

**GT PIPELINE, LLC**

**LOCAL TARIFF**

**Containing**

**RULES AND REGULATIONS  
GOVERNING THE INTERSTATE TRANSPORTATION  
OF**

**PETROLEUM PRODUCTS  
(AS DEFINED HEREIN)**

**BY PIPELINE**

The rules and regulations published herein apply only under tariffs making specific reference by F.E.R.C. number to this tariff, such reference will include supplements and successive reissues hereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

Any rates in this tariff are expressed in cents per Barrel.

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

Filed in compliance with 18 C.F.R. § 342.2(b).

Issued on 7 days' notice under authority of 18 CFR § 341.14. This tariff publication is conditionally accepted subject to refund pending a 30-day review period.

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## **ITEM NO. 5 – APPLICATION**

The rules and regulations in this Tariff apply to the transportation of Petroleum Products from the Origins to the Destinations specified in the tariffs making specific reference by F.E.R.C. number to this Tariff.

## **ITEM NO. 10 – DEFINITIONS**

In this Tariff, each of the following terms shall have the meanings assigned as follows. References to “days” “months,” and “years” mean calendar days, months, and years unless otherwise indicated.

“Affiliate” means, in relation to a Person, any Person that (i) directly or indirectly controls such Person; (ii) is directly or indirectly controlled by such Person; or (iii) is directly or indirectly controlled by a Person that directly or indirectly controls such Person. For this purpose, “control” of any entity or Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of a majority of issued shares or other ownership interests or voting power or control in fact of the Person or otherwise.

“Applicable Law” means, with respect to any Governmental Authority, (i) any law, statute, regulation, code, ordinance, license, order, writ, injunction, decision, directive, judgment, policy, decree and any judicial or administrative interpretations thereof, (ii) any agreement, concession or arrangement with any other Governmental Authority, and (iii) any license, permit or compliance requirement, in each case applicable to either Party and as amended or modified from time to time.

“Barrel” means forty-two (42) United States Gallons measured at a temperature of at sixty degrees Fahrenheit (60°F) and equilibrium vapor pressure.

“Carrier” means GT Pipeline, LLC.

“Claim” means any judgment, claim, cause of action, demand, lawsuit, suit, proceeding, governmental investigation or audit, loss, assessment, fine, penalty, administrative order, obligation, including interest, penalties, reasonable attorneys’ fees, disbursements and costs of investigations, whether based on contract, tort strict liability, statute or other legal or equitable theory.

“Committed Shipper” means a Shipper that has committed to transporting, or paying for the transportation of, a volume of Petroleum Products pursuant to a TSA of at least 25,000 Barrels per Day.

“Committed Volumes” means, with respect to a Committed Shipper, the volumes of Petroleum Products required to be Nominated and Tendered on the Pipeline System as determined pursuant to the Committed Shipper’s TSA.

“Day” means the twenty-four (24) hours commencing at 12:00 a.m., according to the local time in Port Arthur, Texas.

“Deficiency Payment” means a payment to be made by a Committed Shipper as determined in accordance with the applicable TSA and as further described in the Tariff rates set forth in Carrier’s rates tariff applicable to the Pipeline System.

“Destination” means one of the Pipeline System destinations listed in this Tariff and tariffs making reference hereto and incorporating this Tariff by reference.

“Destination Group” means either Group 1 Destinations or Group 2 Destinations as defined in Carrier’s rates tariff applicable to the Pipeline System.

“Force Majeure” means any event or circumstances, or any combination of events and/or circumstances, whether or not foreseeable, the occurrence and/or effect of which is beyond the reasonable control of Carrier and which by the exercise of due diligence Carrier could not avoid or overcome, including:

