

FERC ICA Oil Tariff

FERC No. 71.4.0
(Cancels FERC No. 71.3.0)

WEST SHORE PIPE LINE COMPANY

LOCAL PIPE LINE TARIFF
Applying On The Interstate Transportation Of
PETROLEUM PRODUCTS
As Defined Herein

From Points in
INDIANA AND ILLINOIS
To Points In
ILLINOIS AND WISCONSIN

This tariff contains market-based rates filed in compliance with 18 CFR §342.4(b) and non market-based rates that are indexed and filed in compliance with 18 CFR §342.3.



Shipments transported under this Tariff are entitled to such transit privileges and subject to the rules and regulations published herein. The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

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TABLE OF RATES

In Cents per U.S. Barrel of Forty-Two (42) U.S. Gallons

This tariff publication contains some rates that are subject to the Commission's finding of lack of market power and are market-based pursuant to Commission order in Docket OR01-6-000, issued July 1, 2002 under authority of 18 CFR §342.4(b).

FROM	TO	RATE
East Chicago (<i>Lake County</i>), IN (See Note 2)	Argo (<i>Cook County</i>), IL (See Note 3, 4)	[I] 34.57
	Harlem Avenue (<i>Cook County</i>), IL (See Note 3, 4)	[I] 40.04
	Des Plaines (<i>Cook County</i>), IL (See Note 3, 4)	[I] 42.23
	O'Hare Terminal (<i>Cook County</i>), IL (See Note 3, 4)	[I] 57.54
	Rockford (<i>Winnebago County</i>), IL (See Note 3, 4)	[I] 80.64
	Rockford Airport (<i>Winnebago County</i>), IL (See Note 3, 4)	[I] 67.87
	Madison (<i>Dane County</i>), WI (See Note 3)	[U] 83.23
Hammond (<i>Lake County</i>), IN (See Note 2) (Including connected plants at East Chicago, IN)	Des Plaines (<i>Cook County</i>), IL (See Note 3, 4)	[I] 42.23
Hammond (<i>Lake County</i>), IN (See Note 2) (Including connected plants at East Chicago, IN) Blue Island (<i>Cook County</i>), IL Romeoville (<i>Will County</i>), IL (Including connected plants at Lemont and Lockport, IL)	Granville (<i>Milwaukee County</i>), WI (See Note 3)	[U] 43.83
	Mitchell Field (<i>Milwaukee County</i>), WI (See Note 1, 3)	[U] 43.83
	Green Bay (<i>Brown County</i>), WI (See Note 3)	[U] 69.71
Lemont (<i>Will County</i>), IL	Madison (<i>Dane County</i>), WI (See Note 3)	[U] 81.72
[C] Ultra Low Sulfur Diesel Surcharge (See Note 5)		[C]

Note 1. In addition to the transportation rate named herein, a special handling charge of **[U] 4.46¢** per barrel will be assessed on Petroleum Products delivered into Mitchell Field, Wisconsin.

Note 2. When operating conditions permit, Carrier will transfer Petroleum Products through its existing lines between facilities directly connected to its pipelines in the Hammond/East Chicago area, Lake County, Indiana, at a rate of **[U] 11.00¢** per barrel, subject to a minimum charge of fifteen hundred dollars **[U] (\$1500.00)** per transfer (See Note 4).

Note 3. In addition to the transportation rates noted above, a special handling charge of **[U] 19.36¢** per barrel will be assessed on any Petroleum Products batch which is less than 10,000 barrels and is delivered to any delivery point named herein, except Green Bay where batches less than 10,000 barrels are permitted as outlined in Item No. 3 of the Rules and Regulations and supplements and reissues thereof.

Note 4. Tariff rates indicated are under market-based rate authority in accordance with 18 CFR §342.4(b). All other tariff rates are non market-based rates.

