consignee.~~

~~"Event of Force Majeure" has the meaning set forth in Item 13.~~

~~"Gain" has the meaning set forth in Item 7.~~

~~"Governmental Authority" means any federal, state, or local government or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or any other government authority, agency, department, board, commission or instrumentality of the United States, any state of the United States or any political subdivision thereof, any court, tribunal or arbitrator(s) of competent jurisdiction, and any governmental or non-governmental self-regulatory organization, agency or authority.~~

~~"Incremental Barrels" means, for each contract year of a Throughput and Deficiency Agreement, any and all Barrels of Product shipped by a Committed Shipper on the System in excess of such Committed Shipper's Yearly Minimum Volume Commitment.~~

~~"Joint Tariff" means a joint tariff filed by Carrier and a connecting carrier applicable to the transportation of Product on both the Carrier's System and such connecting carrier's system.~~

~~"Law" means any applicable federal, state, local, municipal or other administrative order, constitution, ordinance, law, decree, directive, injunction, order, permit, requirement, statute, regulation, rule or code issued or promulgated by a Governmental Authority.~~

~~"Liability" means any and all actions, causes of action, claims, charges, damages, demands or fines, of any kind or character and related costs (including court costs, reasonable defense costs and attorneys' fees, settlement costs, and other expenses of litigation), lawsuits, liabilities, losses, obligations, penalties, proceedings, and suits.~~

~~"Loss" has the meaning set forth in Item 7.~~

~~"Nomination" means a written request by a Shipper to Carrier of a stated quantity of Product (on a BPD basis) for transportation from an Origin Point to a Destination Point in accordance with the terms of this tariff.~~

~~"Nomination Deadline" has the meaning set forth in Item 2.~~

~~"Origin Point(s)" means the inlet flange to the System identified in the Table of Rates in Section II of this Tariff, at which point Carrier will accept Product from Shipper or its Consignee.~~

~~"Person" means any individual, corporation, limited liability company, partnership, trust or other entity.~~

~~"Product" means product meeting the Specifications.~~

~~"Quarterly Deficient Barrels" means the positive difference between (1) a Committed Shipper's Quarterly Minimum Volume Commitment and (2) a Committed Shipper's Quarterly Throughput, as may be adjusted pursuant to its Throughput and Deficiency Agreement.~~

~~"Quarterly Minimum Volume Commitment" means the product of (1) a Committed Shipper's Committed Volume and (2) the number of calendar days in a Settlement Period.~~

~~"Quarterly Throughput" means the actual number of Barrels of Product received by Carrier from a Committed Shipper at the Origin Point(s) and transported to the Destination Point(s) in a Settlement Period.~~

~~"Representatives" means officers, directors, employees and other representatives of the referenced entity.~~

~~"Settlement Period" means, for Deficiency Payment purposes, each calendar quarter (or partial calendar quarter, if applicable) of a Committed Shipper's Throughput and Deficiency Agreement.~~

~~"Shipper" means a party that contracts with Carrier for the transportation of Product under the terms of this tariff.~~

~~"Specifications" has the meaning set forth in Item 3.~~

~~"System" means the pipeline system from the Origin Point(s) to the Destination Point(s), with a throughput design capacity of 110,000 BPD, and includes various pipeline(s) and all necessary ancillary equipment including meters and pump stations.~~

~~"Throughput and Deficiency Agreement" means an effective agreement that obligates a Committed Shipper to ship a Committed Volume on the System for a designated period.~~

~~"Unplanned Maintenance Event" has the meaning set forth in Item 2.~~

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

~~"Yearly Minimum Volume Commitment" means a Committed Shipper's Committed Volume calculated in accordance with its Throughput and Deficiency Agreement, multiplied by the number of calendar days in the applicable contract year of such Throughput and Deficiency Agreement.~~

ITEM 2 — NOMINATIONS AND SCHEDULING

~~Carrier shall refuse to accept the Nomination of any Product that does not conform to the Specifications. Shippers desiring to nominate Product for transportation on the System shall furnish Carrier a Nomination on or before the tenth (10th) Business Day of the month prior to the calendar month in which Shipper desires transportation; provided, however, that if the tenth (10th) Business Day of the month falls on a weekend or a holiday, then Shippers shall furnish their Nominations on the next Business Day ("Nomination Deadline"). Within five (5) Business Days following the Nomination Deadline ("Allocation Deadline"), Carrier will notify each Shipper in writing of its capacity allocation for the~~