- (1) acts of the public enemy or of belligerents, hostilities or other disorders, wars (declared or undeclared), blockades, thefts, insurrections, acts of terrorism, riots, civil disturbances or sabotage;
- (2) acts of God, acts of nature, landslides, subsidence, severe lightning, earthquakes, volcanic eruptions, fires, tornadoes, hurricanes, storms, floods, washouts, freezing of machinery, equipment or lines of pipe, tidal waves, perils of the sea and other adverse weather conditions and warnings for any of the foregoing which may necessitate the precautionary shut-down of the Pipeline System or related facilities;
- (3) strikes, lockouts or other industrial disputes or disturbances;
- (4) arrests and restraints or other interference or restrictions imposed by federal, state or local Governmental Authorities, whether legal or de facto or purporting to act under some constitution, decree, law or otherwise, necessity for compliance with any court order, or any law, statute, ordinance, regulation, or order promulgated by a federal, state, or local Governmental Authority having or asserting jurisdiction, embargoes or export or import restrictions, expropriation, requisition, confiscation or nationalization; or
- (5) epidemics or quarantine, explosions, breakage or accidents to equipment, machinery, plants, facilities or pipelines, or electric power shortages;

provided, however, that the following events shall not constitute a Force Majeure: (a) inability to economically perform obligations under this Tariff or any applicable TSA, and (b) market conditions.

“Gallon” means a U.S. gallon of 231 cubic inches of liquid corrected to 60 degrees Fahrenheit (60°F) in accordance with the latest supplement or amendment to the appropriate ASTM petroleum measurement tables.

“Good Industry Practice” means the exercise of that degree of skill, care, diligence, prudence and foresight that would reasonably and ordinarily be expected from a skilled and experienced pipeline operator engaged in the same or similar type of undertaking under the same or similar circumstances, including compliance with any appropriate API/ASTM standards.

“Governmental Authority” means any federal, state, regional, local, municipal or foreign government or any political subdivision thereof, or any body, instrumentality, authority or entity exercising executive, legislative, judicial, regulatory or other governmental functions or any department, commission, board, bureau, agency instrumentality or other administrative body of any of the foregoing.

“Indemnified Party” has the meaning set forth in Item No. 75.

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“Interest Rate” means an annual rate (based on a 360-day year) equal to the lesser of (i) the U.S. prime rate of interest published under “Money Rates” by the “Wall Street Journal”, plus two percent (2%), and (ii) the maximum rate permitted by Applicable Law.

“Linefill” means the quantity of Petroleum Products needed to occupy the physical space in the Pipeline System.

“Maintenance” has the meaning set forth in Item No. 95.

“Month” means a period of time commencing at the start of the first Day of a calendar month and ending at the start of the first Day of the next calendar month.

“Nominate” means the submission by a Shipper of a Nomination.

“Nomination” means a written designation by a Shipper to Carrier of a stated quantity of Petroleum Products for transportation from a specified Origin to a specified Destination over a period of one operating Month in accordance with this Tariff.

“Origin” means one of the Pipeline System origins listed in this Tariff and in tariffs making reference hereto and incorporating this Tariff by reference therein.

“Party” or “Parties” means Carrier or a Shipper when referred to individually, or both Carrier and a Shipper when referred to collectively.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, or limited liability company.

“Petroleum Products” means regular gasoline, premium gasoline, and gasoline blendstocks meeting the minimum quality specifications set forth in Item No. 15.

“Pipeline System” shall mean Carrier’s bi-directional pipeline system that will provide transportation of Petroleum Products originating at the Origins and terminating at the Destinations.

“ppm” means parts per million.

“Shipper” means a party that Tenders Petroleum Products for transportation on the Pipeline System under the terms of this Tariff, where Tender is accepted by Carrier under the terms of this Tariff.

“Tariff” means this tariff.

“Tender” (including its correlatives) means a delivery by a Shipper to Carrier of a stated quantity and grade of Petroleum Products, under a Nomination accepted by Carrier, for transportation in accordance with these rules and regulations.

“Third Party” means any Governmental Authority or Person other than Carrier, any Shipper, or their respective Affiliates.

“Third Party Claim” has the meaning set forth in Item No. 75.

“TSA” means a Transportation Services Agreement executed by Carrier and a Shipper in connection with any widely publicized, non-discriminatory open season.

#### **ITEM NO. 15 – PETROLEUM PRODUCTS SPECIFICATIONS**

(a) Carrier is engaged in the transportation of Petroleum Products as herein defined and will not accept any other commodity for transportation under this Tariff. Carrier will transport Petroleum Products as defined herein with reasonable diligence, considering the quality of such Petroleum Products, the distance of transportation and other material elements.

