

**L.P.S.C. No. 1.2.0**  
Cancels L.P.S.C. No. 1.1.0 (Initial Tariff)

# **Enercoast Midstream Louisiana LLC**

## **LOUISIANA LOCAL TARIFF**

### **CONTAINING BASE AND VOLUME INCENTIVE RATES APPLYING ON THE TRANSPORTATION OF**

### **CRUDE PETROLEUM**

The rate named in this tariff is for the transportation of crude petroleum by pipe line, subject to the rules and regulations published herein.

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**EFFECTIVE: July 1, 2024**

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

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**TALE 1: UNCOMMITTED SHIPPER BASE RATES**

RATES IN CENTS PER BARREL OF 42 UNITED STATES GALLONS	
From	Rates To Points in Louisiana (Parish)
Reception Points in Louisiana	<b>Anchorage (West Baton Rouge)</b>
<b>South Louisiana:</b> Raceland (Lafourche Parish)	[1] 58.95
St. James (St. James Parish)	[1] 58.95

**TABLE 2: UNCOMMITTED SHIPPERS VOLUME INCENTIVE RATE** <sup>1, 2, 3</sup>

RATES IN CENTS PER BARREL OF 42 UNITED STATES GALLONS			
From Point in Louisiana	To Point in Louisiana	Monthly Volume	Rate
St. James (St. James Parish) or Raceland (Lafourche Parish)	Anchorage (West Baton Rouge Parish)	150,001 Barrels per day or more	[1] 53.23

**Terms of Volume Incentive Rates:**

<sup>1</sup> The term "Monthly Volume" is defined as the total volume in barrels per day delivered at Anchorage for any one Uncommitted Shipper in a calendar month.

<sup>2</sup> Enercoast Midstream Louisiana LLC will invoice Uncommitted Shipper monthly.

<sup>3</sup> The volume incentive rate in Table 2 applies to all barrels that any one Uncommitted Shipper ships from St. James or Raceland to Anchorage in a calendar month, providing Uncommitted Shipper delivers 150,001 or more barrels per day within the calendar month.

**TABLE 3: ANCHOR SHIPPER COMMITTED RATES**<sup>3, 4, 5</sup>

RATES IN CENTS PER BARREL OF 42 UNITED STATES GALLONS			
From: Receipt Points in Louisiana	To: Delivery Points in Louisiana	Rate A	Rate B
Raceland (LaFourche Parish)	Anchorage (West Baton Rouge Parish)	[I] 52.02	[I] 46.82
St. James (St. James Parish)		[I] 52.02	[I] 46.82

<sup>3</sup> The rates set forth in this Table 3 shall apply to volumes shipped by any Anchor Committed Shipper. Enercoast Midstream Louisiana LLC will invoice Anchor Committed Shippers monthly based on the two rates, described as follows:

- Rate A, which applies to all barrels that any one Anchor Committed Shipper ships from Raceland or St. James to Anchorage in a calendar month, providing Shipper delivers 100,000 or less barrels per day within the calendar month, and
- Rate B, which applies to all barrels that any one Anchor Committed Shipper ships from Raceland or St. James to Anchorage in a calendar month, providing Shipper delivers 100,001 or more barrels per day within the calendar month.

<sup>4</sup> From the Effective Date of this tariff until 30 days after the Effective Date, Carrier is offering Shippers the opportunity to become Anchor Committed Shippers and qualify for Anchor Shipper Committed Rates [Rate A] and Committed Volume Incentive Rates [Rate B] by making a Volume Commitment to the System of 100,000 BPD or more and executing a Transportation Services Agreement ("TSA") with Carrier for a term of ten (10) years or more. In order to become an Anchor Committed Shipper, Shipper must execute a valid TSA with Carrier on or before December 31, 2023. Any Shipper that is interested in becoming an Anchor Committed Shipper should contact Carrier and request a copy of the Anchor Shipper TSA and Volume Commitment terms and conditions.

