

**F.E.R.C. I.C.A. Oil Tariff**

**F.E.R.C. No. 1.12.0**  
**Cancels F.E.R.C. No. 1.11.0**

**GRAND PRIX PIPELINE LLC**  
**LOCAL AND PROPORTIONAL**  
**PIPELINE TARIFF**

Applying On  
**DEMETHANIZED MIX**

From:  
**POINTS IN NEW MEXICO**

To:  
**POINTS IN TEXAS**

Subject to Rules and Regulations provided herein.

[W] Filed in compliance with 18 C.F.R. § 342.2(b) (Establishing Initial Rates) ~~342.3 (Indexing)~~.

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

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## RULES OF GENERAL APPLICATION

**Carrier will receive, transport, and deliver Product through its facilities only as provided in these Rules and Regulations, except that specific Rules and Regulations published in individual tariffs will take precedence over Rules and Regulations published herein or in succeeding reissues of these Rules and Regulations.**

### 5. Definitions

“Barrel” shall mean a volume of forty-two (42) United States gallons. One U.S. gallon shall be equal to two-hundred-thirty-one (231) cubic inches of liquid at sixty degrees Fahrenheit (60°F) and at the equilibrium vapor pressure of the liquid being measured.

“Base Period” means the twelve (12) consecutive Month period ending with the second Month prior to the Proration Month for which Nominations are being apportioned in accordance with Item 85.

“Carrier” shall mean Grand Prix Pipeline LLC.

“Component(s)” means each of the five individual hydrocarbon constituents contained in Product, including ethane, propane, isobutane, normal butane, and natural gasoline (with natural gasoline including all pentane and heavier components), all in accordance with the applicable Product Specifications.

“Component Imbalance” means, for any given Component, a Component Net Volume delivered to Consignee at the applicable Destination Point(s) in excess of, or less than, the Component Net Volume received from Shipper at the applicable Origin Point(s) for delivery to that Consignee.

“Component Net Volume” means Component volume calculated at 60°F in accordance with the latest edition of GPA 8173.

“Consignee” shall mean the person or entity to whom the Shipper has ordered delivery of Product.

“Day” shall mean the period of twenty-four (24) hours between 12:00 AM Central Standard Time of a calendar day and 12:00 AM Central Standard Time of the following calendar day.

“Destination Point” means the point at destination where physical custody of Product is transferred from Carrier to the Consignee, such point being the point of interconnection between Carrier’s facilities and the Product receiving facilities to which Carrier’s facilities are connected now and in the future.

“Force Majeure” means an event or occurrence beyond the reasonable control of Carrier that interferes with or prevents Carrier’s performance of any obligation or condition under this tariff, under a transportation service agreement, interconnect agreement, or other agreement affecting Carrier or Carrier’s facilities, including but not limited to (i) actions, orders, regulations, or requests of any governmental authority having jurisdiction over the pipeline system, Carrier, or this tariff; (ii) insurrections, wars, rebellion, riots, disturbances, sabotage, acts of public enemies, blockades,

embargoes, expropriation, condemnation, epidemics, strikes, lockouts or labor disturbances or difficulties (the settlement of strikes, lockouts or labor difficulties being entirely within Carrier's discretion); (iii) weather conditions or anticipated weather conditions and actions of the elements, including, without limitation, fires, explosions, earthquakes, storms, floods, freezing conditions, washouts, lightning, hurricanes, tornadoes, or landslides; (iv) disruptions to, breakages of, or destruction of all or any portion of Carrier-owned or third party-owned machinery, lines of pipe, or facilities relied upon or contributing to provision of transportation service under this tariff, including the inability to obtain electric power, water, fuel, equipment, parts, repairs or other items or services; (v) scheduled maintenance or (vi) fires; explosions; freezing conditions, breakdowns or failure of pipe, plant, machinery or equipment. An event similar to the foregoing that interferes with or prevents Carrier's performance of its obligations shall be deemed an event of Force Majeure.

"Historic Shipment Volume" means the Monthly average of a Regular Shipper's volumes of Product actually shipped over the Base Period.

"Linefill" means the quantity of Product required by Carrier to occupy the physical space in Carrier's facilities to provide working stock and storage receptacle bottoms, if applicable, as determined by Carrier.

