

[C] Notice of Partial Temporary Embargo
CHICAP PIPE LINE COMPANY

LOCAL PROPORTIONAL TARIFF
CONTAINING BASE AND VOLUME COMMITTED RATES

FOR THE INTERSTATE TRANSPORTATION OF

CRUDE PETROLEUM

[C] AND/OR

[C] DILUENT

BY

PIPELINE

The rates named in this tariff are for the transportation of Crude Petroleum [W] ~~or Diluent~~ by Carrier, subject to the rules and regulations published herein.

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

Uncommitted and Priority Service rates originating from Blue Island, Illinois listed herein have been issued pursuant to the Federal Energy Regulatory Commission letter order dated March 7, 2016, in Docket No. OR16-7-000.

Filed in compliance with 18 CFR § 341.3 (Form of Tariff).

~~[C] Issued on three (3) days' notice under authority of 18 CFR § 341.14. This tariff publication is conditionally accepted subject to refund pending a 30 day review period.~~

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

ISSUED MARCH 30, 2021

EFFECTIVE APRIL 30, 2021

Compiled and Issued by:

[W] ~~Kimberly Bragg-Lori Ivanova~~

[W] Tariff and Regulatory Affairs Manager ~~Tariffs and Regulatory Affairs Team Leader~~

BP Pipelines (North America) Inc.

30 South Wacker Drive

Chicago, IL 60606

[W] ~~(872) 245-3899 (872) 245-3899~~

Fax (312) 594-2134

[W] kimberly.bragg@bp.com ~~lorita.ivanova@bp.com~~

All rates in this page are in cents per Barrel of 42 United States Gallons.

CRUDE PETROLEUM UNCOMMITTED RATES				
FROM	THROUGH RATES TO DESTINATION			
	Manhattan, Will County, Illinois	Mokena, Will County, Illinois	Lemont, Cook County, Illinois	Blue Island, Cook County, Illinois
Patoka, Marion County, Illinois	[U] 79.52	[U] 83.30	[U] 87.13	--
Mokena, Will County, Illinois	--	--	[U] 30.22	[U] 34.80
Blue Island, Cook County, Illinois	--	[U] 34.80	--	--

CRUDE PETROLEUM COMMITTED RATES	
FROM	To Blue Island, Cook County, Illinois
Mokena, Will County, Illinois	[U] 34.80

CRUDE PETROLEUM PRIORITY SERVICE RATES Seven Year Term (Subject to Note 1)	
FROM	To Mokena, Will County, Illinois
Blue Island, Cook County, Illinois	[U] 35.80

[C] DILUENT	
FROM	To Manhattan Will County, Illinois
Patoka, Marion County, Illinois	[C] 99.40

~~[W] [E] The diluent movement is under a temporary embargo until further notice. Other routes associated with this tariff will be unaffected by this embargo.~~

Note 1 - Requires a separate signed throughput and deficiency agreement, which includes Priority Service Volumes of 5 kbd over a term of seven years.

HANDLING CHARGE:

When operating conditions permit, Carrier will handle, through its suction piping at Patoka Station, Crude Petroleum [W] or Diluent from a connected pipeline of another carrier for delivery to a connected pipeline of another carrier at the rate of [U] 3.68 cents per Barrel of 42 U.S. gallons with exception of the pumpover charge below.

TANKAGE CHARGE:

When operating conditions permit, Carrier will handle, through its tankage at Mokena Station, Crude Petroleum from a connected pipeline of another carrier for delivery to a connected pipeline of another carrier at the rate of [U] 36.26 cents per Barrel of 42 U.S. gallons.

PUMPOVER CHARGE:

When Crude Petroleum is moved from WoodPat Pipeline at Patoka through Carrier's facilities into the Plains system, a [U] 13.75 cents per Barrel of 42 U.S. gallons fee will be charged.

VISCOSITY SURCHARGE:

A viscosity surcharge of [U] 3.74 cents per Barrel for Patoka origins, and [U] 1.44 cents per Barrel for Mokena and Blue Island origins will be charged for each 100 SUS units (20.5 cSt units), or portion thereof in excess of 100 SUS units (20.5 cSt units) at sixty-eight degrees (68°) Fahrenheit. Viscosity determinations will be based on Operator's most recent Crude List referenced in item 9(d). This surcharge will not apply to the handling, tankage or pumpover charges listed above.