(b) Carrier reserves the right to refuse transportation for any Petroleum Products that do not conform to Carrier’s Petroleum Products specifications as set forth herein or to any more rigid Petroleum Products specifications of a pipeline downstream of Carrier’s Pipeline System, are not merchantable, and/or would adversely affect Carrier’s Pipeline System or another Shipper’s Petroleum Products.

(c) Petroleum Products will be accepted for transportation at the Origins only if such Petroleum Products meets the quality specifications set forth in this Item No. 15, including the following:

- (1) it contains no more than two (2) ppm hydrogen sulfide (H<sub>2</sub>S);
- (2) it contains no more than ten (10) ppm hydrogen sulfide (H<sub>2</sub>S) in vapor space;
- (3) it contains no more than one hundred (100) ppm mercaptans;
- (4) it meets all Applicable Laws, including Applicable Laws regulating Reid vapor pressure and volatile organic compounds;
- (5) it contains no hazardous waste (as that term is defined in 40 C.F.R. § 261.3 and

any successors thereto);

(6) it is readily susceptible to transportation through Carrier's existing facilities; and

(d) Carrier may rely upon the specifications provided by Shipper as to quality of Petroleum Products for informational purposes; provided, however that any quality determined by a licensed independent inspector mutually acceptable to both Parties shall be binding and final on the Parties absent manifest error or fraud. Prior to the time of delivery to Carrier of Petroleum Products from a Shipper, the Shipper shall deliver, or cause to be delivered, to Carrier a certificate setting forth the quality, grade and other specifications of each Petroleum Product, and the Shipper shall utilize its commercially reasonable efforts to provide such certificate to Carrier at least twenty-four (24) hours prior to such receipt.

(e) Should Carrier remove or dispose of any water or other material in or associated with a Shipper's Petroleum Products at any time, such Shipper shall reimburse Carrier for Carrier's actual costs and expenses plus fifteen percent (15%) incurred with respect to such removal and disposal.

(f) If Shipper wishes to transport Petroleum Products that do not meet the specifications set forth in this Item No. 15, it will request consent of Carrier, which consent shall not be unreasonably withheld, conditioned or delayed, provided that, without limiting the foregoing, such consent of Carrier may be conditioned on the payment by Shipper of any additional costs that Carrier may incur in connection with handling such materials. Unless it has otherwise given consent, Carrier will not be obligated to receive Petroleum Products into the Pipeline System that are contaminated or that fail to meet the specifications referenced above, nor will Carrier be obligated to accept Petroleum Products that fail to meet quality specifications set forth in the certificate required by Section (d) of this Item No. 15.

#### **ITEM NO. 20 - LINEFILL**

Linefill shall be provided by each Shipper and title to same shall remain with such Shipper. Each Month, Carrier shall adjust the Linefill so that each Shipper shall provide its pro rata amount of Linefill based upon a ratio of the total shipments by such Shipper to the total shipments over Carrier's Pipeline System for the preceding Months. If any Shipper shall cease to ship Petroleum Products, then Shipper's Linefill shall be returned to Shipper as part of its last shipment of Petroleum Products after Shipper has provided written notice to Carrier of Shipper's intent to cease shipping and after a reasonable period of time to allow for administrative and operational requirements associated with the withdrawal of such Linefill.

#### **ITEM NO. 25 – NOMINATIONS, MINIMUM TENDER AND SCHEDULING OF RECEIPT**

(a) When a Shipper desires to originate Petroleum Products it shall furnish a Nomination no later than the fifteenth (15<sup>th</sup>) Day of the preceding Month in which such Shipper desires transportation. A Nomination shall specify the Origins and Destinations of the Petroleum Products offered to Carrier. If a Shipper does not furnish such Nomination, Carrier will be under no obligation to accept such Petroleum Products for transportation.

(b) The minimum quantity of petroleum which will be accepted at an Origin by Carrier from a Shipper as shall be ten thousand (10,000) Barrels.

(c) Petroleum Products will be accepted for transportation, subject to the rules and regulations contained herein, at such time and in such quantity as is scheduled by Carrier. Carrier will transport and deliver Petroleum Products with reasonable diligence and dispatch considering the quantity, distance of transportation, safety of operations, and other material factors, but will not be liable if it does not deliver Petroleum Products by the time specified by any Shipper. Carrier will accept changes to Nominations and scheduled volumes up to such point in time as is reasonably practicable given operational constraints.