~~**[C] Note 5. Additional surcharge shall be added to the rate of all ultra low sulfur diesel products shipped to recover additional costs of service as outlined in Item No. 23 of Rules and Regulations which establishes an ultra low sulfur diesel recovery plan in accordance with 18 CFR §342.2(a) and the Commission approval of West Shore Pipe Line's plan in Docket No. IS06-561-000 issued October 30, 2006.**~~

RULES AND REGULATIONS

Petroleum Products will be transported through Carrier's facilities only as provided in these rules and regulations

Item	SUBJECT	RULES AND REGULATIONS
1	DEFINITIONS	<p>As used in these rules and regulations, the following terms have the following meanings:</p> <ol style="list-style-type: none"> a. “Barrel” means forty-two (42) United States gallons at 60 degrees Fahrenheit and zero gauge pressure. b. “Batch” means a quantity of Petroleum Products moved through the pipeline as an identifiable unit. c. “Carrier” means West Shore Pipe Line Company and other pipeline companies concurring in tariffs making specific reference hereto by FERC number. d. “Consignee” means the party to whom a Shipper has ordered the delivery of Petroleum Products. e. “Shipper” means the party who contracts with the Carrier for shipment of Petroleum Products under the rules, regulations and rates of this tariff and other tariffs making specific reference hereto by FERC number. f. “Tender” is an offer by a Shipper to the Carrier of a stated quantity of Petroleum Products for transportation from an origin to a specified destination in accordance with these rules and regulations. g. “FERC” means Federal Energy Regulatory Commission. h. “Petroleum Products” means gasolines and petroleum oil distillates as further described in Item 2. i. “No.” means number.
2	SPECIFICATIONS	<p>Petroleum Products will be accepted for transportation from origin points to destinations along Carrier's pipeline if they meet the following specifications:</p> <ol style="list-style-type: none"> a. The color shall not be darker than No. 3 National Petroleum Association specification except on Petroleum Products artificially colored, which will be accepted for transportation regardless of color. b. The vapor pressure shall not exceed the maximum permissible vapor pressure at the shipment's destination unless Shipper warrants that it is blend stock or that it is to be stored for use or sale during a season when limits are not in effect and, in all cases, vapor pressure shall not exceed 15 pounds Reid at 100 degrees Fahrenheit (100°F). c. The viscosity shall not exceed 4.3 centistokes at 100 degrees Fahrenheit (100°F). d. The Batch tendered shall not contain any component or substance that will pose an unreasonable threat of damage or injury to Carrier's facilities, human beings or the environment. e. During Seasonal Stripping, as defined below, all deliveries by Shippers of No. 2 low sulfur fuel oil distillate, and 87 octane regular unleaded gasoline to Rockford, and Madison, referred to herein as “Fungible Petroleum Products”, shall be accepted for transportation only when such Fungible Petroleum Products meet all required specifications as uniformly established by Carrier. All of the required specifications for the Fungible Petroleum Products shall be issued from time to time in the manner and to the extent appropriate to facilitate the efficient and economical use and operation of Carrier's facilities and to reasonably accommodate Shipper's needs for transportation. “Seasonal Stripping” as referred to above shall be defined as stripping operations that occur at Rockford from the period starting May 1 and ending September 15, or a period as defined by Carrier upon prior notification. f. ULSD (Ultra Low Sulfur Diesel) – Carrier will accept, from Shipper, ultra low sulfur diesel products for transportation, where the batches are shipped, monitored and documented under a designate and track program as a "ultra low sulfur," the following diesel products, provided that the sulfur content does not exceed a maximum of 12 parts per million (ppm) sulfur for all batches tendered, as measured at the Shipper's origin point origination tank: <ul style="list-style-type: none"> • Ultra low sulfur diesel (ULSD) current Carrier code 090. • Premium ultra low sulfur diesel (PULSD) current Carrier code 095.