<sup>5</sup> Carrier is currently offering Shippers the opportunity to become Base Plus Committed Shippers and Base Committed Shippers and qualify for committed rates that are discounted as compared to the Uncommitted Rates set forth in Table 1 above. In order to qualify for such discounted rates, a shipper must make a Volume Commitment to the System and execute a Transportation Services Agreement with Carrier. Any Shipper that is interested in becoming a Base Plus Committed Shipper or a Base Committed Shipper should contact Carrier and request a copy of the Base Plus Committed Shipper and Base Shipper TSA and Volume Commitment terms and conditions.

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**RULES AND REGULATIONS****Item 1: Definitions**

“Anchor Committed Shipper” means any Shipper with which Carrier has executed a TSA in which the Shipper has made a volume commitment to the System of 100,000 BPD or more for a term of ten (10) years or more.

“A.P.I.” means American Petroleum Institute.

“A.P.I. Gravity” means gravity determined in accordance with American Society for Testing Materials Designation D-287.

“Barrel” means 42 United States gallons of Crude Petroleum at a temperature of 60 degrees Fahrenheit.

“Base Committed Shipper” means any Shipper with which Carrier has executed a TSA that is effective during the applicable Month and in which the Shipper has made a Volume Commitment to the System that is not an Anchor Committed Shipper or a Base Plus Committed Shipper.

“Base Plus Committed Shipper” means any Shipper with which Carrier has executed a TSA that is effective during the applicable Month and in which the Shipper has made a Volume Commitment to the System of 25,000 BPD or more for a term of 10 years or more, other than an Anchor Committed Shipper.

“BPD” means Barrels per Day.

“Carrier” means Enercoast Midstream Louisiana LLC (“Enercoast”) and other pipeline companies which may, by proper concurrence, be parties to joint tariffs incorporating these regulations by specific reference.

“Commission” means the Louisiana Public Service Commission, or any successor agency with jurisdiction over the transportation of Crude Petroleum by pipeline within the State of Louisiana.

“Committed Shipper” means a Shipper that has made a Volume Commitment and executed a TSA with Carrier to transport Crude Petroleum on the System and includes Base Committed Shippers, Base Plus Committed Shippers, and Anchor Committed Shippers.

“Consignee” means the party to whom a Shipper has ordered delivery of Crude Petroleum.

“Crude Petroleum” means the direct product of oil wells, or a mixture of such product and Indirect Petroleum Products permitted under Item 2.

“Day” or “Daily” means a period commencing at 7:00 a.m., Central Standard Time, on a calendar day and ending at 7:00 a.m., Central Standard Time, on the next calendar day.

“Deficiency Payment” means the payment due by a Committed Shipper to Carrier, in accordance with the Shipper’s TSA, for such Committed Shipper’s failure to ship its Volume Commitment.

“Indirect Petroleum Products” means indirect petroleum products resulting either from refining Crude Petroleum or from the operation of gasoline recovery plants, gas recycling plants or distillate recovery equipment in gas and distillate fields.

“Month” or “Monthly” means a period commencing at 7:00 a.m., Central Standard Time, on the first Day of a calendar month and ending at 7:00 a.m., Central Standard Time, on the first Day of the next calendar month.

“Nomination” or “Nominate” means a written offer (in form and context specified by Carrier)

made by a Shipper to Carrier of a stated quantity of Crude Petroleum for transportation from a specified origin to a specified destination in accordance with Carrier's.

"Shipper" means a party who contracts with Carrier for transportation of Crude Petroleum as defined herein and under the terms of this tariff and includes any Uncommitted Shipper and any Committed Shipper.

"System" means the 16" common carrier pipeline system owned and operated by Carrier with various origins at the St. James Market Center and the Raceland Market Center that delivers to various destination points at the Anchorage distribution hub.

"Transportation Services Agreement" or "TSA" means a transportation services agreement executed by a Committed Shipper and Carrier for transportation on the System.

"Uncommitted Shipper" means a Shipper that has not executed a TSA with Carrier to be a Committed Shipper.

