

BP Midstream Partners LP

LOCAL AND PROPORTIONAL TARIFF

Applying on the transportation of

DILUENT

The rates named in this tariff are for the transportation of Diluent by Carrier, subject to the rules and regulations published herein.

TABLE 1: [W] BASE-RATE RATES		
FROM	TO	Rates in Cents per Barrel of 42 United States Gallons
Black Oak Junction (Lake County, Indiana)	Manhattan Station (Will County, Illinois)	[U]102.24

~~[C] Issued under authority of 18 CFR § 341.6 (Adoption of tariff by a successor). Effective October 30, 2017, BP Midstream Partners LP hereby adopts and makes its own, the tariff rates, rules, and regulations of BP Pipelines (North America) Inc. for transportation movements from Black Oak Junction, Indiana to Manhattan Station, Illinois. The tariff has been brought forward unchanged from BP Pipeline (North America) Inc.'s F.E.R.C No. 280.10.0.~~

~~[C] Issued on less than one (1) day's notice under authority of 18 CFR § 341.14 (Special Permission). This tariff is conditionally accepted for filing subject to refund pending a thirty(30)-day review period.~~

- [C] Cancel
- [N] New
- [U] Unchanged rate

ISSUED OCTOBER 31, 2017

EFFECTIVE DECEMBER 1, 2017

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

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RULES AND REGULATIONS

ITEM NO. 5. ABBREVIATIONS AND DEFINITIONS

As used in these rules and regulations, the following terms have the following meanings:

"a.m." means a time of day after midnight and before noon.

"Barrel" means forty-two United States gallons.

"Carrier" means and refers to BP Midstream Partners LP.

"p.m." means a time of day after noon and before midnight.

"Diluent" means a liquid hydrocarbon containing gas plant condensates or refinery naphthas or a combination of both.

"Nomination" means an application by a Shipper to the Carrier for transportation of a stated quantity from a specified origin or origins to a specified destination or destinations in accordance with these rules and regulations.

"Tender" means delivery of Petroleum Products to Carrier for Shipment.

ITEM NO. 10. COMMODITY

Under this tariff the Carrier is engaged in the transportation of Diluent exclusively and will not accept any other commodity for transportation.

ITEM NO. 15. NOMINATIONS

Diluent will be accepted for transportation only on properly executed nominations, as defined in Item 5. Shippers desiring to nominate Diluent for transportation shall make in writing a separate nomination for each calendar month on or before the 15th day of the preceding month. The nomination will be accepted only when the total quantity covered by such nomination will be made available for transportation within the calendar month.

ITEM NO. 20. QUANTITIES

Diluent will be accepted from facilities to which the Carrier is connected in shipments of not less than twenty thousand (20,000) barrels of the same kind, quality, and characteristics from one point of origin for delivery at one destination unless operating conditions permit smaller batch sizes.

ITEM NO. 25. SEGREGATION

(a) No Diluent will be accepted for transportation except good merchantable Diluent of acceptable character readily susceptible of transportation through Carrier's existing facilities, and which will not materially affect the quality of shipments being transported, or cause a disadvantage to any other Shipper.

(b) Subject to the foregoing, Carrier will, to the extent permitted by its existing facilities, endeavor to segregate such Diluent during transportation and to make delivery of substantially the same Diluent at destination; provided that Carrier may require Shipper to make such Diluent available to Carrier in such quantities (see Item 20) and at such specified times as may be necessary to permit such segregated movements via its existing facilities.

ITEM NO. 30. ORIGIN AND DESTINATION FACILITIES

(a) No duty to transport will arise until evidence satisfactory to the Carrier, such as an executed connection agreement, has been furnished that Consignee has provided necessary facilities to which Carrier is connected and has made necessary arrangements for accepting delivery of Diluent promptly on arrival at destination, as provided in these rules and regulations.

(b) Shipper shall furnish pumping and other facilities of sufficient capacity to move said Diluent into 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.