~~transportation month; provided, however, that if the Allocation Deadline falls on a weekend or a holiday, then Carrier will notify each Shipper of its capacity allocation on the next Business Day. Shippers may request modifications to their Nominations for operational contingencies and Carrier shall use reasonable efforts to accommodate such requests.~~

~~Prior to October 1st of each year, Carrier shall provide Shippers with the planned maintenance schedule for the System for the following year, and taking into account Committed Shippers' maintenance considerations to the extent reasonably practicable that are provided to Carrier in writing by September 1st of each year (the "Annual Maintenance Plan"). Carrier shall use commercially reasonable efforts to adhere to the Annual Maintenance Plan but in the event of changes in the Annual Maintenance Plan, Carrier shall notify Shippers of such changes as soon as is commercially reasonable. In the event of maintenance activities on the System that are not covered in an Annual Maintenance Plan (each, an "Unplanned Maintenance Event"), Carrier shall notify Shippers of each Unplanned Maintenance Event, including the nature, proposed dates and times for such event, as soon as is commercially reasonable.~~

~~If a Shipper seeks to ship on the System under a Joint Tariff between Carrier and a connecting carrier, the administrator of such Joint Tariff shall fulfill the administrative obligations of Carrier under this Item 2 for purposes of such shipment.~~

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ITEM 3 — SPECIFICATIONS, TESTING AND CHANGES TO SPECIFICATIONS

1. "Specifications" shall have the meaning set forth below for Product.

HD5 PROPANE PRODUCT SPECIFICATIONS

HD5 PROPANE		
COMPONENT	TEST METHODS	SPECIFICATIONS
Propylene	ASTM D-2163	5.0 Liq. Vol.% max.
Propane	ASTM D-2163	90.0 Liq. Vol.% min.
Butanes & Heavier Pentane and Heavier	ASTM D-2163	2.5 Liq. Vol.% max. —
Vapor Pressure, PSIG @ 100°F	ASTM D-1267	208 max.
Volatile Residue: Temperature @ 95% evaporation	ASTM D-1837	-37 °F max.
Residual Matter: Residue on evaporation of 100 ml. max oil stain observation	ASTM D-2158	0.05 ml. max. Pass ⁽¹⁾
Corrosion, Copper Strip, max	ASTM D-1838	No. 1 ⁽²⁾
Total Sulfur	ASTM D-2784	123 ppm wt. max. ⁽³⁾
Moisture Content by Freeze Valve	GPA Propane Dryness Test (Cobalt Bromide) or ASTM D-2713	Pass

NOTES ON TEST METHODS: Method numbers listed above, beginning with the letter "D," are American Society for Testing and Materials (ASTM), Standard Test Procedures. The most recent ASTM procedures in effect will be used.

Note 1. Acceptable HD5 Propane will not yield a persistent oil ring when 0.3 ml of solvent residue is added in 0.1 increments, after examination in daylight after 2 minutes as described in ASTM D-2158.

Note 2. This method may not accurately determine the corrosivity of the liquefied petroleum gas if the sample contains corrosion inhibitors or other chemicals which diminish the corrosivity of the sample to the copper strip. Therefore, the addition of such compounds for the sole purpose of biasing the test is prohibited.

Note 3. The total sulfur limits set forth in these specifications include sulfur compounds used for stanching purposes.

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~~2. Testing: Carrier may require Shipper to furnish Carrier with a certificate of analysis setting forth the composition of a sample of the Product at the Origin Point for the Product to be transported on the System (1) prior to Carrier's initial provision of transportation service, when a Person applies to become a Shipper on the System, (2) prior to Carrier resuming transportation service to an existing Shipper after the existing Shipper is found to have tendered for transportation Product that does not conform to the Specifications, and/or (3) as reasonably requested by Carrier. Should spot samples, analyses, or any other test (including tests performed by Shipper) indicate that the Product stream received into and/or delivered out of Carrier's System does not meet the Specifications, Carrier shall promptly notify the connecting carrier and Shipper and stop receipts and/or deliveries of, as applicable, such off-Specification Product stream until such time as it is determined by additional testing that the Product stream meets the Specifications, and shall notify the connecting carrier and all Shippers of off-Specification Product of such service stoppage.~~

~~Carrier and Shipper or their respective Representatives may be present to witness all such tests provided such witnessing does not unreasonably interfere with Carrier's operation of the System and Carrier shall provide reasonable advance notice of any such testing (other than the continuous monitoring) to Shipper. Shipper may provide documentation to contest Carrier tests within sixty (60) calendar days of the later of (i) Shipper's receipt of appropriate testing documentation, and (ii) tender of Product to the System. In the event of variance between Shipper's test results and Carrier's test results, the latter will prevail (absent error demonstrated by Shipper or fraud).~~