"Month" means a period of time commencing on the first Day of a calendar Month and ending on the first Day of the next calendar Month.

"Monthly Ratable Basis" means the delivery of Product throughout each Month in daily quantities that are approximately equal to the volume of Product delivered during the Month divided by the number of Days in that Month.

"New Shipper" means any Shipper that is not a Regular Shipper.

"Nomination" means a written communication (in form and context specified by Carrier) made by a Shipper to Carrier of a quantity of Product for transportation on the pipeline system in accordance with the terms of this tariff.

"OPIS Price Index" means the monthly average of the daily average prices per gallon, as quoted by OPIS in the OPIS-LP-Gas Report for "Any Current Month" under "Mont Belvieu Spot Gas Liquids Prices" using (i) the non-TET prices for the propane, isobutane, normal butane, and natural gasoline Components; and (ii) the Purity Ethane price for the ethane Component. The OPIS Price Index is not to include any TET, Other, or other categories of Component prices that might be published by OPIS. No value will be given to CO<sub>2</sub> or other impurities.

"Origin Point" means the point where physical custody of Product is transferred from Shipper to Carrier, such point being the inlet delivery connection to Carrier's facilities where Product from an originating facility or an interconnected pipeline is injected into Carrier's facilities.

"Product" shall mean demethanized mix which meets specifications issued by Carrier and included in the items of these Rules and Regulations.

“Proration Month” means the Month for which capacity is to be allocated in accordance with Item 85.

“Regular Shipper” means a Shipper that has actual shipments on a given segment of Carrier’s pipeline system during each Month of the Base Period.

“Shipper” shall mean the party whose Product is accepted by Carrier for transportation of Product under the terms of this tariff.

“Specifications” has the meaning given in Item 35.

“System Capacity” means the operational capacity of the pipeline system at any applicable point in time.

“Total Net Volume” means the aggregate Component Net Volume of all Components identified for a given volume of Product.

#### **10. Certificate**

Carrier reserves the right to require Shipper to furnish a certificate by a licensed petroleum inspector confirming the quality and Specifications of the Product tendered for transportation hereunder.

#### **15. Scheduled Shipments**

Shippers desiring to transport Product shall furnish a Nomination to the Carrier on a form supplied by Carrier specifying Origin Point, Destination Point, and quantity. Forms may be obtained from Carrier at the address shown on the first page of this tariff. All such forms shall be submitted on or before the fifteenth (15th) day of the month preceding the Month during which the transportation service is to begin. If Shipper does not furnish such notice, Carrier shall be under no obligation to accept Product for transportation. All Product accepted for transportation will be transported at such time and in such quantity as scheduled by Carrier.

#### **20. Minimum Tender and Ratable Delivery**

The minimum quantity of Product which will be accepted at one Origin Point for a Shipper for transportation shall be 500 Barrels per day.

Product shall be delivered by Shipper to each Origin Point for transportation service under this tariff on a Monthly Ratable Basis.

## **25. Facilities at Origins and Destinations**

Carrier will provide only such facilities at the Origin Points or Destination Points that Carrier considers necessary for operation of the pipeline. Carrier provides no storage facilities. Product will be accepted for transportation only when Shipper has provided facilities, including storage, at the applicable Origin Points and Destination Points that are satisfactory to Carrier and are capable of delivering or receiving Product at pressures and pumping rates required by the Carrier. See additional requirements regarding new facilities in Item 95.

## **30. Assurance of Delivery at Destination**

Upon arrival of Product at the specified Destination Point, such Product will be delivered through metering facilities provided by Carrier or the operator of the receiving facility into receiving lines and storage facilities provided by Shipper. In the event Shipper or its Consignee does not have adequate facilities available to receive Product at the Destination Point in accordance with Carrier's schedule, Carrier may store, sell at public auction or otherwise dispose of Product in accordance with Item 60 below.

## **35. Product Specifications**

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

Carrier reserves the right to refuse to accept any Product for transportation service which does not conform to Carrier's Product specifications ("Specifications") (described below) or which are not good and merchantable Product readily acceptable for transportation service through Carrier's existing facilities and/or which would otherwise adversely affect Carrier's facilities or other Product. Carrier reserves the right to modify its Specifications from time to time. In the event Carrier makes modifications to its Specifications, Carrier will provide Shippers with notice of such modifications and provide a copy of, or access to, the modified Specifications. As a prerequisite to transportation service, Shipper's Product must also conform to its nominated destination point specifications.