#### **ITEM NO. 30 – SEGREGATED BATCHES**

Carrier shall provide transportation services on the Pipeline System on a segregated basis and not on a fungible basis.

#### **ITEM NO. 35 – STORAGE, ORIGIN AND DESTINATION FACILITIES**

(a) Carrier does not furnish storage facilities or services at the Origins or the Destinations.

(b) Petroleum Products will be accepted for transportation only when a Shipper has provided the necessary equipment and facilities, including storage facilities, satisfactory to Carrier for delivering such tenders to Carrier at the Origins at a pumping rate equal to the current rate of pumping and for receiving same without delay upon arrival at the Destinations. Satisfactory evidence may be required by Carrier showing that necessary facilities are available for delivering shipments at the Origins and receiving shipments at the Destinations before any obligation to furnish transportation shall arise.

#### **ITEM NO. 40 – ACCEPTANCE FREE FROM LIENS AND CHARGES**

Carrier may refuse any shipment for transportation which may be encumbered by a lien or charge of any kind, or which may be involved in litigation or the ownership thereof may be in dispute, unless the Shipper provides satisfactory evidence of its perfect and unencumbered title or satisfactory indemnity bond to protect such Carrier against any or all loss. By Nominating, the Shipper warrants and guarantees that the Shipper has good title thereto and 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.

#### **ITEM NO. 45 – MEASUREMENT AND CUSTODY**

All Petroleum Products transported by Carrier will be measured at the time such Petroleum Products pass through the Origins and Destinations in accordance with applicable Carrier and industry accepted practices and procedures and as required by the interconnection agreements entered into by Carrier for connecting the Pipeline System at the Origins and Destinations. All measurements and tests shall be performed by Carrier, but the Shipper or its representatives may be present to witness. All measurements and tests

performed by Carrier shall be determinative unless they are contested by the Shipper within six (6) months of such action. Except as otherwise provided, Carrier shall not charge for metering Petroleum Products upon receipt and delivery. Observed volumes of Petroleum Products shall be corrected to net component volumes at 60°F according to applicable API tables, for applicable products. A tender deduction of 0.2% by volume for all Petroleum Products will be made on the volume of Petroleum Products accepted by Carrier for transportation. Carrier will only be accountable for delivery of that quantity of Petroleum Products accepted for transportation after the tender deduction. As between the Shipper and Carrier, custody of the Petroleum Products received under this Tariff shall pass from the Shipper to Carrier at the Origins, and shall pass from Carrier to Shipper at the Destinations.

#### **ITEM NO. 50 – FAILURE TO TAKE DELIVERY AT DESTINATIONS**

If a Shipper fails to remove Petroleum Products from Carrier’s Pipeline System at a Nominated Destination, threatens or prevents succeeding shipments into or out of Carrier’s Pipeline System or otherwise by the Shipper’s actions or inactions causes congestion on Carrier’s Pipeline System, Carrier shall have the right, but without obligation or liability to the Shipper, to make arrangements for the Petroleum Products as Carrier deems appropriate. The Shipper shall pay all charges, costs, and damages associated with the disposition of Petroleum Products to Carrier the same as if the Shipper had authorized such disposition. In addition to any remedy available to Carrier, including remedies under this Item No. 50, Carrier may assess a daily demurrage charge in the event the Shipper fails to remove Petroleum Products from Carrier’s Pipeline System and that failure prevents or threatens the movement of succeeding shipments. The daily demurrage charge will be calculated by multiplying the Tariff rates set forth in Carrier’s rates tariff applicable to the Pipeline System based upon the Nominated Origin(s) and Destination(s), times the total Pipeline System Linefill.

#### **ITEM NO. 55 – PAYMENT OF CARRIER CHARGES**

(a) Carrier shall assess transportation and all other lawful charges accruing on Petroleum Products accepted for transportation at the rate in effect at the date each Petroleum Product is received for transportation at the specified Origin. Carrier will invoice each Shipper for transportation charges and all other lawful charges accruing on Petroleum Products accepted in accordance with Carrier’s then current payment policies and procedures at the rates published herein.