RULES AND REGULATIONS

1. ABBREVIATIONS AND DEFINITIONS

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

"API" means American Petroleum Institute.

"ASTM" means American Society for Testing Materials.

"Barrel" means forty-two United States gallons at sixty degrees Fahrenheit and zero ("0") gauge pressure if the vapor pressure of the Crude Petroleum [W] ~~or Diluent~~ is at or below atmospheric pressure, or at equilibrium pressure if the vapor pressure of the Crude Petroleum [W] ~~or Diluent~~ is above atmospheric pressure.

"Carrier" means and refers to Chicap Pipe Line Company.

"cSt" means centistokes, a measure of viscosity.

"Committed Shipper" means a Shipper that has executed a throughput and deficiency agreement for the transportation of certain minimum volumes of Crude Petroleum for a minimum term of years from Mokena, IL to Blue Island, IL at the committed rate set forth herein.

"Consignee" means the party to whom a Shipper has ordered delivery of Crude Petroleum [W] ~~or Diluent~~.

"Crude Petroleum" means either the direct liquid products of oil wells, or a mixture of the direct liquid products of oil or gas wells including natural gasoline or liquefied petroleum gases.

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

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

"Heavy Crude" means Crude Petroleum with a viscosity of greater than 20.5 cSt (100 SUS) at 20C (68F) and a maximum gravity of 25.0 API.

"IP" means Institute of Petroleum (Great Britain).

"Nominations" means a written designation by a Shipper to the Carrier of an approximate quantity of Crude Petroleum [W] ~~or Diluent~~ for transportation from a specified origin point(s) to a specified destination point(s) over a period of one operating month in accordance with these rules and regulations.

"Priority Service Rate" means the rate paid by Priority Service Shippers on the Blue Island Lateral from Blue Island, IL to Mokena, IL, which shall include a premium relative to the uncommitted rate as set forth herein determined by the term of the throughput and deficiency agreement.

"Priority Service Shipper" means a Shipper that has executed a throughput and deficiency agreement during the open season that commenced on October 26, 2015 for the transportation of certain minimum volumes of Crude Petroleum for a term of seven years from Blue Island, IL to Mokena, IL at the relevant Priority Service Rate set forth herein.

"Priority Service Volumes" means the Barrel per day ("bpd") volume committed to by a Priority Service Shipper in accordance with a throughput and deficiency agreement at the relevant Priority Service Rate set forth herein.

"SUS" means Saybolt Universal Seconds.

"Shipper" means the party who contracts with the Carrier for the transportation of Crude Petroleum [W] ~~or Diluent~~ subject to and in accordance with these rules and regulations, subject the rate on the applicable tariff.

"Tender" means delivery of Crude Petroleum [W] ~~or Diluent~~ to Carrier for shipment.

2. COMMODITY

Carrier is engaged in the transportation of merchantable Crude Petroleum [W] ~~or Diluent~~ exclusively and, therefore, will not accept any other commodity for transportation. No Crude Petroleum [W] ~~or Diluent~~ will be received except good merchantable oil, properly settled and weathered, for which the Carrier has facilities for segregating and batching. Carrier reserves the right to refuse to accept for transportation any product which cannot be delivered out of Carrier's facilities to a designated connecting Carrier due to conflicts and/or restrictions pertaining to the designated connecting Carrier's acceptable BS&W (basic sediment, and other impurities, including water) or quality levels. Carrier reserves the right to require shippers of Heavy Crude to provide buffer fluids proportionate to the size of the interface in order to protect the quality of the primary stream of light hydrocarbons.

For the Mokena to Lemont, Mokena to Blue Island and Blue Island to Mokena segments only – Carrier will require that shipments of Heavy Crude be followed with a 15,000 Barrel batch of buffer crude when required to protect the quality of the trailing batch. The buffer crude will have a minimum API gravity of 25.5 and with a maximum viscosity of 53 cSt (246 SUS) at 20C(68F) that meets all other quality specifications.