Item	SUBJECT	RULES AND REGULATIONS
		<ul style="list-style-type: none"> • Ultra low sulfur diesel No. 1 (ULSD-1) current Carrier code 050 and #051. <p>If the sulfur content of the nominated batch is determined to be greater than 12 ppm for all tendered batches prior to delivery into the Carrier's pipeline, Shipper will be required to re-designate the batch name and code as one of the "low sulfur" diesel products, other than ULSD, PULSD or ULSD-1 designation. If Shipper's ultra low sulfur product batch is determined to be greater than 12 ppm while in transit, Carrier will re-designate the entire batch as a "low sulfur" diesel product rather than an "ultra low sulfur" diesel product and shall deliver the product as a "low sulfur" diesel product.</p> <p>The sulfur limit of 12 ppm as documented in this Section 2(f) applies only to Petroleum Products transported on West Shore Pipe Line. All Petroleum Products that are transported to connecting carriers / facilities must meet the sulfur limit requirements of the connecting carrier / facilities.</p> <p>Carrier may require Shipper to furnish certified laboratory reports showing the results of tests of Petroleum Products tendered for transportation. Shipper's Tender constitutes a warranty that Petroleum Products tendered meet Carrier's specifications.</p>
3	MINIMUM TENDER AND SPLIT BATCHES	<p>a. Petroleum Products as described herein shall be tendered for transportation in quantities of not less than 10,000 barrels of similar quality and color from one consignee, provided, however, Carrier may for its convenience transport same by intermittent pumpings. Deliveries will be made in quantities of not less than 10,000 barrels each to any or more delivery points named herein, except at Green Bay and Madison where the minimum delivery shall be 5,000 barrels. Subject to a special handling charge as specified in Note 3 under the Table of Rates on page 2 of this tariff, batches of Petroleum Products which are less than 10,000 barrels but at least 5,000 barrels will be allowed at those delivery points otherwise restricted when the shipper cannot avoid such batches. For example, should a Shipper nominate a 10,000 barrel batch or greater to Granville but ends up delivering less barrels at the origin point such that the final delivery at the destination point, not including transmix and gains/losses adjustments results in a batch size of just 7,000 barrels, then the special handling fee shall be determined by multiplying the fee listed in Note 3 referenced herein times the 7,000 barrels actually shipped and this fee shall be added to the regular tariff rate times the barrels shipped.</p> <p>The special handling charge as specified in above referenced Note 3 shall also be charged when the Shipper splits the nominated batch to more than one destination during shipment and while the batch is being pumped by Carrier and if any of the resulting split batches are less than 5,000 barrels to Green Bay or Madison, or less than 10,000 barrels to all other destinations. For example, should a Shipper nominate a 20,000 barrel batch or more to Granville but then asks Carrier to split the batch into two different destination points during the movement with 15,000 barrels to Granville and 5,000 barrels to Des Plaines, then the special handling fee shall be applied to just the 5,000 barrel batch to Des Plaines because it was less than the minimum tender allowed to that destination point and the special handling charge will be determined by multiplying the fee listed in Note 3 referenced herein times just the 5,000 barrels actually shipped and this fee shall be added to the regular tariff rate times the barrels shipped.</p> <p>b. Any Shipper desiring transportation of petroleum products under the provisions of this tariff will, on or before the 10th day of the month, submit to the Carrier a notice of intent to ship stating the quantity of Petroleum Products to be shipped during the following month. Unless such notification is made the Carrier will be under no obligation to accept Petroleum Products for transportation.</p> <p>c. Tenders, when accepted, will be entered by Carrier on its books as orders. Since Petroleum Products are pumped in a certain sequence for efficient operation, Carrier reserves the right to specify the sequence of shipment of Petroleum Products. As an incident to the acceptance of any Tender, the Shipper shall furnish and pay charges at rates specified in Carrier's rate tariff on such buffer material as may be required by Carrier.</p>
4	SEGREGATION AND VARIATIONS IN QUALITY AND	<p>a. No Petroleum Products will be accepted for transportation except good merchantable Petroleum Products of acceptable character readily susceptible to transportation through Carrier's existing facilities and which will not materially affect the quality of</p>

