

# BP Pipelines (North America) Inc.

## LOCAL AND PROPORTIONAL TARIFF

APPLYING ON THE TRANSPORTATION OF

## PETROLEUM PRODUCTS

As Defined Herein

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

TABLE OF RATES (Rates in Cents per Barrel of 42 United States Gallons)			
FROM	TO	Ceiling Level Rate Established	Temporary Discount Rate
BP's Whiting Refinery, Indiana (Lake County)	Manhattan South Station, Illinois (Will County)	[I] 108.05	[I] 67.04
	KM Argo Harlem Terminal, Illinois (Cook County)	[I] 178.15	[I] 59.59
	KM O'Hare Terminal, Illinois (Cook County)	[I] 207.84	[I] 61.72

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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:

"API" means American Petroleum Institute.

"Barrel" means 42 United States gallons at 60 degrees Fahrenheit and zero psi gauge.

"Batch" means a quantity of petroleum products of like characteristics moved through the pipeline as an identifiable unit.

"Carrier" means BP Pipelines (North America), Inc. and other pipelines participating herein, if any.

"Compatible Interfaces" means the interface occurring between products having similar basic physical characteristics.

"Consignee" means the party to whom a Shipper has ordered the delivery of Petroleum Products.

"F.E.R.C." means Federal Energy Regulatory Commission.

"Incompatible Interface" means the interface occurring between products having dissimilar basic physical characteristics, which cannot readily be absorbed into the shipments immediately preceding and following the interface.

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

"Operational Batch" means a batch of Petroleum Products meeting Carrier's specifications that may be commingled with other batches of Petroleum Products meeting the same specifications.

"Petroleum Products" means gasolines, petroleum oil distillates, and aviation turbine engine fuel as further described in Item No. 30.

"PSIG" means pounds per square inch gauge.

"Segregated Batch" means a batch identifiable as the property of a single Shipper, and moved through the pipeline so as to maintain this singular identity and ownership.

"Shipper" means the party who contracts with the Carrier for transportation of Petroleum Products under the terms of this tariff.

"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 Petroleum Products by pipe line and will not accept any other commodity for transportation.

### **ITEM NO. 15 - NOMINATIONS**

Petroleum Products will be accepted for transportation only on properly executed Nominations, as defined in Item No.5. Shippers desiring to Tender Petroleum Products for transportation shall make in writing a separate Nomination for each calendar month on or before the 15th day of the preceding month with weekly updates provided on the Monday of the week preceding the shipment. 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**

The minimum quantity of Petroleum Products which will be accepted, at point of origin by the Carrier from one Shipper for participation in an Operational Batch, shall be 10,000 Barrels, except that Carrier shall have the option to move smaller Batches when, in the opinion of the Carrier, the movement of smaller Batches is necessary to achieve maximum utilization of its system between origin and destination.

### **ITEM NO. 25 – BUFFER MATERIAL**

As required to protect the quality of commodities in transit, the Carrier, as a condition of shipment, shall require the Shipper to furnish buffer material in kind and quantity satisfactory to the Carrier. Carrier will deliver such buffer material, which may include other commodities commingled with it, into the facilities which shall be supplied by the Shipper or Consignee at destination.

Aviation engine turbine fuel shipments to the KM O'Hare Terminal will require a 5,000 Barrel Gasoline buffer material Batch preceding and 13,000 Barrel Gasoline buffer material Batch following the aviation engine turbine fuel Batch shipment. The buffer material and any associated Compatible Interfaces and/or Incompatible Interfaces associated with the aviation engine turbine fuel Nomination to the KM O'Hare Terminal shall be delivered to Argo Harlem.

**ITEM NO. 30 – QUALITY SPECIFICATIONS**

(a) No Petroleum Products will be accepted for transportation except good merchantable Petroleum Products 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) Specification requirements for all products delivered into the pipeline are documented in Carrier's White Oak Pipeline Product Quality Manual dated January 1, 2018. All Tenders must be in compliance with the policies stated in the current version of this manual. The manual can be obtained from Carrier via electronic mail sent to bptariffs@bp.com. Carrier may, but shall not be required to, sample and/or test any Operational Batch prior to acceptance (or during receipt) of Operational Batch. In the event of finding a variance from specification, Carrier reserves the right to reject such product.

