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COLONIAL PIPELINE COMPANY

RULES AND REGULATIONS

APPLYING ON THE TRANSPORTATION OF

PETROLEUM PRODUCTS

BY PIPELINE

RECEIVED
R.R.C. OF TEXAS

JUN 29 2018

GAS SERVICES DIVISION
AUSTIN, TEXAS

GENERAL APPLICATION

The Rules and Regulations published herein apply only under tariffs making specific reference, by number, to this tariff; such reference will include successive issues hereof. Specific Rules and Regulations published in individual tariffs will take precedence over Rules and Regulations published herein.

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.
Owned and operated by Colonial Pipeline Company under P-5 Operator No. 168941 and T-4 Permit No. 00957

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Issued By:
J. Blount, Chief Executive Officer
Colonial Pipeline Company
1185 Sanctuary Parkway, Suite 100
Alpharetta, Georgia 30009

Compiled By:
L. Woody
(678)762-2502

SECTION I

**RULES AND REGULATIONS OF RAILROAD COMMISSION OF TEXAS
RULE 71. PIPELINE TARIFFS**

The Rules and Regulations shown in Section I are reprinted here pursuant to the requirements of the Texas Railroad Commission, Rule 3.71.

1. ALL MARKETABLE OIL TO BE RECEIVED FOR TRANSPORTATION:

By the term "marketable oil" is meant any crude petroleum adapted for refining or fuel purposes, properly settled and containing not more than two percent (2%) of basic sediment, water, or other impurities above a point six (6) inches below the pipeline connection with the tank. Pipelines shall receive for transportation all such "marketable oil" tendered; but no pipeline shall be required to receive for shipment from any one person an amount exceeding three thousand (3,000) barrels of petroleum in any one (1) day; and, if the oil tendered for transportation differs materially in character from that usually produced in the field and being transported therefrom by the pipeline, then it shall be transported under such terms as the shipper and the owner of the pipeline may agree or the commission may require.

2. BASIC SEDIMENT, HOW DETERMINED – TEMPERATURE:

In determining the amount of sediment, water or other impurities, a pipeline is authorized to make a test of the oil offered for transportation from an average sample from each such tank, by the use of centrifugal machine, or by the use of any other appliance agreed upon by the pipeline and the shipper. The same method of ascertaining the amount of the sediment, water, or other impurities shall be used in the delivery as in the receipt of oil. A pipeline shall not be required to receive for transportation, nor shall consignee be required to accept as a delivery, any oil of a higher temperature than ninety degrees Fahrenheit (90° F), except that during the summer oil shall be received at any atmospheric temperature, and may be delivered at like temperature. Consignee shall have the same right to test the oil upon delivery at destination that the pipeline has to test before receiving from the shipper.

3. "BARREL" DEFINED:

For the purpose of this section, a "barrel" of crude petroleum is declared to be forty-two (42) gallons of 231 cubic inches per gallon at sixty degrees Fahrenheit (60° F).

4. OIL INVOLVED IN LITIGATION, ETC. – INDEMNITY AGAINST LOSS:

When any oil offered for transportation is involved in litigation, or the ownership is in dispute, or when the oil appears to be encumbered by lien or charge of any kind, the pipeline may require of shippers an indemnity bond to protect it against all loss.

5. STORAGE:

Each pipeline shall provide, without additional charge, sufficient storage, such as is incident and necessary to the transportation of oil, including storage at destination or so near thereto as to be available for prompt delivery to destination point, for five (5) days from the date of order of delivery at destination.

6. IDENTITY OF OIL, MAINTENANCE OF OIL:

A pipeline may deliver to consignee, either the identical oil received for transportation, subject to such consequences of mixing with other oil as are incident to the usual pipeline transportation, or it may make delivery from its common stock at destination; provided, if this last be done, the delivery shall be of substantially like kind and market value.

7. MINIMUM QUANTITY TO BE RECEIVED:

A pipeline shall not be required to receive less than one (1) tank car load of oil when oil is offered for loading into tank cars at destination of the pipeline. When oil is offered for transportation for other than tank car delivery, a pipeline shall not be required to receive less than five hundred (500) barrels.

8. GATHERING CHARGES:

Tariffs to be filed by a pipeline shall specify separately the charges for gathering of the oil, for transportation, and for delivery.