(b) Carrier may invoice each Shipper monthly for all transportation charges and other charges due based upon the number of Barrels accepted for transportation by such Shipper from or on behalf of Carrier, less any adjustments made by Carrier pursuant to Item No. 45 and Item No. 85 of this Tariff. The Shipper shall pay the full amount due under the invoice within fifteen (15) days from receipt of the invoice, even if such due date is prior to delivery at the Destination(s). In the event the Shipper fails to pay any such charges when due, in addition to any other remedies available to Carrier under this Tariff or under Applicable Law, Carrier shall not be obligated to provide the Shipper access to the Pipeline System or provide services pursuant to this Tariff until such time as payment is received by Carrier.

(c) The Shipper may, in good faith, dispute the amount, contents or nature of any invoice delivered to the Shipper by Carrier, or any omissions of information from any Carrier invoice, for a period of six (6) months following receipt of such invoice, by providing written notice stating the reasons why the remaining disputed amount, contents or nature are incorrect, along with supporting documentation. Failure to provide such timely notice by the Shipper shall result in a full waiver by the Shipper of its right to dispute such invoice and the amounts due thereunder. The Shipper and Carrier agree to begin good faith negotiations to settle any amount in dispute within twenty (20) days of notification by one Party to the other Party of such dispute. No payment by the Shipper of the amount of a disputed invoice shall prejudice the right of the Shipper to claim an adjustment of the disputed invoice so long as such dispute is handled according to the provisions of this Item No. 55. If the Shipper disputes any portion of an invoice, the Shipper must pay the undisputed portion of the invoice as required by Section (b) of this Item No. 55, and only undisputed portions of invoices will accrue interest at the Interest Rate as described in Section (d) of this Item No. 55.

(d) Except as otherwise provided in Section (c) of this Item No. 55, if any transportation or other charges are not paid by the due date stated on the invoice, Carrier shall have the right to assess finance charges on the entire past due balance (including principal and accumulated but unpaid finance charges) until paid in full at the Interest Rate, or the maximum finance charge rate allowed by Applicable Law, whichever is less. Carrier reserves the right to set-off any charges due Carrier by the Shipper against any monies owed to that Shipper by Carrier or any Petroleum Products of that Shipper in Carrier's custody.

#### **ITEM NO. 60 – SCHEDULING OF DELIVERY**

When Shippers request for delivery from the Pipeline System at a Destination a volume of Petroleum Products greater than can be immediately delivered, Carrier shall schedule delivery in accordance with the operational capabilities of the Pipeline System. Carrier shall not be liable for any delay in delivery resulting from such scheduling of delivery.

#### **ITEM NO. 65 – PRORATION OF PIPELINE SYSTEM CAPACITY**

(a) The following definitions apply to this Item No. 65:

“Base Period” means the twelve (12) Month period beginning thirteen (13) Months prior to the Proration Month and excluding the Month preceding the Proration Month. If Carrier has been in operation less than twelve (12) Months, then the Base Period shall be number of Months during which Carrier has been in operation, excluding the Month preceding the Proration Month.

“Regular Shipper” means a Shipper that has shipped Petroleum Products during the entirety of the Base Period.

“New Shipper” means a Shipper that does not qualify as a Regular Shipper.

“Proration Month” means the Month for which capacity on the Pipeline System is subject to prorationing pursuant to this Item No. 65.

“Total Shipments” means the volume that the applicable Committed Shipper, Regular Shipper or New Shipper has shipped on the Pipeline System during each Month of the Base Period.

“Total Throughput” shall mean a volume equal to the sum of the Total Shipments of all Committed Shippers, Regular Shippers and New Shippers during the Base Period.

(b) When Carrier receives more Nominations in a month for transportation of Petroleum Products than Carrier is able to transport on the Pipeline System, Carrier shall apportion the Pipeline System capacity in the following manner.