~~3. Changes to the Specifications: Carrier reserves the right to implement a change to the Specifications of the Product being transported on the System in accordance with the provisions of any (i) Joint Tariff covering movements through the System, (ii) Throughput and Deficiency Agreement(s) for movements through the System, and/or (iii) agreements between Carrier and connecting carrier(s).~~

ITEM 4 — SHIPPER WARRANTY

~~Shipper represents and warrants that all Product tendered to Carrier will conform to the Specifications. If Carrier determines in accordance with Item 3 above that Shipper has tendered non-conforming Product that has contaminated the Common Stream, thereby degrading the value of such Common Stream, Shipper shall be responsible for any and all actual damage and contamination to such Common Stream to the extent caused by Shipper's tender of non-conforming Product (absent error demonstrated by Shipper or fraud). Except as set forth in Item 14 and Item 15, Shipper shall release, indemnify, defend, and hold harmless Carrier, its Affiliates, and its and their Representatives, from and against Liabilities suffered by Carrier arising out of or resulting from Shipper's tender of Product for transportation that does not conform to the Specifications.~~

ITEM 5 — ORIGIN AND DESTINATION FACILITIES AND DELIVERY OBLIGATIONS

~~Carrier does not furnish any operational storage facilities at the Origin Point(s) or Destination Point(s). Shipper is responsible for arranging for facilities and services to receive and take delivery of Product from the System at pressures and pumping rates required by Carrier. Satisfactory evidence of availability of such facilities shall be required by Carrier before any obligation to accept Nominations or furnish transportation shall arise.~~

~~Shippers are expected to make tenders at an Origin Point generally ratably over each Nomination period, subject to: (1) Events of Force Majeure; (2) Unplanned Maintenance~~

~~Events; and/or (3) capacity reductions resulting from maintenance set forth in the Annual Maintenance Plan. Additionally, Carrier's obligations to receive and deliver Product shall be subject to rates of receipts and delivery and receipt and delivery pressures at the applicable Origin and Destination Point.~~

~~ITEM 6 — IDENTITY OF SHIPMENTS~~

~~Carrier shall be under no obligation to make delivery of the identical Product received, but will, subject to Shipper complying with Item 4, make delivery of Product of the same Specifications as that received and Shipper will be required to accept such delivery.~~

~~ITEM 7 — MEASUREMENT AND VOLUME CORRECTIONS~~

~~All Product transported by Carrier will be measured by Carrier or, as applicable, by either the connecting or receiving carrier, at the applicable Origin Point and at the applicable Destination Point as follows: Measured volumes of Product shall be corrected to net component volumes at sixty degrees Fahrenheit (60 °F) and equilibrium vapor pressure by use of flowing mass, a component analysis of a sample accumulated from the flowing stream and component densities as set forth in the Specifications. Observed volumes of Product at operating pressures and temperatures shall be corrected to net volume at sixty degrees Fahrenheit (60 °F) and equilibrium vapor pressure in accordance to the latest API standards. Carrier will not charge Shipper or its Consignee a fee for metering the Product at the applicable Origin Point or Destination Point. All measurements and tests performed by Carrier shall be determinative unless they are contested in writing by Shipper within sixty (60) calendar days of Shipper's receipt of appropriate measurement documentation.~~

~~Shipper or its Representatives may be present to witness all such measurements provided such witnessing does not unreasonably interfere with Carrier's operation of the System and Carrier shall provide reasonable advance notice of any such measurements to Shipper. Shipper may provide Carrier with documentation to contest Carrier measurements within sixty (60) calendar days of Shipper's receipt of appropriate measurement documentation for Product tendered to the System. In the event of variance between Shipper's measurement results and Carrier's measurement results, the latter will prevail (absent error demonstrated by Shipper or fraud).~~

~~Except as set forth in Item 15, Shipper is responsible for its pro-rata share of Product shrinkage and measurement gains and/or losses resulting from normal pipeline operations (as applicable, collectively "Gain(s)" or "Loss(es)"). Carrier will monitor and track on a monthly basis the Gain or Loss of Product with respect to each Shipper and will allocate and settle on a calendar year basis any Gain or Loss of Product on the System among all Shippers based upon each Shipper's proportional share of the total throughput on the System for such calendar year.~~