9. MEASURING, TESTING, AND DEDUCTIONS:

(A.) Except as provided in subparagraph (B) of this paragraph, all crude oil tendered to a pipeline shall be gauged and tested by a representative of the pipeline prior to its receipt by the pipeline. The shipper may be present or represented at the gauging or testing. Quantities shall be computed from correctly compiled tank tables showing 100% of the full capacity of the

tanks.

(B.) As an alternative to the method of measurement provided in subparagraph (A) of this paragraph, crude oil and condensate may be measured and tested, before transfer of custody to the initial transporter by:

- i. lease automatic custody transfer (LACT) equipment, provided such equipment is installed and operated in accordance with the latest revision of American Petroleum Institute (API) Manual of Petroleum Measurement Standards, Chapter 6.1, or;
- ii. any device or method, approved by the commission or its delegate, which yields accurate measurements of crude oil or condensate.

(C.) Adjustments to the quantities determined by the methods described in subparagraphs (A) or (B) of this paragraph shall be made for temperature from the nearest whole number degree to the basis of 60 degrees Fahrenheit and to the nearest 5/10 API degree gravity in accordance with the volume correction Tables 5A and 6A contained in API Standard 2540, American Society for Testing Materials 01250, Institute of Petroleum 200, first edition, August 1980. A pipeline may deduct the basic sediment, water, and other impurities as shown by the centrifugal or other test agreed upon by the shipper and pipeline; and 1.0% for evaporation and loss during transportation. The net balance shall be the quantity deliverable by the pipeline. In allowing the deductions, it is not the intention of the commission to affect any tax or royalty obligations imposed by the laws of Texas on any producer or shipper of crude oil.

D. A transfer of custody of crude between transporters is subject to measurement as agreed upon by the transporters.

10. DELIVERY AND DEMURRAGE:

Each pipeline shall transport oil with reasonable diligence, considering the quality of the oil, the distance of transportation, and other material elements, but at any time after receipt of a consignment of oil, upon twenty-four (24) hours' notice to the consignee, may offer oil for delivery from its common stock at the point of destination, conformable to paragraph 6 of this section, at a rate not exceeding ten thousand (10,000) barrels per day of twenty-four (24) hours. Computation of time of storage (as provided for in paragraph 5 of this section) shall begin at the expiration of such notice. At the expiration of the time allowed in paragraph 5 of this section for storage at destination, a pipeline may assess a demurrage charge on oil offered for delivery and remaining undelivered, at a rate for the first ten (10) days of one-tenth of one cent per barrel; and thereafter at a rate of three-fourths of one cent per barrel, for each day of twenty-four (24) hours or fractional part thereof.

11. UNPAID CHARGES, LIEN FOR AND SALE TO COVER:

A pipeline shall have a lien on all oil to cover charges for transportation, including demurrage, and it may withhold delivery of oil until the charges are paid. If the charges shall remain unpaid for more than five days after notice of readiness to deliver, the pipeline may sell the oil at public auction at the general office of the pipeline on any day not a legal holiday. The date for the sale shall be not less than 48 hours after publication of notice in a daily newspaper of general circulation published in the city where the general office of the pipeline is located. ~~The notice shall give the time and place of the sale, and the quantity of the oil to be sold.~~ From the proceeds of the sale, the pipeline may deduct all charges lawfully accruing, including demurrage, and all expenses of the sale. The net balance shall be paid to the person lawfully entitled thereto.

12. NOTICE OF CLAIM:

Notice of claims for loss, damage or delay in connection with the shipment of oil must be made in writing to the pipeline within ninety-one (91) days after the damage, loss, or delay occurred. If the claim is for failure to make delivery, the claim must be made within ninety-one (91) days after a reasonable time for delivery has elapsed.

13. TELEPHONE-TELEGRAPH LINE – SHIPPER TO USE:

If a pipeline maintains a private telegraph or telephone line, a shipper may use it without extra charge, for messages incident to shipments. However, a pipeline shall not be held liable for failure to deliver any messages away from its office or for delay in transmission or for interruption of service.

14. CONTRACTS OF TRANSPORTATION:

When a consignment of oil is accepted, the pipeline shall give the shipper a run ticket, and shall give the shipper a statement that shows the amount of oil received for transportation, the points of origin and destination, corrections made for temperature, deductions made for impurities, and the rate for such transportation.