(1) Committed Shippers. Each Committed Shipper shall be allocated one hundred percent (100%) of its Committed Volumes for each Destination Group to which it has committed volumes, provided that Carrier shall reduce the capacity allocated to the Committed Shippers to the extent necessary to ensure that the aggregate capacity allocated to all Committed Shippers does not exceed ninety percent (90%) of Carrier’s available operational capacity. If a Committed Shipper’s Nomination for a month is less than its Monthly Volume, the Committed Shipper will be allocated only the amount of its Nomination. Additionally, the allocation to each Committed Shipper shall be reduced by the same percentage of any reduction in the capacity of the Pipeline System.

(2) Regular Shippers. The percentage of capacity to be allocated to each Regular Shipper will be calculated by dividing the sum of the Total Shipments of each Regular Shipper by the Total Throughput. The resulting percentages will then be applied to the Pipeline System capacity available after allocations to Committed Shippers to determine the capacity allocation for each Regular Shipper. Each Regular Shipper will be allocated the lesser of its Nomination or the volume determined pursuant to the above calculation. In the event that the above calculation results in any Shipper being allocated more capacity than its Nomination, the excess of the calculated allocation over Shipper’s Nomination will be reallocated per capita among all other New Shippers and Regular Shippers whose Nominations would not be fulfilled through the allocations calculated in subparts (b)(2) and (b)(3) of this Item No. 65. Carrier will repeat this reallocation process until all of the capacity has been allocated. Allocations for Regular Shippers will be subject to pro rata reduction on the basis of the percentages calculated in this subpart (b)(2), if required, to accommodate New Shippers.

(3) New Shippers. Up to two and one-half percent (2.5%) of Pipeline System capacity will be allocated to each New Shipper, subject to a cap of ten percent (10%) of capacity for all New Shippers. During periods of prorationing, New Shippers will be allocated capacity as follows:

If less than four (4) New Shippers have submitted Nominations, each New Shipper will be allocated the lesser of either two and one-half percent (2.5%) of capacity or its Nomination. In the event that four (4) or more New Shippers have submitted Nominations, the Nominations for each New Shipper shall be totaled and divided into ten percent (10%) of the Pipeline System capacity. The resulting percentage shall be the initial New Shipper’s proration factor. Each New Shipper will be allocated capacity equal to the lesser of:

- a. 2.5% of available capacity, or
- b. its Nomination, or
- c. its Nomination multiplied by the initial New Shipper proration factor.

Any remaining Pipeline System capacity, subject to the maximum cap of ten percent (10%) of all available capacity, as outlined above, will be allocated equally among the New Shippers whose Nominations were not fulfilled under the allocations calculated in this subpart (b)(3).

(c) Allocated volumes may not be assigned, conveyed, loaned, transferred to, or used in any manner by another Shipper. However, a Shipper's shipment history may be transferred as an incident of the bona fide sale of substantially all of the Shipper's business or to a successor to substantially all of the Shipper's business. Transfers of a Shipper's shipment history must be approved in advance by Carrier and shall be irrevocable once the transfer is approved.

#### **ITEM NO. 70 – DEFICIENCY PAYMENTS**

To the extent a Committed Shipper fails to Nominate and/or Tender a volume of Petroleum Products equal to the Committed Volumes under its TSA, then, such Committed Shipper shall nevertheless pay to Carrier the Deficiency Payment in accordance with the TSA as further described in the Tariff rates set forth in Carrier's rates tariff applicable to the Pipeline System.

#### **ITEM NO. 75 – LIABILITY OF CARRIER**

(a) Carrier shall not be liable to any Shipper for any loss of Petroleum Products or damage thereto. Any such loss or damage to Petroleum Products in Carrier's custody shall be apportioned to each shipment in the same proportion that such shipment, or portion thereof, received and undelivered at the time such loss or damage occurs bears to the total of all shipments, or portion thereof, then in the custody of Carrier for transportation. Each Shipper shall be entitled to receive only that portion of its shipment remaining after deducting its proportion, as so determined, of such loss or damage. Carrier shall not be liable for discoloration, contamination, or deterioration of Petroleum Products transported.

(b) Carrier operates under this Tariff solely as a common carrier and not as an owner, manufacturer, or seller of the Petroleum Products transported or stored hereunder, and Carrier expressly disclaims any liability for any expressed or implied warranty for Petroleum Products transported or stored hereunder including any warranties of merchantability or fitness for intended use.