Shipper may be required to furnish Carrier with a certificate of analysis setting forth the composition of each shipment of Product to be transported in Carrier's facilities. Carrier reserves the right to sample and/or test any Product tendered to Carrier prior to acceptance or during receipt, and if there is a variance between Shipper's certificate of analysis and Carrier's test, the latter shall prevail.

If Carrier determines that Shipper has delivered Product that does not meet the Specifications or contaminates the common fungible stream, Carrier may treat or otherwise dispose of all contaminated Product in any reasonable commercial manner at Shipper's sole expense.

If Product received by Carrier does not conform to the Specifications, Carrier reserves the right to bill and Shipper shall pay (i) the costs and expenses incurred to treat or otherwise dispose of all contaminated Product including without limitation any penalties or charges incurred by Carrier as

a result of such contamination, and (ii) a \$1.00 per Barrel additional payment assessable on all Product delivered by Shipper for transportation service under this tariff that fails to meet the Specifications.

Shipper shall be liable for and shall defend, indemnify and hold Carrier harmless from and against any and all claims, actions, suits, losses, demands, costs and expenses (including attorney's fees and costs of repairing, inspecting, cleaning, and decontaminating the facilities of Carrier or third parties) of every kind, nature or description resulting from any Product that Shipper has delivered into Carrier's facilities that fails to meet the Specifications.

<u>Product Characteristics</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Test Method</u>
<b><u>Composition (% liquid volume):</u></b> Methane (See Note 1) Ethane Ethylene (See Note 1) Propylene (See Note 1) C4 Olefins Total Olefins (See Notes 1 and 3) Aromatics	38.00 of Raw Product (see Note 6)	1.50 of Ethane 55.00 of Raw Product (see Note 6) 1.00 of Ethane 5.00 of Propane 0.35 of Butanes 1.0 of Raw Product 10.00 of Hexanes and Heavier	ASTM E-260 GPA 2177 GPA 2177 ASTM D-2163 ASTM D-2163 ASTM D-2163 ASTM D-2163 GPA 2186
<b><u>Corrosion:</u></b> Copper Strip @ 100°F (Invalid if additive or inhibitor is used.) Corrosion Additive or Inhibitor, PPM by Weight	1a 1a	1b 1b	ASTM D-1838 Applicable Industry
<b><u>Sulfur:</u></b> Total Sulfur PPM by weight in liquid  H2S COS		150  None 15 PPM weight of Propane	ASTM D-5623 or ASTM D-6667 ASTM D-5623 ASTM D-5623
<b><u>Carbon Dioxide:</u></b> PPM by weight in liquid		1000	GPA 2177
<b><u>Dryness:</u></b>		No Free Water @ 34° F	Visual
<b><u>Pentanes &amp; Heavier:</u></b> White (See Note 4)		No Color	Visual Using Cup Method
<b><u>Color:</u></b> Saybolt No.	Plus 25		ASTM D-156 or ASTM D-6045
<b><u>Distillation:</u></b> End Point, °F		375°F	ASTM D-86
<b><u>Methanol:</u></b> PPM by weight in liquid		200	ASTM D-7423
<b><u>Vapor Pressure:</u></b> Determined at 100°F		500 psia	Peng-Robinson or GPA 2177 Appendix B

<b><u>Product Temperature:</u></b>	60°F	120°F	
<b><u>Deleterious Substances:</u></b> Ammonia Halides (including Fluorides)  (See Note 5)		1 PPM weight in liquid 1 PPM weight of Normal Butane	ASTM D-7359