Item	SUBJECT	RULES AND REGULATIONS
	GRAVITY	<p>shipments being transported or cause a disadvantage to any other shipper.</p> <p>b. Carrier shall not be liable for variations in gravity or quality of Petroleum Products occurring while in its custody and is under no obligation to deliver the identical Petroleum Products received.</p> <p>c. Subject to the foregoing, Carrier will to the extent permitted by its existing facilities make every effort to segregate such Petroleum Products at destination. However, it being impractical to maintain absolute identity of each inbound shipment of Petroleum Products, reasonable substitution of gallonage of the same kind of commodity will be permitted.</p>
5	ORIGIN AND DESTINATION FACILITIES	<p>a. Shipper shall furnish pumping facilities of sufficient capacity to move said Petroleum Products to Carrier's origin station at Carrier's full line pumping rate, provided however, that the Carrier may for its convenience operate at pumping rates less than full line rate.</p> <p>b. No duty to transport will arise until evidence satisfactory to the Carrier has been furnished that shipper has provided necessary facilities to which carrier is connected at destination capable of receiving at the full line pumping rate, and has made necessary arrangements for accepting delivery of shipments promptly on arrival at destination.</p> <p>c. In the event Shipper or Consignee does not have adequate facilities available to receive Petroleum Products from the line without delay at the time any shipment or portion thereof arrives at a destination to which it is consigned, Carrier may reconsign said shipments or any undelivered portion thereof to a destination where facilities are available to receive it and Carrier shall not be liable for any damage, loss in transit, or loss in storage which may occur by reason of such reconsignment. Such reconsignment shall have the same effect as though requested by Shipper and Shipper shall pay transportation charges and all other charges from point of origin to actual final destination.</p>
6	GAUGING AND TESTING	<p>Petroleum Products tendered to and delivered by Carrier shall be measured through meters, or gauged in tanks if meters are not available, and may be gauged and tested by a representative of the Carrier prior to acceptance for transportation. The Shipper shall have the privilege of being present or represented at the measuring, gauging, or testing.</p>
7	LOSS/GAIN EQUALIZATION	<p>Pursuant to Item No. 15, any overage or shortage of Petroleum Products may be adjusted with Shippers to allow for inherent losses or gains, including but not limited to shrinkage, evaporation, interface mixture, product measurements and other physical losses not due to gross negligence of the Carrier. The adjustments for losses or gains will be allocated monthly among the Shippers in the proportion that the total number of Barrels delivered out of the system for each Shipper bears to the total number of Barrels delivered out of the system for all Shippers. Notwithstanding the foregoing, there will be no adjustments for shipments which do not pass through interconnected custody transfer receipt and delivery meters.</p>
8	VOLUME CORRECTION	<p>Petroleum Products will be received and delivered on the basis of volume corrected from observed temperatures to sixty degrees Fahrenheit (60°F.). Shipper and Consignee may have representatives present during testing, meter reading, calibration and gauging.</p>
9	LEINS AND UNPAID CHARGES	<p>Petroleum Products will be accepted for transportation only when free from all liens and charges.</p>
10	TRANSPORTATION CHARGES	<p>Transportation charges will be assessed and collected at the rates in effect on the date the Petroleum Products are received and on the basis of the number of Barrels of Petroleum Products actually delivered at destination or storage-in-transit point after volume temperature corrections as provided for in Item 8.</p>
11	PAYMENT OF TRANSPORTATION AND OTHER	<p>The Shipper or Consignee shall pay the transportation and all other lawful charges accruing on Petroleum Products tendered for shipment and, if required, shall pay the same in advance of transportation or before delivery, or furnish guaranty of payment satisfactory to Carrier. Payment of such charges shall be made in accordance with</p>

Item	SUBJECT	RULES AND REGULATIONS
	CHARGES	<p>invoice terms and these rules and regulations. The Carrier shall have a lien on all Petroleum Products in its possession belonging to the Shipper to secure payment of all unpaid charges due from such Shipper, and may withhold such Petroleum Products from delivery until all such unpaid charges shall have been paid. If said charges shall remain unpaid 30 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 the Petroleum Products at the destination point, the Carrier shall have the following options, in its sole discretion:</p> <ol style="list-style-type: none"> a. Carrier may store Shipper's Petroleum Products in its possession and charge Shipper the per diem storage rate for whatever storage it can secure until Shipper or Consignee pays all charges and/or takes delivery, whichever is applicable. b. Carrier may sell Shipper's Petroleum Products in its possession for cash at public auction at its office in Arlington Heights, IL Tulsa, OK after giving notice of the time and place of sale and the quantity of Petroleum Products to be sold. The Carrier may be a bidder and a purchaser at such sale. From the sale proceeds, the Carrier may pay itself all charges, expense of notice and sale, and storage and maintenance costs, and the balance shall be held for whomsoever may be entitled thereto. c. In circumstances in which Carrier can secure no storage facilities or other means of holding and maintaining Shipper's Petroleum Products, and inability to deliver Petroleum Products will cause a shutdown of a line segment of the Carrier's transportation facilities, Carrier may, without notice but in the most commercially reasonable manner as is possible under the circumstances, dispose of Shipper's Petroleum Products. If such disposal shall result in proceeds after payment of Carrier's charges and expenses, proceeds shall be held for whomsoever 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 expenses incurred by Carrier.
12	RECONSIGNMENT	<p>Reconsignment may be made without charge if requested in writing by the Shipper or Consignee prior to delivery at original destination, subject to the rates, rules and regulations applicable from point of origin to point of final destination, provided the then current pipeline operations of the Carrier will permit such reconsignment.</p>
13	PIPEAGE CONTRACTS REQUIRED	<p>Separate pipeage contracts, in accordance with this tariff and these rules and regulations, covering further details, may be required of the proposed Shipper before any duty of transportation shall arise.</p>
14	PRORATION OF PIPE LINE CAPACITY	<p>When the total volume offered for shipment in accordance with Item 3 is greater than can be transported within the period covered by such offers, Petroleum Products offered by each Shipper for transportation will be transported in such quantities and at such times to the limit of Carrier's capacity so as to avoid discrimination among Shippers as outlined in Carrier's Proration Policy dated May 1, 2007.</p>
15	LIABILITY OF CARRIER	<p>While in possession of any of the property herein described, Carrier shall not be liable for any loss thereof, or damage thereto, or delay caused by the Act of God, the public enemy, quarantine, authority of law strikes, riots, or the act of or default of Shipper or Consignee or from any other cause not due to the gross negligence of Carrier, whether similar or dissimilar to the causes herein enumerated. In such cases, the Shipper shall stand the loss in the same proportion as the amount accepted for transportation and actually in Carrier's custody bears to the whole of the property of all Shippers in the system of Carrier at the time of such loss and shall be entitled to receive only such portion of the Shipper's shipment as is left after deducting a due proportion of the loss, as above stated. Statements of the loss, ascertained and computed from the records of the Carrier and in the usual manner by Carrier, are to be accepted as prima facie correct in the distribution of such losses under this rule.</p> <p>Carrier will not be liable for discoloration, commingling, contamination or deterioration of Petroleum Products transported unless such discoloration, commingling, contamination or deterioration is caused by the gross negligence of Carrier. Normal commingling which occurs between Batches will be divided as equitably as possible among the Shippers participating in the Batches causing the commingling.</p>
16	CLAIMS, SUITS,	<p>As a condition precedent to recovery, claims must be filed in writing with Carrier within</p>