ITEM NO. 35. MEASUREMENT

(a) Quantities for receiving, delivering, assessing charges and all other purposes will be corrected to a temperature of sixty degrees Fahrenheit, after deduction of impurities shown by tests made by the Carrier prior to receipt and upon delivery. Quantities will be computed from metering devices acceptable to the Carrier.

(b) Quantities transported may be adjusted to allow for inherent losses including but not limited to shrinkage, evaporation, interface losses and normal "over and short" losses. A deduction based on losses will be made to cover evaporation, interface losses, and other normal losses during transportation. The adjustment for losses or gains will be allocated 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.

(c) The net quantities as determined under paragraphs (a) and (b) of this item will be the amounts accountable at destination.

ITEM NO. 40. DIVERSION OR RECONSIGNMENT

Diversion or reconsignment may be made without charge if requested in writing by the Shipper, prior to delivery at original destination, subject to the rates, rules and regulations applicable from point of origin to point of final destination, upon condition that no out-of-line or backhaul movement will be made.

ITEM NO. 45. DELIVERY AT DESTINATION

(a) Carrier will transport and deliver Diluent with reasonable diligence and dispatch, but will accept no Diluent to be transported in time for any particular market.

(b) After any shipment has had time to arrive at destination, Carrier may begin delivery at its current rate of pumping.

(c) If the Shipper or Consignee is unable or refuses to receive the shipment as it arrives at destination, the Carrier reserves the right to make whatever arrangements for disposition of the Diluent it deems appropriate in order to clear its pipeline. Any expense incurred by the Carrier in making such arrangements shall be borne by the Shipper, which charges are in addition to transportation charges accruing to Shipper.

ITEM NO. 50. RATES APPLICABLE

Diluent accepted for transportation shall be subject to the rates, charges, rules and regulations in effect on the date of receipt of such Diluent by the Carrier. Transportation and all other lawful charges will be collected on the basis of the net quantities of Diluent delivered. All net quantities will be determined in the manner provided in Item 35.

ITEM NO. 55. PAYMENT OF CHARGES

[N] (a) Transportation charges will be computed and collected at the rates provided herein, on the basis of the number of barrels of Diluent delivered at destinations, after volume corrections as provided for in Item No. 35.

(b) 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.

(c) If any charge remains unpaid after the due date specified in Carrier's invoice, then such amount due may accrue an interest penalty from the day after the due date until paid, calculated at a rate per annum equal to the U.S. prime rate as published in the Wall Street Journal plus two percent (2%) per annum, or, if less, the maximum interest rate permitted by Applicable Law. In addition Shipper shall pay all documented costs incurred by Carrier to collect any unpaid amounts, including but not limited to reasonable attorney fees.

(d) 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.

(e) 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 Diluent in Carrier's possession or prior to Carrier's acceptance of Shipper's Diluent: (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.

(f) Carrier shall have a lien on all Diluent delivered to Carrier to secure the payment of any and all transportation or any other charges that are owed Carrier. Such lien shall survive delivery of Diluent to Shipper. Such lien shall extend to all Diluent 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 Diluent 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.

(g) 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 Diluent of such Shipper in its custody at fair market value at the time of sale. The proceeds of any sale shall be applied in 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.

~~[C] The Shipper shall be responsible for payment of transportation and all other charges applicable to the shipment, and if required, shall prepay such charges or furnish guaranty of payment satisfactory to the Carrier. The Carrier will have a lien on all Diluent accepted for transportation to secure the payment of all charges, including demurrage charges, and may refuse to deliver Diluent until all charges have been paid. If such charges remain unpaid for 30 days after notice and demand therefor, Carrier shall have the right, either directly or through an agent, to sell such Diluent within the custody of Carrier. From the proceeds of such sale, Carrier shall pay itself all transportation and other lawful charges and fees and interest due to Carrier, including, without limitation, expenses incident to the sale. The balance of the proceeds from such sale, if any, shall be held by Carrier for whomsoever may be lawfully entitled thereto. If the proceeds from such sale is not sufficient, Shipper or Consignee shall remain liable for any deficiency including any interest charges.~~