**NOTES:**

1. Product Accounting - For accounting purposes, methane and ethylene shall be considered ethane, propylene shall be considered propane, and C4 olefins and neopentane shall be considered normal butane, each within the above listed Specification limits.
2. Any excess of these hydrocarbon components above the Specification limits shall not be accounted for.
3. A modified GPA-2177 method may be used in lieu of ASTM D-2163 for determining ethylene, propylene, C4 Olefin and Total Olefin concentrations.
4. Perform the Saybolt color test after weathering sample to 70°F if white cup indicates possible color.
5. Raw Product shall be merchantable, commercially free from sand, entrained water, nitrogen, amine, particulates, brine, olefins, dust, gum, gum-producing substances, oil, glycol, inhibitors, caustics, chlorides, oxygenates, heavy metals, any other contaminants, or any compound added to the Raw Product to enhance the ability to meet these Specifications, and other impurities which may be injurious to storage facilities, terminals, fractionators, measurement facilities, or the property of third parties, or may interfere with its transmission through storage facilities, terminals, or fractionators.
6. Carrier will not refuse to accept Raw Product on the basis of ethane content unless the ethane content of such Raw Product is less than 20.0% of Raw Product (% liquid volume) or greater than 65% of Raw Product (% liquid volume), but reserves any and all other rights and remedies with respect to Product that does not conform to the Specifications provided herein.

**Abbreviations:**

- ASTM = American Society for Testing and Materials
- GPA = GPA Midstream Association
- PPM = parts per million
- psia = pounds per square inch absolute
- °F = degrees Fahrenheit

**40. Measurement, Testing and Deductions**

Product tendered for transportation shall be metered at each Origin Point and Destination Point by Carrier or the operator of the non-Carrier facility to which Carrier's facilities are connected, consistent with the provisions of the applicable agreement governing the interconnection of Carrier's facilities with those of the operator of the applicable non-Carrier facility, prior to or at the time of receipt or delivery. Shipper shall at all times have the privilege of being present or represented during all metering and testing. The volume of Product to be transported shall be determined in accordance with applicable API Manual of Petroleum Measurement Standards and

applicable GPA Midstream Association procedures. The net balance after corrections or adjustments for pressure and temperature will be the quantity deliverable by Carrier and the transportation charges will be assessed in accordance therewith.

#### **45. System Losses and Loss Adjustments**

Quantities of Product will be adjusted at the Destination Point to allow for inherent losses or gains, including but not limited to shrinkage, evaporation, measurement, interface losses and other physical losses not due to the negligence of Carrier. Losses shall be charged proportionately to each Shipper in the ratio that such shipment, or portion thereof, received and undelivered at the time of the loss or damage occurs, bears to the total of all shipments, or portions thereof, then in the custody of Carrier for shipment via the lines or other facilities in which the loss or damage occurs. Shipper shall be entitled to receive only that portion of its shipment remaining after deducting its proportion of such loss or damage determined as aforesaid.

#### **50. Integrity of Product**

Carrier will use its best efforts to transport Product to the specified Destination Point with a minimum of contamination. Carrier may commingle Product received for transportation and reserves the right at any time to substitute and deliver a Product of the same specification as the Product tendered by Shipper. Product will be accepted for transportation service only on the condition that it shall be subject to such changes in characteristics (including component changes), while in transit, as may result from the mixture with other Product. Carrier shall be under no obligation to make delivery of the identical Product, but may make delivery out of the common stream and Shippers will be required to accept such delivery. For pipeline protection, Carrier may inject corrosion inhibitor in the Product to be transported, and Shipper will accept delivery of Product at the specified Destination Point containing the corrosion inhibitor.

#### **55. Title to Product, Possession and Control**

- (a) Title. The Carrier will refuse any Product for transportation which may be encumbered by a lien or charge of any kind, or which may be involved in litigation, or the ownership of which may be in dispute, unless Shipper provides satisfactory evidence of its perfect and unencumbered title or satisfactory indemnity bond to protect Transporter against any and all loss. By nominating Product, the Shipper warrants and guarantees that the Shipper has good title to all Product tendered and delivered hereunder and agrees to hold Carrier harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto. Carrier's acceptance of Shipper's Product for transportation service is not an admission by Carrier that Shipper holds good title thereto and is not a waiver of Shipper's obligation to have good title thereto.
  
- (b) Possession, Control. Shipper shall be deemed to be in exclusive possession and control of all Product for which services are provided hereunder upstream of the Origin Point and at and downstream of the Destination Point. Carrier shall be

deemed to be in exclusive possession and control of all Product at and downstream of the Origin Point and upstream of the Destination Point.