(c) **DUTY TO INDEMNIFY. EXCEPT AS OTHERWISE EXPLICITLY CONTEMPLATED BY THIS TARIFF, EACH PARTY (THE "INDEMNIFYING PARTY") SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE OTHER PARTY, ITS AFFILIATES, AND THEIR EMPLOYEES, DIRECTORS, OFFICERS,**

**REPRESENTATIVES, AGENTS AND CONTRACTORS (COLLECTIVELY, THE “INDEMNIFIED PARTY”) FROM AND AGAINST ANY AND ALL CLAIMS ARISING FROM (A) THE NEGLIGENCE, STRICT LIABILITY OR WILLFUL MISCONDUCT OF THE INDEMNIFYING PARTY, ITS AFFILIATES, REPRESENTATIVES, DESIGNEES, SUBCONTRACTORS, EMPLOYEES, AGENTS, CARRIERS, CUSTOMERS AND CARRIERS IN CONNECTION WITH THIS TARIFF AND ARISING FROM (I) INJURY, DISEASE OR DEATH OF ANY PERSONS, (II) DAMAGE TO OR LOSS OF PROPERTY, OR (III) DISCHARGES, SPILLS OR LEAKS OF PETROLEUM PRODUCTS, OR (B) FAILURE OF THE INDEMNIFYING PARTY TO COMPLY WITH APPLICABLE LAW IN CONNECTION WITH THIS TARIFF EXCEPT TO SUCH EXTENT THAT SUCH CLAIM (X) RESULTS FROM THE INDEMNIFIED PARTY’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (Y) RELATES TO LOSS OF VOLUMES OF OR DAMAGE TO PETROLEUM PRODUCTS.**

**(d) IN NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER WHETHER UNDER THIS TARIFF OR OTHERWISE IN CONNECTION WITH IT, IN CONTRACT, TORT, BREACH OF STATUTORY DUTY OR OTHERWISE, FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR INDIRECT DAMAGES OF ANY KIND ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OR THE FAILURE TO PERFORM OF THIS TARIFF AND IRRESPECTIVE OF NEGLIGENCE OR BREACH OF DUTY (WHETHER STATUTORY OR OTHERWISE). IN ADDITION, NEITHER PARTY SHALL BE LIABLE FOR ANY, LOSS OF PROFITS OR ANTICIPATED PROFIT, LOSS OF BUSINESS, USE, GOODWILL, BUSINESS INTERRUPTION OR PRODUCTION LOSSES, WHETHER OR NOT FORESEEABLE.**

(e) No Third Party Rights. The Parties’ obligations to defend, indemnify and hold each other harmless under the terms of this Tariff shall not vest any rights in any Third Party, whether a Governmental Authority or private entity, nor shall they be considered an admission of liability or responsibility for any purposes other than those enumerated in this Tariff. The terms of this Tariff are enforceable only by the Parties.

(f) Third Party Claims. The Indemnified Party shall notify the Indemnifying Party as soon as practicable after receiving notice of any Claim or proceeding brought against it that might give rise to an indemnity claim under this Tariff (a “Third Party Claim”) and shall furnish to the Indemnifying Party the complete details within its knowledge. Any delay or failure by the Indemnified Party to give notice to the Indemnifying Party shall not relieve the Indemnifying Party of its obligations except to the extent, if any, that the Indemnifying Party shall have been materially prejudiced by reason of such delay or failure.

(g) Claim Procedure. The Indemnifying Party shall have the right to assume the defense, at its own expense by its own counsel, of any Third Party Claim; provided, however that such counsel is reasonably acceptable to the Indemnified Party. However, in the event (i) the Indemnifying Party shall not have employed counsel to represent the Indemnified Party within a reasonable time after notice of the initiation of such Third Party Claim, or (ii) the interests of the Indemnifying Party, whether or not a named party in such proceeding, and those of the

Indemnified Party are or could reasonably be expected by the Indemnified Party to be adverse, then the Indemnified Party may employ separate counsel of its choice to assume its own defense and the Indemnifying Party shall reimburse the Indemnified Party on a current basis for its reasonable expenses of investigation, reasonable attorney's fees and expenses and reasonable out-of-pocket expenses incurred in the defense thereof.