ITEM NO. 60. LIABILITY OF CARRIER

(a) The Carrier, while in possession of any Diluent, will not be liable for any loss thereof, or damage thereto, or delay, caused by an act of God, the public enemy, quarantine, the authority of law, or of public authority, strikes, riots, insurrection, inherent nature of the goods, or the act or default of the Shipper or Consignee, or for any other cause not due to the negligence of the Carrier.

(b) Any losses of Diluent will be charged proportionately to each Shipper in the ratio that Diluent, or portion thereof, received and undelivered at the time the loss occurs, bears to the total Diluent then in the custody of the Carrier for transportation via the lines or other facilities in which the loss occurs; and the Carrier will be obligated to deliver only that portion of such Diluent remaining after deducting Shipper's proportion of such loss determined as aforesaid. Transportation charges will be assessed only on the quantity delivered.

(c) Carrier will not be liable for discoloration, commingling, contamination, or deterioration of Diluent resulting from the normal operation of a pipe line system in batching various kinds of Diluent, and the Diluent so commingled or contaminated will be equitably apportioned among and delivered to the Shippers participating in the cycle or cycles in which the commingling or contamination occurs.

ITEM NO. 65. TITLE

A tender of Diluent 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 will, in the absence of adequate security, decline to receive any Diluent which is in litigation, or as to which a dispute over title may exist, or which is encumbered by any lien of which the Carrier has notice. Adequate security is considered to be Shipper's proof of perfect and unencumbered title or a satisfactory indemnity bond.

ITEM NO. 70. TIME LIMITATION ON CLAIMS

As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with the Carrier within nine months and one day after delivery of the property, or in case of failure to make delivery then within nine months and one day after reasonable time for delivery, based on Carrier's normal operations, has elapsed; and suits shall be instituted against the Carrier only within two years and one day from the day when notice in writing is given by the Carrier to the claimant that the 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, no Carrier hereunder will be liable, and such claims will not be paid.

ITEM NO. 75. PRORATION PROCEDURES

In the event Carrier receives Shipper Nominations for Diluent for a particular month which in total exceeds the capacity of the System or any line segment thereof, then Carrier shall accept and deliver only that portion of each good faith Shipper Nomination which Carrier determines according to the BP Midstream Partners LP Diluent Proration Policy dated October 30, 2017. The policy utilizes a 12 month historical base period.

ITEM NO. 80. LINE FILL AND TANK BOTTOM INVENTORY

Prior to delivering barrels out of Carrier's pipeline system, each Shipper will be required to supply a pro rata share of Diluent necessary for pipeline and tankage fill to ensure efficient operation of Carrier's pipeline system. Diluent provided by Shippers for this purpose may be withdrawn only after: (1) Shipments have ceased and the Shipper has provided 60 (sixty) days notification to Carrier in writing of its intention to discontinue shipments in Carrier's system, and (2) Shipper balances have been reconciled between Shipper and Carrier. Carrier shall have sixty (60) days from the receipt of said notice to complete administrative and operational requirements incidental to Shipper withdrawal.

ITEM NO. 85. QUALITY OF DILUENT

(a) Diluent accepted for transportation by the Carrier must be good merchantable Diluent as will permit its being freely handled and transported under conditions existing in the pipeline, and which is properly warranted. The Carrier will reject any Diluent containing more than one half of one percent (.5%) of basic sediment, water and other impurities. Carrier will also reject any Diluent having a Reid vapor pressure of 15.0 pounds per square inch or higher at 100 degrees Fahrenheit.

(b) Shipper warrants that the Diluent will meet specifications of the connecting carrier at destination.