15. SHIPPER'S TANKS, ETC. – INSPECTION:

When a shipment of oil has been offered for transportation the pipeline shall have the right to go upon the premises where the oil is produced or stored, and have access to any and all tanks or storage receptacles for the purpose of making any examination, inspection, or test authorized by this section.

16. OFFERS IN EXCESS OF FACILITIES:

If oil is offered to any pipeline for transportation in excess of the amount that can be immediately transported, the transportation furnished by the pipeline shall be apportioned among all shippers in proportion to the amounts offered by each; but no offer for transportation shall be considered beyond the amount which the person requesting the shipment then has ready for shipment by the pipeline. The pipeline shall be considered as a shipper of oil produced or purchased by itself and held for shipment through its line, and its oil shall be entitled to participate in such apportionment.

17. INTERCHANGE OF TONNAGE:

Pipelines shall provide the necessary connections and facilities for the exchange of tonnage at every locality reached by two or more pipelines, when the commission finds that a necessity exists for connection, and under such regulations as said commission may determine in each case.

18. RECEIPT AND DELIVERY – NECESSARY FACILITIES FOR:

Each pipeline shall install and maintain facilities for the receipt and delivery of marketable crude petroleum of shippers at any point on its line if the commission finds that a necessity exists therefor, and under regulations by the commission.

19. REPORTS OF LOSS FROM FIRES, LIGHTENING, AND LEAKAGE:

(A.) Each pipeline shall immediately notify the commission district office, electronically or by telephone, of each fire that occurs at any oil tank owned or controlled by the pipeline, or of any tank struck by lightning. Each pipeline shall in like manner report each break or leak in any of its tanks or pipelines from which more than five barrels escape. Each pipeline shall file the required information with the commission in accordance with the appropriate commission form within 30 days from the date of the spill or leak.

(B.) No risk of fire, storm, flood or act of God, and no risk resulting from riots, insurrection, rebellion, war, or act of the public enemy, or from quarantine or authority of law or any order, requisition or necessity of the government of the United States in time of war, shall be borne by a pipeline, nor shall any liability accrue to it from any damage thereby occasioned. If loss of any crude oil from any such causes occurs after the oil has been received for transportation, and before it has been delivered to the consignee, the shipper shall bear a loss in such proportion as the amount of his shipment is to all of the oil held in transportation by the pipeline at the time of such loss, and the shipper shall be entitled to have delivered only such portion of his shipment as may remain after a deduction of his due proportion of such loss; but in such event the shipper shall be required to pay charges only on the quantity of oil delivered. This section shall not apply if the loss occurs because of negligence of the pipeline.

(C.) Common carrier pipelines shall mail (return receipt requested) or hand deliver to landowners (persons who have legal title to the property in question) and residents (persons whose mailing address is the property in question) of land upon which a spill or leak has occurred, all spill or leak reports required by the commission for that particular spill or leak within 30 days of filing the required reports with the commission. Registration with the commission by landowners and residents for the purpose of receiving spill or leak reports shall be required every five years, with renewal registration starting January 1, 1999. If a landowner or resident is not registered with the commission, the common carrier is not required to furnish such reports to the resident or landowner.

20. PRINTING AND POSTING:

Each pipeline shall have paragraphs (1)-(19) of this section printed on its tariff sheets, and shall post the printed sections in a prominent place in its various offices for the inspection of the shipping public. Each pipeline shall post and publish only such rules and regulations as may be adopted by the commission as general rules or such special rules as may be adopted for any particular field.

21. Immediately upon the publication of its tariffs, and each subsequent amendment thereof, each pipeline is requested to file one copy with the commission.

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22. RECORDS:

(A) Each person operating crude oil gathering, transportation, or storage facilities in the state must maintain daily records of the quantities of all crude oil moved from each oil field in the state, and such records shall also show separately for each field to whom delivery is made, and the quantities so delivered.

(B) The information contained in the records thus required to be kept must be reported to the commission by the gatherers, transporters, and handlers at such times and in such manner as may be required by the commission

SECTION II
RULES AND REGULATIONS

To the extent allowed by Law, the Rules and Regulations set forth in this Section II herein will apply and take precedence over the Rules and Regulations set forth in Section I.