Item	SUBJECT	RULES AND REGULATIONS
	TIME FOR FILING	<p>nine (9) months after the delivery of the Petroleum Products or, in case of failure to make delivery, within ten (10) months after receipt by Carrier and suit shall be instituted against Carrier within two (2) years and (1) day from the day when the notice in writing is given by Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof as specified in the notice. When claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier shall not be liable and such claims will not be paid.</p>
17	USE OF MANIFOLD, PIPE AND STATION FACILITIES	<p>When operating conditions permit, Carrier will allow the transfer of Petroleum Products through the Carrier's manifold and/or lateral receiving or delivery pipelines at the following rates for the indicated facilities (see Note 2 on page three for Hammond, IN and East Chicago, IN transfers):</p> <ol style="list-style-type: none"> a. Transfer of Petroleum Products through Carrier's existing manifold and when not also using Carrier's existing receiving or delivery lateral pipeline at the Des Plaines, Lemont and Rockford Carrier facilities at a transfer rate of [U] ten and no hundredth cents (10.00¢) per Barrel (See Note 4); b. Transfer of Petroleum Products through Carrier's existing manifold and when the Carrier's existing receiving or delivery lateral pipeline are also used at the Des Plaines and Romeo Carrier facilities at a transfer rate of [U] eleven and no hundredth cents (11.00¢) per Barrel (See Note 4) ; c. Transfer of Petroleum Products through Carrier's existing manifold and station facilities when also using Carrier's metering and pumping equipment at only the East Chicago facility at a transfer rate of [U] twelve and eighty-three hundredth cents (12.83¢) per Barrel (See Note 4). <p>All of the foregoing movements are subject to a minimum charge of [U] fifteen hundred dollars (\$1500.00) per transfer (See Note 4).</p>
18	STORAGE IN TRANSIT	<p>All tenders of Petroleum Products from East Chicago to O'Hare Terminal will be stopped for storage, filtering and other purposes at Des Plaines, Illinois in accordance with the following provisions:</p> <ol style="list-style-type: none"> a. The 'Allowable Storage-in-Transit Period' shall be for a period of time beginning with the closing of the business day (currently midnight), the Petroleum Products are delivered to Des Plaines, Illinois and ending at the close of business of the last day of the second calendar month after the month in which the delivery was made. Shipper will qualify for the rate named in Carrier's rate tariff if it reships its Petroleum Products at anytime during the Allowable Storage-in-Transit Period. b. Carrier provides no storage. Arrangements and payment for storage are the responsibility of Shipper or Consignee. When shipments leave the custody of Carrier at Des Plaines, Illinois, the Shipper or Consignee shall cause accurate records to be kept showing delivered Batch identity and quantity of the barrels on hand at the storage in transit point subject to this storage in transit rule (Storage-in-Transit Barrels). Carrier shall have access to these records at all reasonable times. If requested by Carrier, the Shipper or Consignee shall certify the accuracy of such records. Carrier will not adjust, nor will it be responsible for overage or shortage experienced while Petroleum Products are in storage under the terms of this storage in transit rule. c. Upon delivery at Des Plaines, Illinois, the transportation charge shall be at the rate published in Carrier's rate tariff. Upon delivery to O'Hare Airport during the Allowable Storage-in-Transit Period, the transportation charge for the Storage-in-Transit Barrels will be zero. If the Petroleum Products stopped in transit are not reshipped during the Allowable Storage-in-Transit Period, the applicable rate from Des Plaines, Illinois, to O'Hare Airport shall apply. d. Volumes reoriginated at Des Plaines, Illinois shall never exceed the Storage-in-Transit Barrels. If requested by Carrier, retender of Storage-in-Transit Barrels must be accompanied by delivery ticket issued by Carrier showing the inbound shipment under this tariff for the barrels retendered. e. As it is impracticable to maintain the physical identity of Petroleum Products stopped in transit, substitution of barrels of like Petroleum Products shall be permitted.
19	CONSENT TO	<p>As a condition precedent to transportation by Carrier, Shipper and Consignee hereby</p>