3. DELIVERY FACILITIES REQUIRED

Carrier will receive Crude Petroleum [W] ~~or Diluent~~ for interstate transportation when the Shipper, or Consignee, has provided the necessary facilities for receiving said Crude Petroleum [W] ~~or Diluent~~ as it arrives at destination.

In the event there is a failure of Shipper or Consignee to take Crude Petroleum [W] ~~or Diluent~~ at the destination as provided for in this tariff, then Carrier shall have the right to sell such Crude Petroleum [W] ~~or Diluent~~ 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 of caring for and maintaining the Crude Petroleum [W] ~~or Diluent~~, and the balance shall be held for whosoever may be lawfully entitled thereto.

4. QUANTITIES

Tenders for the transportation of Crude Petroleum [W] ~~or Diluent~~ will be accepted under this tariff in quantities of not less than ten thousand (10,000) Barrels for Crude Petroleum [W] ~~or twenty thousand (20,000) Barrels for Diluent~~ from one Shipper consigned to one Consignee and destination. Crude Petroleum [W] ~~or Diluent~~ so tendered to the Carrier for transportation will be received as currently available, providing the total within a 30-day period is not less than ten thousand (10,000) Barrels for Crude Petroleum [W] ~~or twenty thousand (20,000) Barrels for Diluent~~.

5. MIXING WITH OTHER CRUDE PETROLEUM [W] ~~OR DILUENT~~

All Crude Petroleum [W] ~~or Diluent~~ will be accepted for transportation only on condition that it shall be subject to such changes in gravity or quality while in transit as may result from the mixture of said Crude Petroleum [W] ~~or Diluent~~ with other Crude Petroleum [W] ~~or Diluent~~ in the pipe lines or tanks of Carrier, or the connecting Carrier.

6. TITLE

A tender of Crude Petroleum [W] ~~or 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 Crude Petroleum [W] ~~or Diluent~~ which is in litigation as 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.

7. 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 Crude Petroleum [W] ~~or Diluent~~ delivered at destination, after volume corrections as provided for in Item 9.

(b) All payments are due within 10 days of receipt of the invoice, unless the Carrier determines that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines 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 that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines 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 [W] ~~or Diluent~~ in Carrier's possession or prior to Carrier's acceptance of Shipper's Crude Petroleum [W] ~~or 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 Crude Petroleum [W] ~~or 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 Crude Petroleum [W] ~~or Diluent~~ to Shipper. Such lien shall extend to all Crude Petroleum [W] ~~or 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 Crude Petroleum [W] ~~or 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 Crude Petroleum [W] ~~or 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.

8. LIABILITY OF CARRIER

Carrier will not be liable for any loss of, or damage to the Crude Petroleum [W] ~~or Diluent~~, or delay in transportation of the Crude Petroleum [W] ~~or Diluent~~ caused by the act of God, the public enemy, quarantine, the authority of law, strikes, riots or the act or default of the Shipper or owner, or from any other cause not due to the negligence of said Carrier; in such cases the Shipper shall stand the loss in the same proportion as the amount of his Tender bears to the whole amount of the consignment of which it is a part, and shall be entitled to receive only such portion of his Tender as is left after deducting his due proportion of the loss, as above.

Carrier will transport and deliver Crude Petroleum [W] ~~or Diluent~~ with reasonable diligence and dispatch but will accept no Crude Petroleum [W] ~~or Diluent~~ to be transported in time for any particular market.

9. GAUGING, TESTING, DEDUCTIONS AND VISCOSITY MEASUREMENT

(a) Crude Petroleum [W] ~~or Diluent~~ tendered to Carrier shall be gauged and tested by a representative of Carrier prior to its acceptance for transportation. Quantities for receiving, delivering, assessing charges and all other purposes will be corrected based upon an API gravity at sixty degrees (60°) Fahrenheit. The percentages of basic sediment, water or other impurities shall be deducted from the corrected volume. The Shipper shall have the privilege of being present or represented at the gauging and testing.

(b) Pursuant to Item 8, Crude Petroleum [W] ~~or Diluent~~ 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 and viscosity factors. Carrier loss adjustments will be made on the basis of total quantities transported and shall be based on actual historical loss experience.

(c) The net quantities as determined under paragraphs (a) and (b) of this Item 9 will be the amounts accountable at destination.