"Volume Commitment" means the Daily volume of Barrels of Crude Petroleum a Committed Shipper has agreed to ship on the System, or make a Deficiency Payment for, during the term of its TSA.

## **Item 2: SHIPMENT OF INDIRECT PETROLEUM PRODUCTS**

Indirect Petroleum Products will be accepted for transportation only on condition that they have been mixed with direct products of oil wells, or on condition that they can be mixed with direct products of oil wells in the tanks or lines of Carrier at the point offered, and provided that both the Indirect Petroleum Products and the direct oil well products with which they are so mixed are owned by the same Shipper and are consigned to the same destination. Carrier reserves the right to require that all deliveries of Indirect Petroleum Products with a vapor pressure in excess of atmospheric pressure be made from pressurized tanks. The Shipper shall provide arrangements whereby such tanks shall be kept under constant pressure during the time liquid is being run from said tanks by charging, from an external source, the vapor space of the tanks with vapors of the same Indirect Petroleum Products being run.

## **Item 3: WARRANTIES AND SPECIFICATIONS AS TO QUALITY AND LEGALITY OF SHIPMENTS**

All Crude Petroleum tendered by Shipper to Carrier for transportation will conform to the quality specifications set forth in this Item 3. In the event that Carrier reasonably believes that Crude Petroleum tendered by Shipper does not conform to the quality specifications set forth in this Item 3, Carrier has the right to require the Shipper to demonstrate that the Crude Petroleum tendered for transportation meets required specifications as prescribed herein. Such demonstrations may include a data sheet showing key products specifications prior to Carrier's acceptance of the Crude Petroleum, or a certification of analysis of product quality for each batch tendered and for each new crude grade introduced. Carrier has the right to reject Crude Petroleum for transportation when such products fail to meet all the required federal, state and local regulations and Carrier's product quality specifications.

### **A. Quality Specifications for Crude Petroleum:**

Crude Petroleum tendered to Carrier for transportation must not:

- i. Have a vapor pressure in excess of ten pounds absolute at a temperature of 100 degrees Fahrenheit and/or an A.P.I. Gravity in excess of 120.9 degrees.
- ii. Contain water, sediment and other impurities totaling in excess of one percent (1%) from Texas, Louisiana and Mississippi points, and one half of one percent (1/2%) from other points as determined by centrifugal tests, or by such other tests as may be agreed upon by the Shipper and Carrier.

- iii. Fail to comply with any applicable laws, rules and/or regulations made by any governmental authorities regulating shipments of Crude Petroleum.
  - iv. Be contaminated by the existence of and or excess amounts of impure substances, including but not limited to chlorinated and/or oxygenated hydrocarbons, arsenic, lead and/or other metals which causes harm to other Shippers, Carrier or Carrier's facilities, or users of the contaminated Crude Petroleum. Any Shipper that tenders contaminated Crude Petroleum will be excluded from further entry into applicable segments of the pipeline System until such time as the quality of the Crude Petroleum is to the satisfaction of the Carrier. Carrier reserves the right to dispose of any contaminated Crude Petroleum blocking its pipeline System. Disposal thereof may be made in any reasonable manner including but not limited to commercial sales, and any liability associated with the contamination or disposal of any Crude Petroleum shall be borne by the Shipper introducing the contaminated Crude Petroleum into Carrier's System. Shipper liability includes, but is not limited to, claims from other Shippers, other carriers, or users of the contaminated Crude Petroleum and the costs of any regulatory or judicial proceeding.
- B. Warranties. Shipper warrants that all Crude Petroleum tendered to Carrier for transportation conforms to the quality specifications set forth in this Item 3; are owned by the Shipper and are free from disputes as to title, liens, or other encumbrances; will be merchantable; and will not be contaminated with water or other impurities. Shipper will be liable to and will indemnify Carrier, other Shippers and Consignees for damage, loss, liability, claim, cost or expense arising from a breach of this warranty. The transportation of the Crude Petroleum may be refused or cancelled if Carrier determines or is advised that the batch does not meet the requirements of Carrier's rules and regulations, but Carrier has no obligation to make such determination or to make inquiry with respect thereto. Carrier does not make any warranties expressed or implied, including, but not limited to, fitness for a particular purpose and merchantability, concerning the quality of the Crude Petroleum delivered.