~~ITEM 8 — PRORATION OF SYSTEM CAPACITY~~

~~1. Definitions~~

~~"Allocation Month" means any calendar month during which the aggregate volume of Product Nominated to be transported on the System exceeds Available Capacity and for which Available Capacity is to be allocated.~~

~~"Available Capacity" means the total available capacity on the System during a calendar month on a BPD basis.~~

~~“Base Period” means the twelve (12) calendar month period beginning thirteen (13) calendar months prior to the Allocation Month and excluding the calendar month immediately preceding the Allocation Month. If the System has been in operation less than twelve (12) months, then the Base Period shall be the number of months during which the System has been in operation, excluding the month immediately preceding the Allocation Month.~~

~~“Commencement Date” means the first day that Carrier will transport Product from the Origin Point(s) to the Destination Point(s).~~

~~“New Shipper” means any Shipper that is not a Regular Shipper.~~

~~“New Shipper Available Capacity” means ten percent (10%) of Available Capacity.~~

~~“Regular Shipper” means (1) a Shipper that has shipped Product on the System in each calendar month of the Base Period, and/or (2) a Committed Shipper that has made payments pursuant to the terms of its Throughput and Deficiency Agreement during the Base Period; provided, however, that any Committed Shipper shall be deemed to be a Regular Shipper on the Commencement Date.~~

~~“Regular Shipper Allocation Factor” means a Regular Shipper’s Total Shipments divided by Total Throughput.~~

~~“Regular Shipper Available Capacity” means any Available Capacity not allocated to New Shippers pursuant to subsection 2(b).~~

~~“Total Shipments” means the sum of the volumes a Regular Shipper shipped during the Base Period on a BPD basis; provided, however, that each Regular Shipper that is a Committed Shipper shall be deemed to have shipped its minimum volume commitment under its Throughput and Deficiency Agreement for the first two calendar months preceding the Commencement Date.~~

~~“Total Throughput” equals the sum of all Regular Shippers’ Total Shipments during the Base Period on a BPD basis; provided, however, that each Regular Shipper that is a Committed Shipper shall be deemed to have shipped its minimum volume commitment under its Throughput and Deficiency Agreement for the first two calendar months preceding the Commencement Date.~~

~~2. Allocation Method~~

~~a. Carrier will allocate the Available Capacity during any Allocation Month in accordance with this Item 8.~~

~~b. New Shipper Capacity: Each New Shipper shall receive an allocation that equals the lesser of: (1) New Shipper Available Capacity divided by the total number of New Shippers making a Nomination for the Allocation Month, and (2) its Nomination; provided, however, that (i) each New Shipper will be allocated no more than two percent (2%) of Available Capacity, and (ii) the allocations to all New Shippers in the aggregate do not exceed the New Shipper Available Capacity; and provided further, if a New Shipper is unable to arrange for the delivery of Product at any nominated Destination Point, then such New Shipper's Nomination shall be deemed to be reduced by the volume that such New Shipper is unable to arrange for delivery at the Destination Point.~~

~~c. Regular Shipper Capacity: All Regular Shipper Available Capacity will be allocated to Regular Shippers. Each Regular Shipper will receive an allocation that equals the lesser of: (1) its Regular Shipper Allocation Factor multiplied by the Regular Shipper Available Capacity, or (2) its Nomination.~~

~~d. Remaining Capacity: Any remaining Available Capacity not allocated through the application of subsections 2(b) and (c) of this Item 8 will be allocated among all Shippers having remaining unmet Nominations, in proportion to each such Shipper's initial allocation for the Allocation Month pursuant to subsections 2(b) and (c) (for the avoidance of doubt notwithstanding the percentage cap set forth in subsection 2(b) above). If allocation to any Shipper pursuant to this subsection 2(d) results in an allocation exceeding such Shipper's Nomination, then the excess volume will be allocated among all Shippers having unmet Nominations (for the avoidance of doubt notwithstanding the percentage cap set forth in subsection 2(b) above) until the remaining Available Capacity is fully allocated or all of the remaining Nominations have been fulfilled.~~

~~3. Allocation Reduction~~

~~To penalize inflation of Shippers' Nominations, a Shipper's capacity allocation for the next Allocation Month will be reduced by the amount of allocated throughput not shipped by such Shipper in the preceding Allocation Month, unless such Shipper's failure to use allocated throughput is excused by an Event of Force Majeure as described in Item 13 or the negligence or willful misconduct of Carrier.~~