5. Definitions

"Barrel" as herein used means forty-two (42) United States gallons at sixty degrees (60°) Fahrenheit and zero (0) gauge pressure if the vapor pressure of the Petroleum Products is at or below atmospheric pressure, or at equilibrium pressure if the vapor pressure of the Petroleum Products is above atmospheric pressure.

"Carrier" as herein used means Colonial Pipeline Company.

"Consignor" as herein used means the party from whom a Shipper has ordered the receipt of Petroleum Products.

"Consignee" as herein used means the party to whom a Shipper has ordered the delivery of Petroleum Products.

"Petroleum Products" as herein used means, and is limited to, gasoline and petroleum oil distillates including alkylate. Tariffs will state if the transportation is for Petroleum Products or a specific product.

"Shipper" as herein used means the party who contracts with Carrier for transportation of Petroleum Products, as defined herein and under the terms of these Rules and Regulations.

"Tender", or variations thereof, as herein used means an offer by a Shipper to the Carrier of a stated quantity and grade of Petroleum Products for transportation from a specified origin or origins to a specified destination or destinations in accordance with these Rules and Regulations.

"Alkylate" as herein used means a type of gasoline blend stock.

10. Tender Required

Shippers will be required to submit Tenders by 12:00 Noon Central Standard Time/Central Daylight Saving Time, whichever is applicable, on the twentieth (20th) of the month preceding the month of shipment and no Tender shall be considered beyond the amount which the party requesting shipment has readily accessible for shipment. If space is available for current movement, Carrier has the right to accept a Tender of Petroleum Products for transportation after the twentieth (20th) day of the month preceding the month during which transportation under the Tender is to begin. When the twentieth (20th) of the month falls on a weekend or a holiday, Tenders will be required prior to 12:00 Noon Central Standard Time/Central Daylight Saving Time, whichever is applicable, on the preceding workday. Item 75 (APPORTIONMENT WHEN TENDERS ARE IN EXCESS OF FACILITIES) will apply when Tenders are in excess of facilities.

15. Minimum Tender

Tenders for the transportation of Petroleum Products for which Carrier has facilities will be accepted into Carrier's system in quantities of not less than twenty-five thousand (25,000) Barrels aggregate from one or more Shippers as operations permit and provided such Petroleum Products are of similar quality and characteristics as is being transported from receipt point to destination point; except that Carrier reserves the right to accept any quantity of Petroleum Products from any other facilities to which Carrier's facilities are connected if such quantity can be consolidated with other Petroleum Products such that Carrier can make

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a single delivery of not less than ten thousand (10,000) Barrels. The term "single delivery" as used herein means a delivery of Petroleum Products in one continuous operation to one or more Consignees into a single facility, furnished by such Consignee or Consignees, to which Carrier is connected.

20. Title

The Carrier shall have the right to reject any Petroleum Products which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by a lien or charge of any kind, and require satisfactory evidence of Shipper's perfect and unencumbered title or satisfactory indemnity bond to protect the Carrier. By Tendering Petroleum Products, the Shipper warrants and guarantees that the Shipper has unencumbered title thereto or the right to cause the Petroleum Products to be transported and that unencumbered title or right remains in effect throughout the movement covered by this tariff. In addition, Shipper agrees to hold Carrier harmless for any and all loss, cost, liability, damage or expense resulting from failure of title or Shipper's failure to have the right to cause the Petroleum Products to be transported; and Shipper agrees that acceptance by the Carrier of the Petroleum Products for transportation shall not be deemed a representation by the Carrier as to title.

25. Shipment Quality

Petroleum Products will be accepted for transportation at such time as Petroleum Products of the same quality and specifications are currently being transported from receiving point to destination. No shipment hereunder will be accepted by the Carrier for transportation unless the same consists of good, merchantable Petroleum Products that are free from water and other foreign substances. Carrier reserves the right to reject Petroleum Products which exceed 115 degrees Fahrenheit. All additives and inhibitors to be included in Shippers' Petroleum Products must first be approved by the Carrier before such Petroleum Products will be accepted for transportation.