#### Item 4: NOMINATIONS

- A. Applications for the transportation of Crude Petroleum shall be submitted in writing on Carrier's prescribed Nomination form and shall be for a quantity of not less than 10,000 barrels from one Shipper to one Consignee destination. All Nominations shall be made in good faith and shall be based on the volume of Crude Petroleum that Shipper reasonably anticipates that it will tender for transportation on the System.
- B. Any Shipper desiring to Nominate Crude Petroleum for transportation shall make such Nomination to the Carrier in writing on or before the twenty-fifth day of the Month preceding the Month during which the transportation under the Nomination is to begin; except that, if space is available for current movement, a Shipper may Nominate Crude Petroleum for transportation after the twenty-fifth day of the Month preceding the Month during which the transportation under the Nomination is to begin.
- C. In any Month in which all or some portion of the System is subject to allocation, if a Shipper utilizes less than ninety five percent (95%) of its allocated Nomination, Shipper shall pay to Carrier the Non-Performance Penalty, as defined in this section, in addition to the transportation charges for volumes actually transported. The "Non-Performance Penalty" shall be equal to the tariff rate in effect for the Nomination period and applied to the difference between the actual transported volume and 95% of the Shipper's allocated capacity. The Non-Performance Penalty shall not be payable on that portion of any shortfalls caused by force majeure events or Carrier-imposed restrictions. Carrier shall not accept or act upon Shipper's declaration of force majeure that is not fully documented to Carrier's satisfaction.

**Item 5: LINE FILL AND TANK BOTTOM INVENTORY**

Either prior to or after the acceptance of Crude Petroleum for transportation through the System, Carrier will require each Shipper to provide a pro rata part of the volume of Crude Petroleum necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for the efficient operation of the System or to safeguard Carrier's tankage during the passage of a tropical storm or hurricane. Crude Petroleum provided by Shipper for this purpose may be withdrawn after reasonable written notice of Shipper's intention to discontinue shipment in the System pursuant to Carrier's applicable tariff or tariffs. Carrier may require advance payment of final transportation charges and settlement of any unpaid accounts receivable, before final delivery will be made.

In the event a Shipper's inventory balance drops below its pro rata part of the volume of Crude Petroleum necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for the efficient operation of the System, then Carrier will require such Shipper to provide the necessary volume to meet its pro rata part of such volume of Crude Petroleum.

In the event that Shipper maintains an inventory balance after Shipper ceases movements on the System or Shipper gives written notice of its intent to cease movements over the System and such Shipper is unable to schedule appropriate shipments to clear the inactive inventory balance, Shipper will be required to settle the inactive inventory balance through Carrier. In the event no such Shipper notice is given, then Carrier may require either an adjustment in Shipper's inventory balance in accordance with the preceding line fill and tank bottom inventory provision or settlement of the Shipper's inventory balance at any time after Shipper has ceased making movements over the System for a period of six months. Such settlement will be based upon the fair market value of the appropriate grade assessment, as published by Platt's, Argus or another industry recognized publication, at the time Shipper informs Carrier in writing of its intention to discontinue shipments on the System pursuant to Carrier's applicable tariff or tariffs or if no such written notice is given, then at such time as Carrier calls for the settlement of the Shipper's inventory balance. In the event the grade being settled is not assessed by Platt's, Argus or another industry publication, the assessment for the most similar grade will be used with an appropriate adjustment to determine the fair market value of the grade being settled.