**60. Payment for Transportation and Lien**

(a) Carrier shall bill Shipper Monthly for all transportation charges and other charges due hereunder based upon volumes received by Carrier from Shipper, subject to any adjustments pursuant to Item No. 40. Shipper shall pay for transportation charges and all other lawful charges accruing on Product accepted in accordance with Carrier's then current payment policies and procedures at the rates published in Carrier's Rates Tariff as may be in effect from time to time. Carrier may require that all payments to Carrier for services pertaining to the transportation of Product be wire transferred in accordance with the instructions on the Carrier's invoice to Shipper.

(b) If Carrier, in its sole judgment, has reasonable grounds for insecurity regarding the ability of Shipper or Shipper's guarantor (if any) to perform its obligations hereunder or make payment of charges and fees when due (including without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor (if any)), Carrier, upon notice to Shipper, may require any of the following prior to Carrier's delivery of Shipper's Product in Carrier's possession or prior to Carrier's acceptance of Shipper's Product: (i) prepayment of all charges, (ii) a standby irrevocable letter of credit (in a form, amount, and term, and issued by a financial institution reasonably acceptable to Carrier) at Shipper's expense in favor of Carrier, or (iii) a guaranty issued on behalf of Shipper in a format, amount and tenor acceptable to Carrier, if the credit of Shipper's guarantor is deemed to be acceptable to Carrier in Carrier's sole judgment. If Shipper fails to comply with any such requirement on or before the date supplied in Carrier's notice to Shipper, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide transportation service pursuant to this tariff until such requirement is fully met.

(c) If any amounts owed by Shipper are not paid by the due date stated on the invoice, Carrier shall have the right to assess a finance charge on the entire past due balance until paid in full at the rate equal to the lesser of (i) the prime rate per annum plus three percent (3%), with the prime rate being the then effective prime rate of interest published under "Money Rates" by The Wall Street Journal or (ii) the maximum interest rate allowed by law.

(d) Carrier shall have a lien on all Product in its possession belonging to Shipper, and may withhold such Product from delivery until all of such unpaid charges shall have been paid. Such lien shall take effect at the point of origin as the Product is received into Carrier's pipeline. Such lien shall secure the payment of any and all charges and fees owed to Carrier by Shipper, including but not limited to penalties, interest and late payment charges, whether or not incurred on the Product in Carrier's pipeline and whether or not invoiced. Such lien shall be in addition to any and all other rights and remedies Carrier has at law or in equity.

(e) If any such charges or fees owed to Carrier by Shipper shall remain unpaid for ten (10) days after the date set for payment in Carrier's invoice to Shipper, or, in the absence of unpaid charges, when there shall be a failure to take redelivery of the Product at the point of destination, Carrier shall have the following options, in its sole discretion:

i. Carrier may sell Shipper's Product in its possession for cash at public auction at its office in Houston, Texas, on any day not a legal holiday, not less than forty-eight (48) hours after publication of a notice in a daily newspaper in Houston, Texas, of the time and place of sale and the specifications and quantity of Product to be sold. Carrier may be a bidder and a purchaser at such sale. From the sale proceeds, Carrier may pay itself all charges, expense of notice and sale, and storage and maintenance costs, and the balance shall be held for whosoever may be entitled thereto; or

ii. In circumstances in which Carrier has no storage facilities or other means of holding and maintaining Shipper's Product and inability to deliver (whether caused by Shipper's failure to take redelivery or caused by exercise of Carrier's lien) will cause a shutdown of a line, Carrier may, without notice but in the most commercially reasonable manner as is possible under the circumstances, dispose of Shipper's Product. If such disposal shall result in proceeds after payment of Carrier's charges and expenses, proceeds shall be held for whoever may be entitled thereto. If such disposal does not result in proceeds, Shipper and Consignee shall remain liable for all charges due to Carrier and for all expenses incurred by Carrier.

(f) Carrier reserves the right to set off any amounts owing to Carrier against any monies owed by Carrier to Shipper or any of its affiliates under this tariff, a transportation services agreement, or against any Product of Shipper in Carrier's custody. In addition, Shipper shall pay all documented costs incurred by Carrier to collect any unpaid amounts, including reasonable attorney's fees and costs incurred by Carrier.

