# **F.E.R.C. No. 157.31.0**

(Cancels F.E.R.C. No. 157.30.0)

# **MAGELLAN PIPELINE COMPANY, L.P.**

IN CONNECTION WITH PARTICIPATING CARRIERS SHOWN HEREIN

# LOCAL AND JOINT PIPELINE TARIFF

CONTAINING

# **RULES AND REGULATIONS**

# GOVERNING THE TRANSPORTATION AND HANDLING

OF

# PETROLEUM PRODUCTS

TRANSPORTED BY PIPELINE FROM

# **CENTRAL ORIGINS**

[W] Issued under authority of 18 CFR <u>341.3(b)(6).</u> <del>342.3 – *indexing*.</del>

Carrier will accept and transport Petroleum Products offered for transportation through Carrier's facilities only as provided in this Rules and Regulations Tariff, except to the extent that specific rules and regulations published in other tariffs conflict with the general rules and regulations in this tariff, such specific rules and regulations shall supersede the general rules and regulations.

This Tariff shall apply only to those tariffs, which specifically incorporate this Tariff by reference; such reference includes supplements to this Tariff and successive issues thereof.

The matter published herein will have no adverse effect on the quality of the human environment.

ISSUED: November 16, 2022

EFFECTIVE: January 1, 2023

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#### **PARTICIPATING CARRIERS**

**BP Midwest Product Pipelines Holdings LLC** 

Cenex Pipeline, LLC

Coffeyville Resources Pipeline, LLC

KPL Northern States, LLC

Phillips 66 Carrier LLC

Valero Partners Wynnewood, LLC

### **TARIFF REISSUE AND SUPPLEMENTATION**

#### ITEM 1 – METHOD OF CANCELLING ITEMS

As this tariff is supplemented, numbered items with letter suffixes cancel corresponding numbered items in the original tariff or in a supplement. Letter suffixes will be used in alphabetical sequence starting with A.

EXAMPLE - Item 60-A cancels Item 60; and Item 90-B cancels 90-A in a prior supplement, which, in turn, cancelled Item 90.

#### ITEM 5 – METHOD OF DENOTING REISSUED MATTER IN SUPPLEMENTS

Matter brought forward without change from one supplement to another will be designated as "Reissued" by a reference mark in the form of a square enclosing a number, the number being that of the supplement in which the reissued matter first appeared in its currently effective form. To determine the supplement's original effective date, refer to the explanation of reference marks in the supplement. For further details, consult the supplement in which the reissued matter first became effective.

#### ITEM 10 – REFERENCE TO ITEMS, NOTES, RULES, ETC.

When reference is made in this tariff, and supplements hereof, to items, notes, rules, etc., such references are continuous and include supplements to and successive reissues of such items, notes, rules, etc.

#### **DEFINITIONS**

#### **ITEM 15 – DEFINITIONS**

"ATLAS" means Automated Transportation Logistics Activity System. ATLAS is a computerized information system to which all Shippers have access upon request. ATLAS enables Shippers to nominate and release product and to monitor and coordinate the movement of Petroleum Products while on Carrier's system.

"Barrel" means forty-two (42) United States gallons at sixty (60) degrees Fahrenheit.

"Carrier" means and refers to Magellan Pipeline Company, L.P. (MPL) and other carriers participating herein.

"Consignee" means and refers to the party having ownership of Petroleum Product transferred to them.

"Consignor" means the party, which tendered Petroleum Products to Carrier.

"Destination" means the facility at which Carrier delivers Petroleum Products out of Carrier's pipeline.

"Inventory Owner" means and refers to the party, either Shipper or Consignee, holding title to Petroleum Product(s) in Carrier's facilities.

"Minimum Allocation" means the minimum level of Open Stock Petroleum Product inventory required in order for an Inventory Owner to maintain active withdrawal privileges at Carrier's terminal facilities.

**"Open Stock Petroleum Product"** means the commodity grades of Petroleum Products, as defined by Item 20 that the Carrier transports under Open Stock Status.

**"Open Stock Status"** means that a Shipper may withdraw at a Carrier Destination the same quantity of the Petroleum Product which Carrier is receiving at a Carrier Origin from Shipper on the same day if both Shipper's and Carrier's inventories are sufficient as stated in Item 85.

"Origin" means the facility of Carrier at which Carrier receives Petroleum Products into Carrier's pipeline.

"Origin Release" means the written commitment of a Consignor to schedule a batch of Petroleum Products into Carrier's facilities.