Item	SUBJECT	RULES AND REGULATIONS
	DISCLOSURE	consent, in accordance with 49 U.S.C. § 15(13), to the disclosure of information concerning the nature, kind, quantity, destination, Consignee or routing of the Petroleum Products to be transported, to Carrier's directors, officers, agents, employees, independent contractors, consultants, accountants, attorneys and others insofar as said information may be necessary or useful for the safe, efficient and economical operation of the pipeline.
20	APPLICATION OF RATES FROM OR TO INTERMEDIATE POINTS	<p>a. For shipment of Petroleum Products from any point of origin from which a rate on a given shipment to a given destination and via a given route is not named in Carrier's tariffs, which point is intermediate to a point from which a rate on said shipment is published in Carrier's tariffs via a route through the intermediate point over which such rate applies to the same destination, apply from such intermediate point to such destination and via such route the rate in Carrier's tariffs on said shipment from the next point beyond from which a rate is published on that shipment to the same destination via the same route.</p> <p>b. For shipment of Petroleum Products to any point of destination to which a rate on a given shipment from a given point of origin and via a given route is not named in Carrier's tariffs, which point is intermediate to a point to which a rate on said shipment is published in Carrier's tariffs via a route through the intermediate point over which such rate applies from the same point of origin, apply to such intermediate point from such point of origin and via such route the rate in Carrier's tariffs on said shipment, to the next point beyond to which a rate is published on that shipment from the same point of origin via the same route.</p>
21	TITLE	A tender of Petroleum Products shall be deemed a warranty of title by the party tendering, but acceptance shall not be deemed a representation by the Carrier as to title. The Carrier may, in the absence of adequate security, decline to receive any Petroleum Products which are in litigation, or as to which a dispute over title may exist, or which are encumbered by any lien.
22		This Item intentionally omitted and number reserved for future use.
[C] 23	[C] ULSD RECOVERY	<p>[C] A temporary surcharge in the amount listed in the Table of Rates under the listing for "Ultra Low Sulfur Diesel Surcharge" shall be assessed on each barrel of diesel fuel delivered by Carrier to recover Capital and Cost Expenditures and allowed return on rate base as required to allow Carrier to transport ULSD. This fee shall be charged in addition to the rate for normal deliveries listed in the Table of Rates. Below is a description of the ultra low sulfur diesel (ULSD) surcharge recovery plan:</p> <p>a. ULSD Surcharge Plan Definitions:</p> <p>(1) As used in these ULSD surcharge plan rules and regulations, the following terms have the following meanings:</p> <p>(2) "ULSD" or "ultra low sulfur diesel" For the purposes of this surcharge, ultra low sulfur diesel (ULSD) is defined as any grade of distillate with a product specification requiring a sulfur content of less than fifteen parts per million (15 ppm) and referenced in Specifications, Rules and Regulations No. 2 titled "ULSD".</p> <p>(3) "Capital and Cost Expenditures" All prudent capital and operating expenses incurred by Carrier to protect the low sulfur content and product quality of ULSD during pipeline transportation.</p> <p>(4) "True-up" The accounting step of adding up actual security recovery fees collected at the allowed surcharge fee and subtracting actual or forecasted Capital and Cost Expenditures allowed to determine the amount of dollars over or under recovered.</p> <p>b. Applicable Diesel Products that Surcharge will Apply The surcharge will not apply to local transfer movements in which barrels only move between Shipper facilities located at the same origin or destination location and transfers use Carrier's manifold or local lateral pipelines and not Carrier's mainline. The ULSD surcharge shall be assessed to all diesel products including intrastate and interstate movements and these products shall include the following:</p> <ul style="list-style-type: none"> • Ultra Low Sulfur Diesel.