~~4. Cooperating Shippers~~

~~Notwithstanding anything in this tariff to the contrary:~~

~~a. New Shipper and Regular Shipper allocations may not be assigned, conveyed, loaned, or transferred to any Shipper other than the Shipper assigned such allocation by Carrier. However, such allocations may be transferred as an incident of the bona fide sale of all or substantially all of the Shipper's business or to a successor to the Shipper's business, or by the operation of Law (such as by an executor or trustee in bankruptcy).~~

~~b. No Shipper may become a Committed Shipper, New Shipper, or Regular Shipper as a result of any sale, transfer, assignment, loan, or other conveyance of shipment history from another Shipper, including without limitation from any Cooperating Shipper. However, shipment history may be transferred as an incident of the bona fide sale of all or substantially all of Shipper's business or to a successor to Shipper's business, or by the operation of Law (such as by an executor or trustee in bankruptcy).~~

- ~~c. With respect to Nominations by Cooperating Shippers, Carrier shall consider and accept only the Nomination of the Cooperating Shipper with the largest volume, and all other Nominations of all other Cooperating Shippers shall be deemed to be void and of no force or effect. If one or more Cooperating Shippers' Nominations are of equal volume, then Carrier shall consider and accept only the Nomination of the Cooperating Shipper with the longest shipment history.~~
- ~~d. Any Nominations, shipments or attempted shipments made in contravention of the provisions of subsection 4 of this Item 8 shall be disregarded by Carrier for purposes of determining Regular Shipper status or allocation of capacity under these proration procedures.~~
- ~~e. A Shipper may not create, use or otherwise work with a Cooperating Shipper in order to circumvent these proration procedures for the purposes of improperly obtaining additional capacity on the System, becoming a Regular Shipper, establishing Regular Shipper status, or any other improper purposes. Shippers shall have the burden of demonstrating that they are not in violation of subsection 4 of this Item 8.~~

~~5. Injection Capacity~~

~~In the event there is insufficient injection capacity at any Origin Point or Destination Point to accommodate the aggregate volume of Product Nominated at such Origin Point or Destination Point during any calendar month, then each Shipper shall be allocated injection capacity at each Origin Point and Destination Point equal to (1) during any Allocation Month, its percentage allocation of Available Capacity pursuant to subsection 2 of this Item 8, as applicable, and (2) during any other calendar month, a percentage calculated as the sum of the volumes properly Nominated to be shipped by such Shipper during such month divided by the sum of all volumes properly Nominated to be shipped by all Shippers during such month.~~

~~ITEM 9 ACCEPTANCE FREE FROM LIENS AND CHARGES~~

~~Carrier reserves the right to reject any Product nominated for transportation (1) that is involved in litigation; (2) the title of which is in dispute; and/or (3) that is encumbered by lien or charge of any kind. By nominating Product, Shipper warrants and covenants that until delivery at a Destination Point, it owns or controls and has the right to deliver or have delivered for its account, such Product, and Shipper agrees to hold Carrier, its Affiliates and its and their Representatives harmless for any and all Liability resulting from Shipper's failure to have such ownership or control thereto.~~

~~ITEM 10 CLAIMS~~

~~Notice of claims for loss, damage, or delay in receipt or delivery of Shipper's Product along with supporting documentation for which Carrier may be responsible must be made to Carrier in writing within nine (9) months and one (1) day after same shall have accrued, or, in case of failure to make delivery, within nine (9) months and one (1) day after a reasonable time for delivery shall have elapsed. Unless such claims are made and filed in accordance with the requirements of this Item 10, Carrier shall be wholly released and discharged therefrom and shall not be liable therefore in any court of justice. No suit at law or in equity shall be maintained upon any claim unless instituted within two (2) years and one (1) day after the cause of action accrued. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier shall not be liable and such claims will not be paid.~~

~~ITEM 11 — APPLICATION OF RATES~~

~~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 delivery by Carrier.~~

~~ITEM 12 — PAYMENT OF CARRIER CHARGES~~

~~Prior to becoming a Shipper, a prospective Shipper must submit to Carrier financial information to establish creditworthiness. The type of information the Carrier will request from Shipper includes, but is not limited to: most recent year end financials, 10K reports or other filings with regulatory agencies and/or bank references. If, in the reasonable opinion of Carrier: (1) a new Shipper is not creditworthy, or (2) an existing Shipper's credit deteriorates, then Carrier has the option to require such Shipper to (a) prepay all transportation and other fees and lawful charges accruing on Product delivered and accepted by Carrier, (b) provide a payment guaranty with terms acceptable to Carrier, or (c) supply an irrevocable stand-by letter of credit from a bank acceptable to Carrier, with terms in a form acceptable to Carrier. Notwithstanding the prior sentence, a Shipper will not be required to provide any additional credit support in the event Shipper (or in the event that Shipper is not rated, Shipper's ultimate parent company) is assigned a credit rating higher than BBB from Standard & Poor's Ratings Services and Baa3 from Moody's Investors Service, Inc.~~