If, upon investigation, Carrier determines that a Shipper has delivered to Carrier's facilities Petroleum Products that have been contaminated by impure substances, such Shipper will be excluded from further entry into applicable segments of the pipeline system until such time as quality specifications are met to the satisfaction of Carrier. Further, Carrier reserves the right to dispose of any contaminated Petroleum Products blocking its pipeline system. Disposal thereof, if necessary, may be made in any reasonable commercial manner, and any liability associated with the contamination or disposal of any such Petroleum Products shall be borne by the Shipper introducing the contaminated Petroleum Products into Carrier's system.

Carrier may require the Shipper to furnish certified laboratory reports showing the results of tests on the Petroleum Products offered for transportation. Carrier may also make such tests of the Petroleum Products as it deems desirable.

Notwithstanding the foregoing, in general, the Shipper who introduced into Carrier's system Petroleum Products that does in any way not comply with the above conditions is liable towards Carrier for all consequences of transportation by Carrier of such Petroleum Products, including but not limited to, damages, costs and expenses of disposal, costs and expenses necessary to return the Carrier's system facilities to service, claims from other Shippers, connecting carriers, or users of the non-complying Petroleum Products and the costs of any regulatory or judicial proceeding.

30. Mixing of Petroleum Products in Transit

Petroleum Products will be accepted for transportation on the condition that the Carrier will use due diligence to transport same to destination with a minimum of contamination. It being impracticable for Carrier to maintain identity of each entire shipment, Carrier reserves the right to substitute a like volume of the same kind and quality as the commodity shipped.

40. Additives

Carrier reserves the right to require, approve or reject the injection of corrosion inhibitors, viscosity or pour point depressants or other such additives in Petroleum Products to be transported.

Shipper must inform Carrier before Tender is made of the percentage by volume and kind of any blending components used which are not pure hydrocarbons and are in excess of one-tenth of one percent (0.1%) of the total volume Tendered.

45. Duty of Carrier

Carrier shall transport Petroleum Products with reasonable diligence, considering the quality of the Petroleum Products, the distance of transportation, the safety of operation, and other material elements. Carrier cannot commit to delivering Petroleum Products to a particular destination at a particular time.

50. Origin Facilities Required for Automatic Custody Transfer

Shipper shall furnish the necessary facilities at origin points capable of delivering Petroleum Products into the Carrier's system at pressures and pumping rates required and determined solely by the Carrier.

Where Consignor (or Shipper) elects to deliver Petroleum Products to the Carrier at point of origin through automatic custody transfer facilities (in lieu of tankage), the Consignor (or Shipper) shall furnish the required automatic measuring and sampling facilities and the design, construction, and calibration of such facilities must be approved by the Carrier and any appropriate regulatory body. In the event automatic custody transfer is made by meters, the Consignor (or Shipper) shall also furnish whatever pumping service is necessary to ensure that the Petroleum Products being delivered to the meter are at a pressure in excess of the bubble point of the liquid.

55. Destination Facilities Required

Petroleum Products will be accepted for transportation only when Shipper has provided equipment and facilities satisfactory to Carrier for delivery of such shipments. Notwithstanding other conditions, at minimum such facilities shall have adequate available capacity and be capable of receiving said Petroleum Products at pressures and pumping rates required and determined solely by the Carrier.

60. Notice of Arrival, Delivery at Destination

Delivery may be made upon twenty-four (24) hours notice to the Shipper or Consignee who shall accept and receive said Petroleum Products from the Carrier with all possible dispatch into the tanks or receptacles to be provided by the Shipper or Consignee.

If the Shipper, or Consignee, is unable or refuses to receive said Petroleum Products as it arrives at the destination, the Carrier reserves the right to make whatever arrangements for disposition of the Petroleum Products it deems appropriate in order to clear its pipeline. Any additional expenses incurred by the Carrier in making such arrangements shall be borne by the Shipper or Consignee.

65. Inventory Requirements

Prior to delivering Barrels out of Carrier's pipeline system, each Shipper will be required to supply a pro rata share of Petroleum Products necessary for pipeline and tankage fill to ensure efficient operation of Carrier's pipeline system. Carrier may require Shippers to carry additional inventory in the event of a tropical storm or a hurricane as a safety precaution or to ensure efficient operations. Petroleum Products provided by Shippers for these purposes may be withdrawn only after:

- (1) Shipments have ceased and the Shipper has notified Carrier in writing of its intention to discontinue shipments in Carrier's system, and
- (2) Shipper balances have been reconciled between Shipper and Carrier.