## **65. Application of Rates**

Product transported shall be subject to the rates in effect on the date such Product is accepted for transportation by the Carrier.

For Product accepted for transportation from any point on Carrier's line not named in a particular tariff which is intermediate to a point from which rates are published therein, through such unnamed point, Carrier will apply the rate published therein from the next more distant point specified in such tariff. For Product accepted for transportation to any point on Carrier's line not named in a particular tariff which is intermediate to a point to which rates are published therein, through such unnamed point, Carrier will apply the rate published therein to the next more distant point specified in such tariff pending establishment of new rates.

## **70. Liability of Carrier**

(a) Carrier shall not be liable for any loss of Product as described herein or damage thereto, or delay caused by an event of Force Majeure or any act or default of Shipper or from any other cause not due directly to the negligence of Carrier. Carrier will not be liable for discoloration, contamination, or deterioration of Product transported hereunder unless directly resulting from the negligence of Carrier.

(b) In addition, the Carrier shall not be liable for any injury, disease or death of any person or damage to or loss of any property, fine or penalty, any of which is caused by the negligence, gross

negligence or willful misconduct of Shipper, its affiliates or any of their respective employees, representatives, agents or contractors in shipment of Product under this tariff or the handling, storage, transportation or disposal of any of the Product herein described.

(c) In no event shall Carrier be liable to Shipper for consequential, punitive, special, incidental or exemplary damages, or for loss of profits or revenues incurred by Shipper or its affiliates that arise out of or relate to shipments of Product under this tariff, regardless of whether any such claim arises under or results from contract, tort, or strict liability.

### **75. Liability of Shipper**

As a condition precedent to Carrier's acceptance of Product for transportation under this tariff each Shipper agrees to indemnify and save Carrier harmless from any loss, claims, or damages (including but not limited to consequential damages and attorneys' fees and costs) for injury or death of any person and for damage to property of carriers, Shipper, Consignee and/or third party resulting from or arising out of (1) any breach of any provision of this tariff by Shipper, his Consignee, his agents, employees or representatives; (2) the negligence of Shipper, his Consignee, his agents, employees or representatives; (3) the injection of contaminants of any kind by Shipper, his Consignee(s) or consignors, his agents, employees or representatives into the Carrier's pipeline, and/or (4) failure of Shipper's Product delivered or accepted for transportation to meet Carrier's Specifications.

### **80. Claims Against Carrier; Time Limitation**

As a condition precedent to recovery for loss, damage, delay or misdelivery, claims must be filed in writing with Carrier within nine (9) Months after delivery of Product, or in case of failure to make delivery, within ten (10) Months after receipt of the Product from Shipper by Carrier, and suits must be instituted against the Carrier within two (2) years from the day when Carrier gives notice to the claimant that Carrier has disallowed the claim or any part thereof specified in the notice of claim. If claims are not filed or suits are not instituted thereon in accordance with these provisions, Carrier will not be liable and claimant may not recover from Carrier.

### **85. Prorationing of Pipeline Capacity**

When Carrier receives Nominations in a Month for transportation of Product on Carrier's pipeline system that exceed the then-available System Capacity, Carrier shall allocate the System Capacity under the provisions of this Item 85. Such allocation may be based on Nominations exceeding System Capacity at a given Origin Point or Destination Point, and/or on a given segment of Carrier's pipeline system.

A. In the aggregate, New Shippers will be allocated up to 10% of the System Capacity in any Proration Month, on a pro rata basis but not to exceed the lesser of a New Shipper's Nomination or 2% of Available Capacity in any Proration Month.

B. In any Proration Month, 90% of System Capacity will be allocated to Regular Shippers proportionately based on the lesser of each Regular Shipper's Historic Shipment Volume or its Nomination in the Proration Month.

C. Any remaining System Capacity not allocated pro rata among all Shippers having unmet Nominations until the remaining System Capacity is fully allocated or all of the remaining Nominations have been fulfilled.

D. When prorationing of System Capacity is in effect, (1) Carrier shall allocate System Capacity on a Monthly basis, and (2) Carrier will use reasonable efforts to notify each Shipper of its allocation not later than the first working day of the Proration Month.