**ITEM NO. 35 - ORIGIN AND DESTINATION FACILITIES AND DISPOSITION OF PRODUCTS ON FAILURE TO ACCEPT DELIVERY**

(a) Shipper shall furnish facilities to deliver Petroleum Products to the Carrier's manifold at origin stations at a pumping rate equal to Carrier's full line pumping rate, or injection rate if applicable, and at a minimum pressure of 30 psi gauge. Carrier will provide current information regarding maximum full line pumping rates upon request. Since full line pumping rate is subject to change, Carrier will provide notification to Shippers in the event that planned system modifications cause increased full line pumping rate revisions.

(b) Shipper must provide adequate facilities at all origin and destination locations needed to deliver or receive Segregated Batches of any product. Terminals shall furnish adequate tankage at delivery points to handle scheduled volumes at specified delivery rates and adequate sized tanks so that the maximum back pressure at the terminus of Carrier's facilities shall not exceed 50 psig at the point of ownership change from the pipeline to the terminal. Carrier will provide current information regarding required delivery rates upon request.

(c) Shipper's receipt facilities at destination shall permit tank changes by terminal operator without interfering with operation of pipeline.

(d) 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 such shipments without delay, at pressures and at pumping rates required by Carrier, and has made necessary arrangements for accepting delivery of shipments promptly on arrival at destination.

(e) In the event Carrier has accepted petroleum products for transportation in reliance upon Shipper's representations as to acceptance at destination, and there is failure to take such Petroleum Products at destination as provided in paragraph (d) hereof, then and in such event Carrier shall have the right, to divert, reassign, or make whatever arrangements for disposition of the Petroleum Products it deems appropriate to clear its pipeline, including the right to sell the Petroleum Products at private sale for the best price obtainable. The Carrier may be a purchaser at such sale. Out of the proceeds of said sale, Carrier may pay itself all transportation charges and other necessary expenses for caring for and maintaining the Petroleum Products and the balance shall be held for whosoever may be lawfully entitled thereto.

**ITEM NO. 40 - MEASUREMENT AND VOLUME CORRECTION**

(a) Quantities at origin and destination shall be determined by meters. Volume shall be corrected from observed temperature and pressure to base conditions using calculations per API Chapter 11.1 or latest revision thereof. Base condition shall be 60 degrees Fahrenheit at 0.0 psig. Full deductions will be made for all water and other impurities in products received or delivered. Shippers or Consignees shall have the privilege of being present or represented at the times of measuring and testing.

(b) Petroleum quantities transported will be adjusted to allow for inherent losses including but not limited to shrinkage, evaporation, interface losses and normal "over and short" losses. 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. 45 – SEGREGATION AND VARIATIONS IN QUALITY AND GRAVITY**

(a) Carrier shall not be liable for variation in gravity or quality of Petroleum Products occurring while in its custody, resulting from normal pipeline operations, and is under no obligation to deliver the identical Petroleum Products received. Carrier will not be obligated to deliver products in time to meet a specific market.

(b) Carrier has the right to recover any and all costs from a Shipper if a product Carrier has received from Shipper does not meet the pipeline specifications described in Item No.30(a) and Item No. 30(b) and has resulted in a pipeline shutdown or expenses resulting from the contaminated product.

(c) Subject to the foregoing, Carrier will to the extent permitted by Carrier's facilities, endeavor to make delivery of substantially the same Petroleum Products at destinations; however, it being impractical to maintain absolute identity of each Batch of Petroleum Products, reasonable substitution of barrelage of substantially the same specification of Petroleum Products will be permitted.

#### **ITEM NO. 50 - DIVERSION OR RECONSIGNMENT**

Diversions, additions or deletions of Batches may be made without charge if requested by the Shipper at least 48 hours prior to scheduled arrival at original destination (or by 1300 hours on Friday or the day prior to a holiday to cover the weekend, holiday(s) and next business day), 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 back-haul movement will be made.