(d) Viscosity determinations will be based on Carrier's most recent Crude List by Crude Petroleum type in accordance with the latest API/ASTM/IP measurement standards. Crude petroleum not listed in the Carrier's Crude List shall be considered for shipment on a case-by-case basis with the Shipper providing the required viscosity information and

other characteristics. Carrier reserves the right to verify the information by its own or independent testing. Carrier's most recent Crude List is available at the following website: <https://on.bp.com/30advIO>.

10. PIPEAGE CONTRACTS

Separate pipeage contracts in accord 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.

11. TIME LIMITATIONS ON CLAIMS

As a condition precedent to recovery, claims must be filed in writing with the Carrier within nine (9) months after delivery of the property, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits shall be instituted against Carrier only within two (2) years and one (1) 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 shall not be liable, and such claims will not be paid.

12. NOMINATIONS

(a) Any Shipper desiring to nominate Crude Petroleum [W] ~~or Diluent~~ for transportation shall make such Nominations to the Carrier in writing on or before the Final Nomination Deadline. The Final Nomination Deadline is the twenty-fifth (25th) day of the month preceding the month during which the transportation under the Nomination is to begin; for all Chicap segments with the exception of Mokena to Blue Island which will be due on the fifteenth (15th) day of the month preceding the month during which the transportation under the Nomination is to begin. Unless such Nomination is made, the Carrier will be under no obligation to accept Crude Petroleum [W] ~~or Diluent~~ for transportation.

If, after receiving Shipper Nominations, Carrier determines that it has received Nominations which, in total, exceed the capacity of the System or any line segment thereof, the prorating policy found in Item 13 of these rules and regulations will be applied.

(b) All Nominations must identify the Crude Petroleum [W] ~~or Diluent~~ type, origin point, quality, quantity, and final destination point to be accepted. Unless such Nomination is made, the Carrier will be under no obligation to accept Crude Petroleum [W] ~~or Diluent~~ for transportation.

When Nominations submitted by Shipper to Carrier on or before the Final Nomination Deadline do not exceed the capacity of the System or any line segment thereof, additional Nominations may be accepted by the Carrier to fill capacity. These additional Nominations will be accepted only if they do not impair the movement of Crude Petroleum [W] ~~or Diluent~~ nominated before the Final Nomination Deadline.

(c) Shipper must satisfy Carrier that Nominations are in good faith and that shipments can be transported in conformity with these rules and regulations. In administering the Nominations and prorating policy, the Carrier will use reasonable means to ensure that the Nominations are true and realistic and will challenge any Nominations which appear to be inflated or duplicated. Carrier may require that the Shipper provide written assurance from a responsible officer that the Nominations are in good faith and no requirement or intent of Carrier's procedures in these rules and regulations have been violated.

13. PRORATION PROCEDURES

In the event Carrier receives Shipper Nominations for Crude Petroleum [W] ~~or 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 Carrier's Proration Policy dated April 1, 2020. The policy utilizes a 12-month historical base period. Copies of this policy will be made available to any Shipper or potential Shipper upon a request to bptariffs@bp.com.

During periods of prorating on the Blue Island Lateral from Blue Island, IL to Mokena, IL, a Priority Service Shipper's Nominations (up to its Priority Service Volumes) shall be exempt from prorating as set forth in the Carrier's Proration Policy. Priority Service Shippers are charged a premium relative to the uncommitted rate for such priority service. A Priority Service Shipper's Nominations in excess of its Priority Service Volumes during such prorating will be subject to the prorating procedures set forth in the Carrier's Proration Policy and will be charged the uncommitted rate.

14. BI-DIRECTIONAL NATURE OF THE BLUE ISLAND LATERAL

The Blue Island Lateral is bi-directional with equivalent time allotted for transportation in each direction each month. To meet the operational requirements of the bi-directional system, shippers will be required to make arrangements for displaced linefill.

15. LINE FILL AND TANK BOTTOM INVENTORY REQUIREMENTS

Prior to delivering Barrels out of Carrier's pipeline system, each Shipper will be required to supply a pro rata share of Crude Petroleum [W] ~~or Diluent~~ necessary for pipeline and tankage fill to ensure efficient operation of Carrier's pipeline system. Crude Petroleum [W] ~~or Diluent~~ provided by Shippers for this purpose may be withdrawn only after: (1) Shipments have ceased and the Shipper has provided sixty (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 sixty (60) days from the receipt of said notice to complete administrative and operational requirements incidental to Shipper withdrawal.