(1) Notwithstanding the Indemnifying Party's appointment of counsel to represent an Indemnified Party, the Indemnified Party, in addition, at its own expense, shall have the right to employ separate counsel to participate in the defense of such Claim. In such event, the Indemnifying Party shall cause its counsel to reasonably cooperate with the Indemnified Party's counsel in the defense of the Claim.

(2) If requested by the Indemnifying Party, the Indemnified Party agrees to reasonably cooperate with the Indemnifying Party and its counsel in contesting any Claim or proceeding that the Indemnifying Party defends. All reasonably incurred costs and expenses incurred in connection with the Indemnified Party's cooperation shall be borne by the Indemnifying Party.

(h) Settlement. No Third Party Claim may be settled or compromised by the Indemnified Party without the consent of the Indemnifying Party, or by the Indemnifying Party without the consent of the Indemnified Party, and no such settlement shall involve the payment of funds by the Indemnified Party as part of such settlement. Notwithstanding the foregoing, an Indemnifying Party shall not be entitled to assume responsibility for and control of any proceeding if such proceeding involves an Event of Default by the Indemnifying Party hereunder which shall have occurred and be continuing.

(i) Except for any indemnification arising from a Party's violation of Applicable Law, including without limitation tax and environmental laws, which obligations shall survive for the applicable period of the statute of limitations, the indemnities expressed in this Tariff will survive termination of this Tariff for a period of five (5) years after the expiration or termination, by amendment or otherwise, of this Tariff.

#### **ITEM NO. 80 – TAXES AND FEES**

In addition to the transportation charges accruing on Petroleum Products accepted for transportation, Shipper shall be responsible for and pay any and all taxes, fees or other charges and assessments, and any interest and penalties related hereto (including any charge or payment in lieu thereof), including ad valorem or property taxes, sales or use taxes assessed on the receipt, delivery, transfer, or transportation of Petroleum Products into or out of the Pipeline System, as well as inventory and ownership taxes, if any, on Shipper's Petroleum Products in the Pipeline System, if any. Shipper will indemnify and reimburse Carrier for all costs or expenses incurred and paid by Carrier in association with the foregoing taxes, expenses, fees or costs. Carrier will be responsible for and pay all other applicable taxes levied upon Carrier, including any increases in taxes levied on the Pipeline System, as a result of Shipper's activities in the Pipeline System that Carrier may be required to pay or collect under Applicable Law.

#### **ITEM NO. 85 – ADDITIONAL CONTRACTS**

Separate pipeage or other agreements in accord with this Tariff, and applicable regulations covering further details, may be required by Carrier before any duty for transportation shall arise.

#### **ITEM NO. 90 – FORCE MAJEURE**

If Carrier is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Tariff and the applicable TSA (other than the obligation to make payments of monies due), or to perform such obligations in compliance with Applicable Law and Good Industry Practice, which determination with respect to such compliance shall be made by Carrier in Carrier's sole discretion, then Carrier shall give prompt written notice of the Force Majeure stating facts supporting such claim of inability to perform. Thereupon, the obligation to perform so affected shall be suspended during the continuation of an inability so caused, but for no longer period, and this Tariff and the applicable TSA shall otherwise remain unaffected. Carrier shall use due diligence to remove the cause, where commercially practicable, with all reasonable dispatch; provided, however, that this provision shall not require the settlement of strikes, lockouts, or other labor difficulty such course is determined inadvisable by Carrier.

#### **ITEM NO. 95 – MAINTENANCE**

Each Shipper recognizes that Carrier will from time to time require routine scheduled and unscheduled maintenance periods to overhaul, service, or test the Pipeline System or related facilities ("Maintenance"). Carrier shall use reasonable efforts to minimize the amount of Maintenance consistent with safe and reliable operations. Carrier shall provide Shippers sixty (60) days' prior notice (or, in instances when sixty (60) days' notice is not possible, as much notice as is practicable) of any scheduled Maintenance which will interrupt delivery or receipt of any Petroleum Products hereunder, and Carrier shall use reasonable efforts to give Shippers updates as such Maintenance schedule changes. If scheduling, maintenance, or operational restrictions exist at the time Shippers schedule movements of Petroleum Products, then Carrier shall promptly notify Shippers of such restrictions.