Carrier, at its discretion, may require advance payment of transportation charges on the volumes to be cleared from Carrier's system, and any unpaid accounts receivable, before final delivery will be made. Carrier shall have a reasonable period of time from the receipt of said notice to complete administrative and operational requirements incidental to Shipper withdrawal.

70. Gauging, Testing, and Volume Corrections

Twenty-four (24) hours prior to acceptance of Petroleum Products for transportation, Carrier may test such Petroleum Products and may require from Shipper a certificate setting forth in detail the specifications of each shipment of Petroleum Products which must indicate all additives and inhibitors included.

Petroleum Products shipped hereunder shall be measured and tested by representatives of the Carrier or by automatic equipment approved by the Carrier. Quantities shall be determined by dynamic or static measurement methods in accordance with appropriate American Petroleum Institute (API) standards, latest revision, and adjusted to base (reference or standard) conditions.

The base conditions for the measurement of liquids having a vapor pressure equal to or less than atmospheric pressure at base temperature are as follows:

Pressure..... 14.696 psia (101.325 kPa)
Temperature.....60.0 F (15.56 C)

For liquids, such as liquid hydrocarbons, having a vapor pressure greater than atmospheric pressure at base temperature, the base pressure shall be the equilibrium vapor pressure at base temperature.

One of the following pipeline loss allowances will be used when specially referenced in the tariff.

Option 1

From the net quantities so determined for acceptance, a further deduction will be made to cover evaporation and loss. Pipeline loss adjustments will be made on the basis of total quantities transported.

Option 2

From the net quantities so determined for acceptance, a further deduction of one-tenth of one percent (0.1%) will be made to cover evaporation and loss during transportation. The balance shall be the net quantities deliverable.

After consideration of all of the factors set forth in this Item No. 70, a net balance will be determined as the quantity deliverable by Carrier, and transportation charges will be assessed on this net balance.

75. Apportionment When Tenders are in Excess of Facilities

At such times as Carrier determines that it may be necessary to allocate space in a pipeline segment, the transportation furnished by Carrier shall be apportioned among Regular Shippers and New Shippers as follows:

(1) Apportionment Definitions:

- a. The "Base Period" is a period of 12 months beginning 13 months prior to the month of allocation and excluding the month preceding the month of allocation.
- b. A "Regular Shipper" is any Shipper having a record of movement(s), in the line segment being prorated, during the Base Period and does not meet the definition of a New Shipper.
- c. A "New Shipper" is any Shipper having no record of movement(s), in the line segment being prorated, during the Base Period. A New Shipper shall not become a Regular Shipper until the beginning month of the defined Base Period for the requested shipment month equals the Shipper's first month of physical movement. For ease in interpreting this definition, the following example illustrates the intent:

Shipper Tenders for and moves barrels in January 2013 for its first movement on the pipeline system
Shipper will not become a Regular Shipper until February 2014 as shown in the table below
February 2014 would be the month where a defined Base Period would set January 2013 as the first month of its Base Period

Calendar Month	Base Period Definition for February 2014	Shipper Status
Jan-13	Base Period Month 1	New
Feb-13	Base Period Month 2	New
Mar-13	Base Period Month 3	New
Apr-13	Base Period Month 4	New
May-13	Base Period Month 5	New
Jun-13	Base Period Month 6	New
Jul-13	Base Period Month 7	New
Aug-13	Base Period Month 8	New
Sep-13	Base Period Month 9	New
Oct-13	Base Period Month 10	New
Nov-13	Base Period Month 11	New
Dec-13	Base Period Month 12	New
Jan-14	Excluded month	New
Feb-14	Allocated Month	Regular

- (2) New Shippers shall be initially allocated up to a total of ten percent (10%) of the available pipeline capacity. If more than one New Shipper has Tendered volumes, pipeline space shall be allocated proportionately to each New Shipper in relation to the total Tenders by New Shippers, so that the total pipeline capacity allocated for all New Shippers shall not exceed ten percent (10%) of the available pipeline capacity unless item (3) re-allocates unused space previously reserved for Regular Shippers.
- (3) The remaining capacity shall be allocated among Tendering Regular Shippers as the lesser value of either the Shipper's proportion of the Regular Shippers' Base Period shipment volume or the Shipper's Tendered volume. If a Regular Shipper Tenders less than their calculated allocation, the unused space will be allocated to other Regular Shippers as described in this item. Should the sum of Tenders submitted by all Regular Shippers be less than ninety percent

(90%), any unused space will be offered to New Shippers in accordance with the procedures stated in Item (2) of this section.