~~By the tenth (10th) Business Day following the end of each transportation month, Carrier will invoice Shipper for all transportation charges and other fees due in accordance with this tariff. Shipper shall pay all such invoiced transportation charges and other fees without setoff or deduction in accordance with invoice terms and these rules and regulations by the tenth (10th) Business Day from the date of receipt of such invoice.~~

~~If such charges are not paid by the tenth (10th) Business Day from the date of receipt of such invoice, Carrier shall assess finance charges on the entire past due balance (including principal and accumulated but unpaid finance charges) until paid in full, at a rate equal to one and one-half percent (1.5%) interest per month or the maximum finance rate allowed by Law, whichever is less. In the event a Shipper disputes any portion of any invoice, Shipper shall notify Carrier in writing of the disputed portion within ten (10) Business Days from the date of receipt of such invoice, and pay the amount of the invoice. After Carrier's receipt of such notice, Carrier and Shipper shall promptly work in good faith to resolve the dispute.~~

~~Carrier reserves the right to withhold an amount of Product belonging to Shipper from delivery that would be sufficient to cover all overdue and unpaid charges due to Carrier from Shipper under the terms of this tariff until all such overdue and unpaid charges have been paid. Furthermore, Carrier shall retain a perfected possessory lien under Chapter 9 of the Uniform Commercial Code on an amount of a Shipper's Product in Carrier's possession sufficient to secure payment of any and all amounts owed by such Shipper to Carrier.~~

~~If any charges assessed under the terms of this tariff remain unpaid thirty (30) calendar days after the date of receipt of the invoice, Carrier shall have the right, through an agent, to sell such Product at public auction, on any day not a legal holiday, in 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 or city where the sale is to be held, stating the time, place of sale, and the quantity and location of Product to be sold. At said sale, Carrier shall have the right to bid, and if the highest bidder, to become the purchaser. From the proceeds of said sale, Carrier will pay itself the transportation charges and~~

~~other fees and other lawful charges, including expenses incident to storage and said sale, and the balance remaining, if any, shall be held for Shipper or whomsoever may be lawfully entitled thereto.~~

~~The terms of a Throughput and Deficiency Agreement shall govern the rights of a Shipper and Carrier with respect to the payment or nonpayment of Deficiency Payments and/or other charges set forth in a Throughput and Deficiency Agreement, and the invoicing and payment thereof.~~

~~If a Shipper seeks to ship on the System under a Joint Tariff between Carrier and a connecting carrier, the administrator of such Joint Tariff shall fulfill the administrative obligations of Carrier under this Item 12 for purposes of such shipment.~~

ITEM 13 — FORCE MAJEURE

~~The term "Event of Force Majeure" shall mean any event or occurrence beyond the reasonable control of the Carrier which by the exercise of due diligence and reasonable care the Carrier is unable to prevent or overcome that delays or prevents the Carrier from performing its obligations under the tariff, including the following: (A) natural phenomena and Acts of God such as storms, floods, fires, lightning, freezes, landslides, hurricanes, extreme heat, washouts, and earthquakes; (B) strikes, lockouts, boycotts, picketing, labor or other industrial disturbance (except for such events solely involving the employees of Carrier); (C) acts of public enemy, wars, terrorist acts, blockages, insurrections, civil disturbances or riots; (D) the order of any Governmental Authority having jurisdiction while the same is in force and effect; (E) explosions, breakage, accidental damage to lines of pipe, machinery, equipment or storage tanks; and (F) events of force majeure declared by a third party that interfere with performance under this tariff, provided that such events of force majeure would otherwise qualify as an Event of Force Majeure under this tariff if such events directly occurred with respect to the Carrier claiming an Event of Force Majeure under this tariff; provided, however, an Event of Force Majeure shall not include any of the following acts or events: (i) changes in costs of materials, or (ii) Carrier's inability to economically perform its obligations under the tariff, including its inability or failure to pay amounts accruing hereunder.~~