16. DIVERSION OR RECONSIGNMENT

Crude Petroleum [W] ~~or Diluent~~ in transport may be diverted without an additional charge to a destination other than originally specified on the nomination, or Crude Petroleum [W] ~~or Diluent~~ in transport may be reconsigned without an additional charge to another Shipper at point of destination only, provided such diversion or reconsignment is made in writing by the tendered Shipper prior to delivery at original destination. This will be allowed 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.

17. COMMON STREAM PETROLEUM

When both receipts from and deliveries to a connecting carrier of substantially the same grade of Crude Petroleum are scheduled at the same interconnection, the Carrier reserves the right, with the cooperation of the connecting carrier, to offset like volumes of such common stream Crude Petroleum in order to avoid the unnecessary use of energy which would be required to physically pump the offsetting volumes. The Carrier will apply to such offsetting of volumes the applicable tariff rate. When this rate is exercised, the Carrier will make the further deliveries for the Shipper involved from its common stream Crude Petroleum.

18. ADDITIVES

Carrier reserves the right to require, approve or reject the injection of corrosion inhibitors, pour point depressants or other such additives in the Crude Petroleum [W] ~~or Diluent~~ to be transported.

19. RATES APPLICABLE

Crude Petroleum [W] ~~or Diluent~~ accepted for transportation shall be subject to the rates, charges, rules and regulations in effect on the date of receipt of such Crude Petroleum [W] ~~or Diluent~~ by the Carrier. Transportation and all other lawful charges will be collected on the basis of the net quantities of Crude Petroleum [W] ~~or Diluent~~ delivered. All net quantities will be determined in the manner provided in Item 9.

20. APPLICATION OF RATES FROM AND TO INTERMEDIATE POINTS

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

21. INVENTORY RETENTION

Carrier will issue a written notification via certified mail to companies who are no longer shipping (*) on Carrier's system that Shipper's Crude Petroleum [W] ~~or Diluent~~ being recorded in an inventory account must be removed by Shipper within the time period and in the manner specified below.

* "A company who is no longer shipping" is: a) a company who has issued a formal notification to Carrier that it will no longer be a Shipper on Carrier's system; or b) a company who has not nominated in the name of the Shipper over a continuous 6-month time period.

The procedure to notify a Shipper who has been designated as "no longer shipping" is as follows. Carrier will issue a letter to the Shipper that according to the Carrier's books, Carrier is holding a certain volume of Crude Petroleum [W] ~~and/or Diluent~~ on its books in Shipper's name. Shipper will be advised in such letter that Shipper will have 30 days effective with the date of the letter to provide direction regarding the disposal of Shipper's Crude Petroleum [W] ~~and/or Diluent~~. If at the end of this 30-day period, Carrier has not been contacted by Shipper, Carrier will assume title to the Crude Petroleum [W] ~~and/or Diluent~~ being held on its books in Shipper's name. If Carrier has been contacted by Shipper within the initial 30-day period, Carrier will grant Shipper an additional 30 days without charge to facilitate the disposal of Shipper's inventory Crude Petroleum [W] ~~and/or Diluent~~. If at the end of this 60-day period, Carrier continues to retain control of this Crude Petroleum [W] ~~and/or Diluent~~, Carrier retains the right to initiate a penalty fee of [U] \$.10 per Barrel, per month plus any other fees as allowed in accordance with the published tariff; such fees will be required to be paid before the Crude Petroleum [W] ~~and/or Diluent~~ will be released. If, however, Shipper has not disposed of such

Crude Petroleum [W] ~~and/or Diluent~~ at the end of a 90-day period, Carrier will assume title to such Crude Petroleum [W] ~~and/or Diluent~~.

Any inactive Shipper with a negative inventory balance on the Carrier's system will be required to settle the balance in cash with the Carrier. Such settlement will be based upon the fair market value of the Crude Petroleum [W] ~~or Diluent~~, as published by Platts, at the time Shipper informs Carrier in writing of its intention to discontinue shipments on the system or if no such written notice is given, then at such time as Carrier calls for the settlement of the Shipper's inventory balance.