**Item 6: RECEIPT, DELIVERY AND IDENTITY OF SHIPMENTS**

Crude Petroleum offered for transportation will be received by Carrier only on the conditions that:

- A. A minimum quantity of 10,000 barrels consigned to the same destination, is available from each Shipper at the point of reception, either immediately on the date of Nomination, or within a subsequent period of time which Carrier considers necessary in view of pipeline facilities available for handling the Crude Petroleum as it is received, and,
- B. Carrier will be under no obligation to deliver the identical Crude Petroleum received and reserves the right to make deliveries out of its common stock.

**Item 7: APPORTIONMENT WHEN CURRENT OFFERINGS ARE IN EXCESS OF FACILITIES**

When pursuant to Nominations hereunder, there shall be offered to Carrier more Crude Petroleum than can be immediately transported, transportation shall be apportioned equitably in accordance with Carrier's Proration Procedure effective December 1, 2023, supplements thereto and reissues thereof, which is available upon request.



**Item 8: APPLICATION OF RATES**

Crude Petroleum accepted for transportation shall be subject to the rates in effect on the date of receipt by Carrier, irrespective of the date of the Nomination or delivery.

**Item 9: LIABILITY OF CARRIER**

While Crude Petroleum is in the possession and custody of Carrier, Carrier shall not be liable for any loss thereof, damage thereto, or delay caused by fire, storm, flood, epidemics, Act of God, riots, strikes, insurrection, rebellion, war, act of the public enemy, quarantine, the authority of law, requisition or necessity of the Government of the United States in time of war, or default of Shipper or resulting from any other causes not due to the sole negligence of Carrier. In case of loss of any Crude Petroleum from any such causes, after it has been received for transportation and before the same has been delivered to Consignee, Shipper shall stand a loss in such proportion as the amount of his shipment, already delivered to Carrier, bears to all of the shipments then in the custody of Carrier, for shipment via the lines or other facilities in which the loss or damage occurs, and the Shipper shall be entitled to have delivered only such portion of his shipment as may remain after deduction of his due proportion of such loss, but in such event Shipper shall be required to pay charges only upon the quantity delivered.

**Item 10: DESTINATION FACILITIES**

Carrier will accept Crude Petroleum for transportation only when the Shipper or Consignee has provided the necessary facilities for receiving the shipment as it arrives at destination.

**Item 11: NOTICE OF ARRIVAL, DELIVERY AT DESTINATION**

After a shipment has had time to arrive at a destination and on 24 hours' notice to Shipper or Consignee, Carrier may begin delivery of such shipment from its common stock to Consignee at Carrier's current rate of pumping. If Shipper or Consignee is unable or refuses to receive said shipment, a demurrage charge of two and five-tenths cents (2.5¢) per barrel per 24 hours shall accrue from the time said notice expires, on that part of such shipment which is not received by Shipper or Consignee. Carrier reserves the right, if deemed necessary to clear its Pipeline system to make whatever arrangements for disposition of the shipment that are appropriate, which includes selling the shipment to the first available purchaser at the best price obtainable. Any expenses incurred by the Carrier in making such arrangements shall be borne by the Shipper or Consignee, in addition to any demurrage charges.

**Item 12: CRUDE PETROLEUM INVOLVED IN LITIGATION**

Crude Petroleum which is in any way involved in litigation, or which is encumbered by a lien or charge of any kind, will not be accepted for shipment, unless and until the Shipper or Consignee shall furnish a bond or other form of indemnity satisfactory to Carrier, protecting Carrier against any liability or loss arising as a result of such litigation, lien or charge.

**Item 13: PAYMENT OF TRANSPORTATION AND OTHER CHARGES**

The Shipper or Consignee shall pay, as provided below, all applicable transportation and other charges accruing on Crude Petroleum (including Indirect Petroleum Products) tendered to and accepted by Carrier for shipment.

All payments are due within 10 days of receipt of the invoice, unless the Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory, or Carrier determines in a manner not unreasonably discriminatory it is necessary to do so, in which case the payment due date shall be that specified in a written notice to the Shipper.