~~If the Event of Force Majeure renders the Carrier unable, in whole or in part, to carry out its obligations under the tariff, the Carrier must give Shipper notice and full particulars in writing as soon as practicable after the occurrence of the causes relied upon, or give notice by telephone and follow such notice with a written confirmation within forty-eight (48) hours after the occurrence of the Event of Force Majeure. Carrier shall use commercially reasonable efforts to: (i) correct the events or conditions resulting in the Event of Force Majeure; (ii) resume the continuation of its performance under the tariff; and (iii) minimize the impact of such Event of Force Majeure on Shipper; provided, however, Carrier shall not be compelled to resolve any strikes, lockouts, boycotts, picketing, labor disturbances or other industrial disputes other than as it shall determine to be in its best interests.~~

ITEM 14 — LIABILITY OF SHIPPER

~~As a condition precedent to Carrier's acceptance of Product for transportation under this tariff, Shipper shall release, indemnify, defend and hold harmless Carrier, its Affiliates and its and their Representatives from and against Liabilities to the extent arising from or related to: (1) the negligence or willful misconduct of Shipper, its Consignees and its and their Representatives (including, but not limited to, any contractors transporting Shipper's Product to or from any location on the System on behalf of Shipper, but excluding Carrier~~

~~and its Representatives) in connection with the receipt or delivery of Product; (2) the release, spill, leak or discharge and related off-site migration of Shipper's Product that occurs on or prior to tendering to Carrier at an Origin Point and after re-delivery to Shipper at a Destination Point, unless and to the extent such Liability is caused by the negligence or willful misconduct of Carrier or its Representatives; (3) the chemical characteristics of Product, unless and to the extent such Liability is caused by the negligence or willful misconduct of Carrier or its Representatives, provided, however, that Shipper, its Affiliates, its Consignees, and its and their Representatives shall not be liable for any Liabilities arising from the chemical characteristics of the Product if Shipper or its Affiliate tenders Product at an Origin Point that conforms to the Specifications; (4) any failure of Shipper to comply with Law in all material respects; and/or (5) Shipper's failure to perform its obligations under this tariff in all material respects.~~

~~Notwithstanding the preceding paragraph of this Item 14 or any other item of this tariff, Shipper will not be liable to Carrier for any consequential, incidental, indirect, punitive or special damages arising from or relating to this tariff or Shipper's failure to comply with any provision or requirement of this tariff regardless of how caused and regardless of the theory of recovery.~~

ITEM 15 — DUTY OF CARRIER

~~Except as otherwise provided in this Item 15 and to the extent permitted by Law (including but not limited to provisions in the Interstate Commerce Act addressing Carrier Liability for delay of delivery of Product and damage to Product), while the Product is in custody of Carrier, Carrier shall not be liable to Shipper for any: (1) delay in delivery of Product (including delay due to Unplanned Maintenance Events and/or capacity reductions resulting from maintenance set forth in the Annual Maintenance Plan); and/or (2) damage to Product whether resulting from, arising out of or caused by an Event of Force Majeure, except to the extent the Liability Shipper incurs as a result of (1) or (2) is caused by (a) the negligence or willful misconduct of Carrier, (b) the implementation by Carrier of a batched System to expand the number of grades of propane and/or other types of natural gas liquid products (excluding ethane and y-grade) on the System, and such Liability occurs as a result of batching, (c) failure of Carrier to comply with Law in all material respects, and/or (d) failure of Carrier to perform its obligations under this tariff in all material respects. If Carrier fails to shut down the System pursuant to Item 3, Carrier shall be liable to Shipper (if Shipper's Product did not cause the Specifications to be exceeded) for any loss in the value of Shipper's Product as a result of Carrier's failure to shut down the System. In the event of loss of Product in the custody of Carrier for which Carrier is not liable under this Item 15, Shipper shall be allocated a pro rata portion of the loss of Product in the same proportion as the amount of Product tendered for transportation by Shipper and actually in Carrier's custody and control bears to the whole of the Product of all Shippers in the System at the time of such loss. Shipper shall be entitled to have delivered only such portion of Shipper's Product as is left after deducting the amounts due to other Shippers pursuant to this Item 15 but in such event Shipper shall be required to pay charges only upon the quantity delivered. Carrier shall prepare and submit a statement to each Shipper showing the apportionment of any loss of Product.~~