#### **ITEM NO. 55 – DELIVERY ADJUSTMENTS**

It is inherent in the operation of a products pipeline that a commingled interface will occur between Operational Batches of different products. Carrier reserves the right to determine the quality and quantities of commodities commingled in deliveries to the Shipper or Consignee at destination, and the Shipper shall pay charges on such commingled material in accordance with this tariff and/or of tariffs making reference hereto at the same rate as the commodities transported. Carrier will make reasonable effort to hold such commingled interfaces to a minimum. Interfaces will be disposed of in the following manner:

- (1) Compatible Interfaces – The Compatible Interfaces shall be divided equally between the shipments that precede and follow the interface. Carrier shall determine compatibility of interfaces. Carrier may divide the interface in unequal amounts in order to accommodate delivery or quality concerns.
- (2) Incompatible Interfaces – The Shipper's Consignee will be responsible for the appropriate handling of Incompatible Interfaces at the Consignee's facility.

The provisions of Item No.20 with reference to minimum quantity will not apply to deliveries of product interfaces as provided in this item.

#### **ITEM NO. 60 – TERMINAL AND PRIVILEGE RULES**

Tenders transported under this tariff are entitled to such privileges and subject to such charges as are or shall be published by Carrier and as are lawfully in effect on date of shipment and lawfully on file with the Federal Energy Regulatory Commission, providing for reconsignment, transit privileges, or any other privileges, charges or rules which in any way increase or decrease the amounts to be paid on any Tender transported under this tariff, or which increase or decrease the value of the service to the Shipper.

#### **ITEM NO. 65 – PAYMENT OF TRANSPORTATION AND OTHER CHARGES**

(a) Transportation charges will be computed and collected at the rates provided herein, on the basis of the number of Barrels of Petroleum Products delivered at destination, after volume corrections as provided for in Item No. 40.

(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 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 Petroleum Products in Carrier's possession or prior

to Carrier's acceptance of Shipper's Petroleum Products: (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 Petroleum Products 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 Petroleum Products to Shipper. Such lien shall extend to all Petroleum Products 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 Petroleum Products 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 Petroleum Products 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 NO. 70 - LIABILITY OF CARRIER**

(a) The Carrier, while in possession of any Petroleum Products, 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 Petroleum Products will be charged proportionately to each Shipper in the ratio that his Petroleum Products, or portion thereof, received and undelivered at the time the loss occurs, bears to the total of Petroleum Products 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 Petroleum Products 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 Petroleum Products resulting from the normal operation of a products pipe line system in batching various kinds of products, and the products so commingled or contaminated will be equitably apportioned among and delivered to the Shippers participating in the products cycle or cycles in which the commingling or contamination occurs.

#### **ITEM NO. 75 – TITLE**

An offer of Petroleum Products for Tenders shall be deemed a warranty of title by the party offering, 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 is encumbered by any lien. Adequate security is considered to be Shipper's proof of perfect and unencumbered title or a satisfactory indemnity bond.

#### **ITEM NO. 80 - 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 product, 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, Carrier hereunder shall not be liable, and such claims will not be paid.

#### **ITEM NO. 85 – PRORATION PROCEDURES**

When there shall be Tendered to the Carrier for transportation on the Carrier's pipeline system any part thereof under applicable tariffs more Petroleum Products than can be currently transported, the transportation furnished by the

Carrier shall be apportioned among Shippers in accordance with Carrier's Products Proration Policy dated April 1, 2018. Copies of this proration policy will be made available upon request, to any Shipper or potential Shipper by request at [bptariffs@bp.com](mailto:bptariffs@bp.com).

**ITEM NO. 90 - APPLICATION OF RATES FROM AND TO INTERMEDIATE POINTS**

For Petroleum Products accepted for transportation from any point on Carrier's lines not named in a particular tariff, which is intermediate to a point from which rates are published in said tariff, through such unnamed point, the rate published from the next more distant point specified in such tariff will apply. This is in accordance with 18 C.F.R. § 341.10.

**ITEM NO. 95 – PIPEAGE CONTRACTS**

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.

**ITEM NO. 100 – 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 Petroleum Products necessary for minimum pipeline and facility line fill necessary to ensure efficient operation of Carrier's pipeline system. Petroleum Products provided by Shippers for this purpose may be withdrawn only after: (1) Shipments have ceased and the Shipper has provided 60 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 60 days from the receipt of said notice to complete administrative and operational requirements incidental to Shipper withdrawal.

**ITEM NO. 105 - CONSENT TO DISCLOSURE**

As a condition precedent to transportation by Carrier, Shipper and Consignee hereby 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.

[I] Increase

[W] Change in wording only