22. POLICY ON REGRADES

Carrier will prepare an annual book to physical comparison by crude segregation (sweet [W] ~~diluent~~, sour and heavy) and review differences. Carrier will also review the annual system gain/loss. Carrier will allocate the book to physical imbalances to the active shippers no less than every twelve months. Common stream crude grades are based on system throughput. The crude grades used will be periodically reviewed.

At such time as the Carrier conducts a book to physical reconciliation, the Carrier will adjust Shipper book inventories to match the system's physical inventories. From time to time, this process will require regrades of Shipper's existing inventories. The inventory imbalance allocation will consist of the following steps:

- 1) Carrier will compare the total book inventory to the physical inventory to determine gain or loss by crude type in the system line fill and tankage.
- 2) The physical inventory balances will be categorized by crude segregation. Carrier will regrade sweet [W] ~~and diluent~~ balances to the common stream sweet crude grade, sour balances to the common stream sour crude grade, and heavy balances to the common stream heavy crude grade. Carrier will then review each Shipper's book inventory by grade and then determine physical line fill and tank inventory by grade for each Shipper.
- 3) Carrier will allocate the total system imbalance by crude segregation (sweet [W] ~~diluent~~, sour, and heavy) to the Shippers based on their total throughput percentage for the time period being allocated. The sweet [W] ~~diluent~~ imbalances will be allocated as the common stream sweet crude grade, the sour imbalances will be allocated as the common stream sour crude grade, and the heavy imbalances as the common stream heavy crude grade.

23. QUALITY SPECIFICATIONS

Crude Petroleum [W] ~~or Diluent~~ accepted for transportation by the Carrier must be good merchantable oil of such viscosity, pour point and temperature 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 Crude Petroleum containing more than one percent (1%) of basic sediment, water and other impurities [W] ~~and 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 Crude Petroleum [W] ~~or Diluent~~ having a Reid vapor pressure in excess of 13.5 pounds per square inch at 100 degrees Fahrenheit, or having a pour point in excess of +35 degrees Fahrenheit in winter (October through March) or +55 degrees Fahrenheit in summer (April through September), viscosity in excess of 350 cSt (1,621 SUS) at the flowing temperature at the downstream meters, or other characteristics such that it will not be readily susceptible for transportation through Carrier's existing facilities, or which will materially affect or damage the quality of other shipments or cause disadvantage to other Shippers and/or the Carrier.

For all movements originating at Plains facility at Patoka to Manhattan and on the Blue Island Lateral, Carrier will reject crude petroleum with viscosity in excess of 350 cSt (1,621 SUS) at the flowing temperature at the downstream meters.

~~[W] Shipper warrants that the Diluent will meet specifications of the connecting carrier at destination.~~

For all movements accessing tankage at Mokena and Patoka, including mainline movements through tankage: Carrier will reject any Crude Petroleum [W] ~~or Diluent~~ having a Reid vapor pressure in excess of 12.0 pounds per square inch at 100 degrees Fahrenheit, or having a pour point in excess of +25 degrees Fahrenheit in winter (October through March) or +45 degrees Fahrenheit in summer (April through September).

Carrier has the right to request a product quality sheet and/or certificate with respect to specifications of Crude Petroleum [W] ~~or Diluent~~ from Shipper in order to verify the Crude Petroleum [W] ~~or Diluent~~ meets all the requirements laid out in these rules and regulations. If the Shipper refuses to provide these documents, Carrier shall not be obligated to accept the Crude Petroleum [W] ~~or Diluent~~ for transportation. If Shipper refuses to take back any rejected Crude Petroleum [W] ~~or Diluent~~, then Carrier has the right to dispose of such Crude Petroleum [W] ~~or Diluent~~ in its sole discretion and recover any costs or damages resulting from the disposal process, including reasonable attorney's fees, from Shipper.

24. INDEMNIFICATION

A Shipper shall indemnify the Carrier for any damage, loss, costs, or consequential loss incurred by the Carrier or any other party as a result of such Shipper's failure to comply with any of the provisions in this tariff. Carrier is entitled to reasonable attorney's fees.

[C] Cancel
[U] Unchanged rate
[W] Change in wording only