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		<ul style="list-style-type: none"> • Ultra Low Sulfur Diesel No. 1. • Premium Ultra Low Sulfur Diesel. • Transitional or off-specification ULSD where Carrier handles and protects sulfur content, treating as if ULSD and where origin sulfur specification is above Carrier's maximum allowed origin ppm requirement for ULSD. • Railroad Diesel • Premium Diesel • Low Sulfur Diesel or known as Low Sulfur No. 2 Oil <p>e. Surcharge Plan Outline</p> <p>(1) The Carrier will use its established accounting mechanisms to track the actual ULSD Capital and Cost Expenditures for projects that are identified as being necessary to assist the pipeline in protecting the sulfur content of ULSD shipped in the pipeline. Cost expenditures (expense dollars) required to allow the Carrier to ship ULSD shall include separate accounts for accumulating all operating expenses directly related to ULSD, including the maintenance and repair of the ULSD capital equipment, additional costs to handle larger volume of transmix, and for all operating costs related to the sulfur sampling and testing program as required by the designate and track portion of the United States Environmental Protection Agency regulations.</p> <p>(2) Expenditures – The accumulation of operating expenses that will be included in the determination of the surcharge fee and recovery True-up described below will be limited to those cost expenditures that are incurred between January 1, 2006 and June 30, 2011. The capital expenditures will be limited to those ULSD required project capital expenditures incurred from January 1, 2005 to June 30, 2011.</p> <p>(3) Recovery Period – The recovery period for the ULSD surcharge plan shall start on the effective date of the surcharge plan, November 1, 2006 to June 30, 2016 for eleven yearly periods with two months in the first period, 12 months in the 2nd through 10th yearly periods and six months in the last 11th yearly period.</p> <p>(4) Surcharge Fee – The surcharge fee shall be applied to all intrastate rates and interstate rates herein. The fee shall be based on a 10 percent internal rate of return on the initial capital investments and include the ULSD operating expenses required to handle ULSD over the first five years (through to the first half of the 6th period, June 30, 2011) and based on a total 10 year recovery life (through to the first 6 months of the 11th period, June 30, 2016). The fee shall be based on estimated throughputs and expenses and the fee shall be adjusted as actual volume and expenses are known.</p> <p>(5) Periodic True-up – The Carrier's ULSD surcharge plan will terminate at the end of ten years (in the 11th Period) or at the end of the calendar month in which the Carrier has fully recovered its ULSD expenditures, and at that time, will complete a True-up of costs and make a subsequent settlement with all Shippers as outlined below. The Carrier will monitor and account for each calendar year during the recovery period, updating the True-up calculation table with actual capital, operating ULSD expenditures, volume of diesel barrels transported and the corresponding ULSD surcharge revenue, all credited against the accumulated ULSD expenditures.</p> <p>Carrier will perform a surcharge recovery plan review of True-up calculations using actual expenses, revenue, diesel throughput, and capital expenditures, periodically. At a minimum, Carrier will perform the True-ups at least every three years, starting in the spring of the third yearly period, year 2008, at the following times:</p> <ul style="list-style-type: none"> • Prior to June 30, 2008 (approximately 2 years from inception of program) • Prior to June 30, 2011 (3 years later) • Prior to June 30, 2014 (3 years later) <p>The True-up table will be updated with actual expenditures and volumes to make insure over-recovery is not forecasted. Carrier will then propose an adjustment to ULSD surcharge fee and file the change with FERC, if it appears that the existing fee, with actual expenditures and volumes inserted into the True-up table, will result in over-recovery.</p> <p>(6) True-up Determination – For each year, the un-recovered expenditures shall</p>