If any charge remains unpaid after the due date specified in Carrier's invoice, then such amount

due shall bear interest from the day after the due date until paid, calculated at an annual rate equivalent to the lesser of (1) 125% of the prime rate of interest, as of the date of Carrier's invoice, charged by the Citibank N.A. of New York, New York, for ninety (90) day loans made to substantial and responsible commercial borrowers and (2) the maximum rate allowed by law. In addition, Shipper shall pay all documented costs incurred by Carrier to collect any unpaid amounts.

In the event Shipper fails to pay any such charges when due, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to Carrier's tariff until such time as payment is received by Carrier and Shipper meets the requirements of the following paragraph. In addition, in the event Shipper fails to pay any such charges when due, Carrier shall have the right to setoff such amounts owed and future amounts owed against those amounts Carrier owes Shipper.

In the event Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines in a manner not unreasonably discriminatory it is necessary to obtain security from Shipper, Carrier, upon notice to Shipper, may require any of the following prior to Carrier's delivery of Shipper's Crude Petroleum in Carrier's possession or prior to Carrier's acceptance of Shipper's Crude Petroleum: (1) prepayment of all charges, (2) a letter of credit at Shipper's expense in favor of Carrier in an amount sufficient to ensure payment of all such charges and, in a form, and from an institution acceptable to Carrier, or (3) a guaranty in an amount sufficient to ensure payment of all such charges and in a form and from a third party acceptable to Carrier. In the event, 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 services pursuant to this tariff until such requirement is fully met.

Carrier shall have a lien on all Crude Petroleum delivered to Carrier to secure the payment of any and all transportation and other charges that are owed Carrier. Such lien shall survive delivery of Crude Petroleum to Shipper. Such lien shall extend to all Crude Petroleum in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier. The lien provided herein shall be in addition to any lien or security interest provided by statute or applicable law. Carrier may withhold delivery to Shipper of any of Shipper's Crude Petroleum in its possession and exercise any other rights and remedies granted under this tariff or existing under applicable law until all such charges have been paid as provided above.

If Shipper fails to pay an invoice by the due date, in addition to any other remedies under this tariff or under applicable law, Carrier shall have the right, either directly or through an agent, to sell at a private sale any and all Crude Petroleum of such Shipper in its custody at fair market value at the time of sale. The proceeds of any sale shall be applied to the following order: (A) to the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by law, reasonable attorney's fees and legal expenses incurred by Carrier; and (B) to the satisfaction of the Shipper's indebtedness including interest herein provided from the date of payment is due. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto.

#### **Item 14: CLAIMS, SUITS AND TIME FOR FILING**

As a condition precedent to recovery, claims must be filed in writing with Carrier within nine months after delivery of shipment, or, in case of failure to make delivery, then within nine months after a reasonable time for delivery has elapsed; and suits shall be instituted against Carrier only within two years and one day from the day when notice in writing is given by Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon, in accordance with the foregoing provisions. Carrier shall not be liable and such claims will not be paid.

**Item 15: PUMPING SERVICE**

For loading aboard tank cars or delivery to Shipper's or Consignee's tanks where the receiving station has to perform additional pumping service, an additional charge of four and five-tenths cents (4.5¢) per barrel will be made.

**Item 16: APPLICATION OF RATES FROM AND TO INTERMEDIATE POINTS**

For shipments accepted for transportation from any point not named in this tariff which is intermediate to a point for which a rate is published, through such unnamed point, the rate from the next more distant origin point will apply from such unnamed point. For shipments accepted for transportation to any point not named in this tariff which is intermediate to a point to which rates are published, through such unnamed point, the rate to the next more distant destination point will apply. Continuous use of intermediate point rate application for more than 30 days requires establishment of a rate for the transportation service.