E. If a Shipper does not use the portion of System Capacity allocated to it under this Item 85 at the times and in the amounts designated by Carrier, Carrier shall have the right to use Shipper's unused portion of System Capacity to fulfill the unmet Nominations of other Shippers.

F. Except as provided in Item 85(G) below, a Shipper that fails to use all of its allocated System Capacity during a Proration Month shall have its allocation of System Capacity reduced in each subsequent Proration Month until the total reductions equal the amount of the deficiency. The amount of any such reduction shall be treated as unused allocated System Capacity and shall be reallocated among other Shippers in accordance with Item 85(E).

G. Reduction of a Shipper's allocation for failure to use its allocated System Capacity during a Proration Month may be waived, in whole or in part, if Carrier determines that Shipper's failure to use all or some of its allocated System Capacity was due to a Force Majeure.

#### **90. Linefill Requirements**

Shipper will supply its pro-rata share of Product for Linefill as Carrier determines is necessary to maintain efficient operations of Carrier's facilities. No more frequently than Monthly, Carrier shall adjust the Linefill so that it provides its pro-rata amount of Linefill equivalent to Shipper's total deliveries to the Origin Points during the preceding Month divided by total deliveries by all Shippers at all Origin Points during the preceding Month. Upon Shipper's payment of all amounts payable under this tariff, any transportation services agreement, and any other agreements between Carrier and Shipper or their affiliates affecting the movement of Product on Carrier's facilities, Product used as Linefill shall be returned to Shipper, after such Shipper has provided written notice to Carrier of Shipper's intent to cease delivering Product to the Origin Points and after a reasonable period of time to allow for administrative and operational requirements associated with the withdrawal of such Product.

#### **95. Connections**

Connections to Carrier's system will only be considered if made by formal written application to Carrier in the form required by Carrier. Acceptance of any request for connection will be subject to compliance with governmental regulations and approval of Carrier.

## **100. Product Component Balancing**

Carrier will deliver a volume of Product to the Consignee designated by Shipper equal to the Total Net Volume of Product received. The composition of the Product can vary at Origin Points, and volumes received from all Shippers will be commingled while in transit. Due to such commingling, Carrier cannot delivery Product for a Shipper's account containing Components in the same proportion as contained in Product volumes received at Origin Points.

Carrier will:

- (a) Notify each Consignee in writing each Month of the Total Net Volume and Component Net Volumes of Product delivered for Shipper, for delivery to that Consignee.
- (b) Notify Shipper in writing within five (5) business days subsequent to each Month of delivery of Total Net Volume and Component Net Volumes of Product delivered during the preceding Month to each Consignee designed by Shipper.
- (c) Notify in writing each Shipper of the Component Net Volume of Component Imbalances.

Shipper shall be responsible for reconciling Component imbalances that may arise between Origin Point and Destination Point of Product due to the composition variances resulting from the blending of various streams. Participation in the Component balancing process is a prerequisite to shipping on Carrier's Pipeline.

On a monthly basis, Shippers must cash out any Component imbalance to zero. The shipper cash out position equals the sum of (i) each Component imbalance multiplied by (ii) the corresponding OPIS Price Index ("Shipper Cash Out Position"). The Shipper will be notified by Carrier of its Shipper Cash Out Position on the Component balance statement. A Shipper Cash Out Position due to Carrier shall be paid by Shipper within six (6) days of the invoice date on the Component balance statement. A Shipper Cash Out Position due to Shipper shall be paid by Carrier within six (6) days of the invoice date on the Component balance statement.

Rate Sheet

TABLE OF RATES

<b>FROM Origin Point(s)</b>	<b>TO Destination Point(s)</b>	<b>RATE (per gallon)</b>
Sendero Carlsbad Processing Plant, Eddy County, New Mexico	Targa Downstream LLC's storage facility at Mont Belvieu (Chambers County, TX)	[U] \$0.1061
[N] <u>South Lea and Southeast Eddy County Plants, New Mexico</u>	[N] <u>Targa Downstream LLC's storage facility at Mont Belvieu (Chambers County, TX)</u>	[N] <u>\$0.1000</u>

- [C]..... Cancel
- [I]..... Increased rate
- [N] ..... New
- [U] ..... Unchanged rate
- [W]..... Change in wording only
- [D] ..... Decreased rate