~~Notwithstanding the preceding paragraph of this Item 15 or any other item of this tariff, Carrier will not be liable to Shipper for any consequential, incidental, indirect, punitive or special damages arising from or relating to this tariff including if any of these damages are caused by loss, contamination, discoloration, deterioration, a change in density, or other change in quality of a Shipper's Product resulting from Carrier's transportation of the Product regardless of how caused and regardless of the theory of recovery.~~

~~Carrier will not insure the Product. If Shipper desires to insure the Product to which it has title while it is in Carrier's custody, Shipper will bear the cost of such insurance.~~

~~Carrier will suspend transportation services on the System without Liability in order to comply with Law, to perform maintenance, testing, inspections, or repairs, or to prevent injuries to persons, damage to property, or harm to the environment.~~

ITEM 16 — RELATED AGREEMENTS

~~Separate agreements associated with pipeline connections or other related facilities ancillary to the System may be required by Carrier before any duty for transportation shall arise.~~

ITEM 17 — LINE-FILL REQUIREMENTS

~~Each Shipper shall be required to supply a pro rata share of Product necessary for pipeline linefill to ensure efficient operation of the System. Product furnished pursuant to this Item 17 will only be returned to Shipper after such Shipper has ceased shipping, provided a written request for return, and after a sixty (60) calendar day time period to allow for administrative and operational requirements associated with the withdrawal of such Product; provided, however, that, in the event Shipper's inventory balance exceeds its pro rata part of the volume of Product necessary for linefill for two (2) consecutive months, then Carrier will return to Shipper the volume of Product in excess of Shipper's pro rata share within sixty (60) calendar days thereafter.~~

ITEM 18 — OTHER CHARGES

~~If Carrier becomes obligated as a result of a change in Law to bear Compliance Costs, Carrier may seek recovery of the Compliance Costs through a surcharge ("Compliance Costs Surcharge"). Carrier shall deliver written notice to Shippers of the change in Law promptly upon learning of such change. In the event Carrier determines that it will seek recovery of Compliance Costs pursuant to this Item 18, Carrier will file a tariff setting forth the level of any such Compliance Costs Surcharge and the methodology used to calculate such Compliance Costs Surcharge, all to be consistent with Carrier's Throughput and Deficiency Agreement(s) addressing Compliance Costs and Compliance Costs Surcharges.~~

~~Carrier will not file for a charge pursuant to this Item 18, except in accordance with the applicable provisions of its Throughput and Deficiency Agreements with Committed Shippers, which provisions Carrier shall incorporate into its then-effective tariff within a reasonable time of learning of a change in Law and Carrier's election to initiate a Compliance Costs Surcharge. Any Carrier tariff filing to incorporate the changes contemplated in this Item 18 shall become effective no earlier than thirty (30) calendar days following the filing of such tariff.~~

ITEM 19 — APPLICATION OF RATES FROM AND TO INTERMEDIATE POINTS

~~For Product accepted for transportation from any point on Carrier's System not named in a particular tariff which is intermediate to a point from which rates are published in said tariffs, through such unnamed point, Carrier will apply from such unnamed point the rates published therein from the next more distant point specified in such tariff. For Product accepted for transportation to any point not named in a particular tariff which is~~

~~intermediate to a point to which rates are published in said tariffs, through such unnamed point, the rate published therein to the next more distant point specified in the tariff will apply.~~

~~ITEM 20 — BATCHED SERVICE~~

~~Carrier reserves the right to implement a batched system at Carrier's sole discretion in accordance with the provisions of any (i) Joint Tariff covering movements through the System, (ii) Throughput and Deficiency Agreement(s) for movements through the System, and/or (iii) agreements between Carrier and connecting carrier(s).~~

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**SECTION II
 RATES APPLICABLE TO TRANSPORTATION OF PRODUCT**

From	To	Rate in dollars per Barrel
NuStar Logistics L.P.'s Midway Pump Station, San Patricio County, Texas*	Oxy Ingleside Energy Center, Nueces County, Texas	\$0.84

~~*The connecting carrier upstream of Carrier's pipeline system ("Connecting Carrier") is not capable of providing common carrier transportation service into Carrier's pipeline system at the origin point listed in the table above. Therefore, Carrier is filing this tariff solely for the purposes of permitting Carrier to receive linefill from Connecting Carrier at the Origin Point and to transport such linefill to the Destination Point. Although Carrier does not believe that it is necessary to have a tariff on file with the Railroad Commission of Texas solely for the receipt and delivery of linefill, Carrier is nevertheless making this filing out of an abundance of caution.~~

Explanation of Reference Marks:

- [C] Cancel.
- [N] New.
- [W] Change in wording only.

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