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		<p>be adjusted for revenue collected from the surcharge fee (revenues are subtracted from un-recovered expenditures), operating expenses (operating expenses are added to un-recovered expenditures), and the following adjustments:</p> <ul style="list-style-type: none"> • Out-of-pocket carry costs based on un-recovered expenditures times the FERC interest rate as defined by the "Interest Rate" section below. Out-of-pocket carry costs are added to un-recovered expenditures. Carry costs will be determined on a monthly or quarterly basis to tie to the quarterly issued FERC interest rate actuals. • True-up shall also include adjustment for corporate out-of-pocket taxes paid based on net income after tax depreciation and carry costs. Depreciation is based on 15 year tax depreciation. This adjustment is added to un-recovered expenditures. <p>Rate of return allowed on rate base less carry cost, where rate of return is determined by a cost-of-service calculation (see Carrier surcharge plan filing transmittal letter and Exhibits filed September 26, 2006). This adjustment is added to un-recovered expenditures.</p> <p>(7) Interest Rate — The monthly interest rate used on un-recovered expenditures shall be equal to the FERC quarterly interest rate used by the Commission for refund purposes as posted on the Commission website in the "monthly rate" column of the table of interest rates at http://www.ferc.gov/legal/acct-matts/interest-rates.asp. The True-up calculation will be adjusted with this actual FERC interest rate to conform to the quarterly changes made by the Commission.</p> <p>(8) Final True-up — The final True-up for recovered Capital and Cost Expenditures will occur at either the end of the recovery 10 year program, June 30, 2016 or will occur earlier at the end of any calendar month in which it is estimated that all the accumulated ULSD expenditures, after monthly and yearly adjustments, are fully recovered by the total accumulated ULSD surcharge revenues. The Carrier will settle with all of the then current ULSD Shippers, who had shipped ULSD within the final twelve months of the recovery period, any over-recovery fee collected, if the grand total of all accumulated surcharge revenues during the recovery period exceeds the grand total of all accumulated ULSD capital and expense expenditures by more than one percent (1.0 %)</p> <p>d. FERC Form 6 Reporting — Carrier will note the amounts of expenditures attributed to the ULSD surcharge invested in Carrier Property on page 212 and any revenues and expenses attributable to the surcharge on Page 700 in the Form No. 6 in the form of footnotes pursuant to Order in Docket Nos. IS06-254-000 and IS06-265-000, issued May 31, 2006 by FERC, regarding separate accounting for all costs and revenues that relate to the ULSD surcharge.</p>
24	NOMINATION POLICY	<p>Nomination – Prior to the end of the tenth (10th) day of each month, Shippers must propose a Tender by entering proposed Tender data on Carrier's electronic form located at the "Create" tab of the Carrier's tendering information system known as the "Shipper Information System" and this process shall be called "Nomination" or to "Nominate." Shipper is required to include in the Nomination information, at a minimum, the shipper code with who the Shipper is, the product code with what product type that is tendered to be shipped, the cycle number, the destination code with where the tendered batched product will be shipped to, and finally the volume in 1,000 barrel increments. Shipper's planned origin code (Carrier's origin pump station) and planned origin source code (which origin tank farm facility that pumps into the Carrier's origin pump station) is requested but optional on the end of this tenth day of the Nomination by Shipper. Both the above origin code and the origin source code as described above shall be called the "Origin Point."</p> <p>Origin Point - Shipper is required to complete the Nomination process by designating an Origin Point, in the Carrier's Shipper Information System, for each Nominated batch at least three (3) business days or 72 business hours or more prior to the scheduled time that the batch will start to be pumped and delivered into Carrier's pipeline</p> <p>If Carrier does not receive a designated Origin Point prior to three (3) business days or 72 business hours prior to delivery, Carrier has the right at Carrier's option to remove Shipper's nominated batch from the schedule. On a routine basis, Carrier will not allow changes to Origin Points within the three (3) business days or 72 business hour window</p>

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		<p>prior to scheduled delivery. Shipper may ask Carrier for a waiver from this three (3) day Nomination requirement of Origin Point rule on a non-routine basis and Carrier may waive the rule if schedule allows.</p>

EXPLANATION OF REFERENCE MARKS

- [C] Cancel
- [I] Increase
- [U] Unchanged Rate