No Tenders shall be considered beyond the amount which the party requesting shipment has available for shipment. Carrier reserves the right to require Shipper to show sufficient evidence of available volume.

80. Application of Rates and Charges

Petroleum Products accepted for transportation shall be subject to the rates and charges in effect on the date of receipt of such Petroleum Products by the Carrier. Transportation and all other lawful charges will be collected on the basis of the net quantities of Petroleum Products delivered. All net quantities will be determined in the manner provided in Item 70 (GAUGING, TESTING, AND VOLUME CORRECTIONS).

85. Application of Rates From and To Intermediate Points

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

For Petroleum Products 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 tariff, through such unnamed point, the rate published to the next more distant point specified in the tariff will apply.

100. Payment of Transportation and Other Charges

Shipper shall be responsible for payment of transportation and all other charges applicable to the shipment, and Carrier shall have the right to require Shipper to prepay such charges or furnish guaranty of payment satisfactory to Carrier. Petroleum Products accepted for transportation shall be subject to the rates in effect on the date of receipt by Carrier, irrespective of the date of the Tender.

Except where pre-payment is required, all charges shall be paid by Shipper within fifteen (15) days from the date of invoice from Carrier. All charges that remain unpaid for more than fifteen (15) days from the date of Carrier's invoice shall bear interest from that 15th day at an annual rate equal to the prime rate, as posted in the Wall Street Journal, plus 3%, but not to exceed the rate permitted on such invoices by applicable state law. The interest rate for each month will be determined the first business day of each month.

Carrier shall have a lien on all Petroleum Products accepted for transportation to secure payment of all charges, including demurrage charges, and may refuse to accept future Tenders and/or make delivery of any Petroleum Products until all charges have been paid. If such charges, or any part thereof, remain unpaid five (5) days after notice and demand therefore or when there shall be failure to take the Petroleum Products at the point of destination within five (5) days per Item 60 (NOTICE OF ARRIVAL, DELIVERY AT DESTINATION) of these Rules and Regulations, the Carrier, or its representatives, shall have the right to sell such Petroleum Products. The Carrier may be a bidder and purchaser at such sale. From the proceeds of the sale, the Carrier may deduct all charges lawfully accruing, including demurrage, and all expenses of the sale. The net balance shall be held without interest for whomsoever may be lawfully entitled thereto.

In addition to all other charges accruing on Petroleum Products accepted for transportation through Carrier's facilities, a per Barrel charge will be assessed and collected in the amount of any fee or other charge, however denominated, which is levied against Carrier by any federal, state or local agency.

105. Diversion

Subject to Item 15 (MINIMUM TENDER), change in destination or routing will be permitted without additional charge, on written request from the Shipper, provided an applicable tariff is in effect for any requested destination or routing, and provided that no back-haul is required.

110. Liability of Carrier

As a condition to Carrier's acceptance of Petroleum Products each Shipper agrees that Carrier shall not be liable for any loss thereof, damage thereto, or delay, except to the extent that liability therefore is imposed on the Carrier by law. In case of loss of or damage to Petroleum Products for which Carrier is not responsible under applicable law, the Shipper shall bear the loss or damage in such proportion as its total volume in Carrier's Pipeline System bears to the total volume in said system.

If Carrier is unable to accept Petroleum Products for any reason, Carrier will not be liable for delay or damages associated with its inability to accept volumes.

115. Claims, Suits, and Time for Filing

As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with the Carrier within nine (9) months after delivery of the Petroleum Products, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits arising out of such claims shall be instituted against the Carrier only within two (2) years from the time when the Carrier delivers, or arranges for delivery of, the Petroleum Products or, in case of failure to make or arrange for delivery, then within two (2) years after a reasonable time for delivery has elapsed. Any such loss or damage shall be determined solely on the basis of volumetric loss and not on the monetary value of the Petroleum Products. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable and such claims will not be paid.

120. Pipeage or Other Contracts

Separate pipeage and other contracts may be required of a Shipper, in accordance with the applicable tariff and these Rules and Regulations, before any duty of transportation by the Carrier shall arise.