**Item 17: MEASUREMENT AND TESTING**

Crude petroleum offered to Carrier for transportation shall be measured and tested by a representative of Carrier prior to its receipt from Shipper. Shipper shall have the privilege of being present or represented at the measurement and testing. Quantities shall be measured by meters and calculated in accordance with applicable A.P.I. Manual of Petroleum Measurement Standards. All shipments of required specifications will be received and delivered as net standard volume, as the total volume excluding water, sediment and other impurities, corrected by the appropriate volume correction factor for the observed temperature and A.P.I. Gravity, relative density, or density to a standard temperature of 60 degrees Fahrenheit and also corrected by the applicable pressure correction factor and meter factor. The centrifuge method, Karl Fischer method, or other methods agreed upon, shall be used for ascertaining the percentage of water, sediment and other impurities.

**Item 18: DEDUCTIONS AND QUANTITIES DELIVERABLE**

- A. All shipments of Crude Petroleum of 50 degrees or above shall be subject to a deduction to cover the shrinkage resulting from the mixture thereof in the facilities of Enercoast, with Crude Petroleum of A.P.I. Gravity of 49.9 degrees or less according to the following table:

<u>A.P.I. Gravity</u>	<u>% Deduction</u>
50° through 59.9°	1%
60° through 74.9°	2%
75° through 84.9°	3%
85° through 94.9°	4%
95° through 104.9°	5%
105° through 120.9°	6%

- B. The quantities deliverable by Carrier shall be the net standard volume, as outlined in Item No. 17, less two tenths of one percent (.2%) for losses during transportation and less the applicable deduction for shrinkage if any, reflected in Item 18(A) above. Transportation and all other applicable charges will be assessed on the net balance thus reduced.

**Item 19: EVIDENCE OF RECEIPTS AND DELIVERIES**

Crude Petroleum received from the Shipper and delivered to the Shipper or Consignee shall, in each instance, be evidenced by tickets, showing opening and closing meter readings or tank gauges, as applicable, temperature, pressure, basic sediment and water, and any other data essential to the determination of quantity. In the event of any conflict between Carrier's meter tickets and Shipper's or Consignee's meter tickets, Carrier's meter tickets shall control.

**Item 20: COMMON STREAM CRUDE PETROLEUM – CONNECTING CARRIERS**

When receipts from and/or deliveries to a connecting Carrier of substantially the same grade of Crude Petroleum are scheduled at the same interconnection or at interconnections along the same pipeline System, Carrier reserves the right, with cooperation of the connecting Carrier, to offset like volumes of such common stream Crude Petroleum in order to avoid capacity constraints or the unnecessary use of energy which would be required to physically pump the offsetting volumes. When this right is exercised, Carrier will make further deliveries for the Shipper involved from its common stream Crude Petroleum.

**Item 21: CHARGE FOR FUND COMPENSATION**

In addition to all other charges accruing on Crude Petroleum accepted for transportation, a per barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against Carrier by any Federal, State or local act, regulation or agency for the purpose of providing a fund for the reimbursement of parties who sustain costs or losses resulting from oil pipeline industry operations. Such charge will be included in the appropriate tariff filed with the Commission.

**Item 22: GENERAL APPLICATION**

Carrier does not provide storage tanks or offer storage service. Prior to making a Nomination for transportation on the System, Shipper must ensure that Shipper or Consignee has the requisite tankage available at the origin and destination points. Shipper or Consignee may, by request on the original Nomination or shipping order, or by order of diversion or reconsignment enroute, have Crude Petroleum Nominated for shipment stored in tanks furnished by the Shipper or Consignee at points on the lines of Carrier when intermediate to the destination shown on the Nomination of shipments, subject to the conditions provided in this Item 22 and in Item 23 below.

**Item 23: DELIVERY INTO STORAGE TANKS**

When Crude Petroleum passes through the custody transfer meter at the destination storage facility or point of interconnection with a downstream connecting pipeline, its custody and possession shall be that of the Shipper or Consignee and not that of Carrier, and Carrier shall not be liable for loss of or damage to such Crude Petroleum.

**EXPLANATION OF REFERENCE MARKS AND ABBREVIATIONS**

A.P.I. American Petroleum Institute

[C] Cancel  
[W] Change in Wording only  
[U] Unchanged rate  
[N] New  
[I] Increase  
[D] Decrease