"**Petroleum Products**" means the commodities more specifically defined in Item 20 and meeting the specifications referenced in Item 25.

**"Shipment Request"** represents a commitment by an established Shipper to receive Petroleum Product from an Origin point into the Carrier's system.

"Shipper" means the party who contracts with the Carrier for transportation and/or terminaling of Petroleum Products pursuant to the terms of this tariff.

**"Tender"** means an offer by a Shipper to a Carrier of a stated quantity of Petroleum Products from a specified Origin or Origins to a specified Destination or Destinations pursuant to the terms of this tariff.

"Transit Time" means the time a shipment would take to move from Origin to Destination.

# **COMMODITY DESCRIPTION AND MEASUREMENT**

#### ITEM 20 – PETROLEUM PRODUCTS DEFINED

Where the term Petroleum Products is used, the same refers to:

Unleaded GasolinesJet Fuels – CommercialDiesel Fuel DistillatesGasoline FeedstockDistillate FeedstockNatural Gasoline

#### **ITEM 25 – PRODUCTS ACCEPTANCE SPECIFICATIONS**

Petroleum Products shall be accepted for transportation only when such Petroleum Products meet all required specifications as uniformly established by Carrier. All of the required specifications for Petroleum Products shall be issued from time to time in the manner and to the extent appropriate to facilitate the efficient and economical use and operation of the Carrier's facilities and to reasonably accommodate Shipper's needs for transportation.

#### ITEM 28 – TRANSMIX HANDLING

Transmix accumulated in Carrier's system for movements to Great Bend, KS, Scott City, KS and Denver, CO will be allocated to all Shippers based on the proportion to each Shipper's barrels delivered at Great Bend, KS, Scott City, KS and Denver, CO in a calendar month. Carrier shall dispose of the Transmix for Shippers and provide each Shipper's net proceeds from the disposition of the Transmix.

#### ITEM 30 – VOLUME CORRECTIONS AND TENDER DEDUCTIONS

**SECTION A.** In measuring the quantity of Petroleum Products received and delivered, correction shall be made from volume at actual or observed temperature to volume at sixty (60) degrees Fahrenheit.

**SECTION B.** A tender deduction of one-twentieth (1/20) of one percent (1%) by volume will be made on the quantity of Petroleum Products accepted for transportation from all Origins except for those volumes transported from the Wichita, Kansas origin. A tender deduction of three-tenths (3/10) of one percent (1%) will be made for those volumes transported from the Wichita, Kansas origin to all destinations.

**SECTION C.** Product downgrades associated with handling multiple grades of distillate products that have varied sulfur levels will be allocated to shippers.

Exception to this Item is referenced in MPL's F.E.R.C. No. 185.20.0, supplements thereto and reissues hereof.

#### PRESHIPMENT REQUIREMENTS AND PROCEDURES

#### **ITEM 35 – COMMODITY**

Carrier is engaged in the transportation of Petroleum Products specified and described in Item 20 and therefore will not accept any other commodities for transportation. No petroleum products will be received for transportation except good merchantable petroleum products of substantially the same kind and quality as that being currently transported through the same facilities for other Shippers. Consignor and Shipper warrant to Carrier that any petroleum products tendered to Carrier conform with the specifications for such products and are merchantable. Petroleum products of substantially different grade or quality will be transported only in such quantities and upon such terms and conditions as Carrier and Shipper may agree.

#### **ITEM 40 – TESTING AND MEASURING**

Petroleum products shall be accepted for transportation only when such products meet all required specifications as uniformly established by Carrier as stated in the following documents and found at the public website <a href="https://www.magellanlp.com/WhatWeDo/ProductSpecs.aspx">www.magellanlp.com/WhatWeDo/ProductSpecs.aspx</a> or on request. Each Product Grade Document and its effective date or revision date are identified below.

PRODUCT GRADE DOCUMENT TITLE	EFFECTIVE DATE
A-Grade Premium Unleaded Gasoline	1/1/21
AR-Grade Premium Unleaded Blendstock <sup>1</sup>	1/1/21
D-Grade Premium Diesel Fuel	1/1/21
NR-Grade Regular Unleaded Blendstock <sup>1</sup>	1/1/21
Q-Grade Commercial Jet Fuel	2/19/14
V-Grade Sub-Octane Unleaded Gasoline	1/1/21
V8-Grade Sub-Octane Unleaded High RVP	1/1/21
W-Grade Natural Gasoline	12/31/08
W2-Grade Certified Ethanol Denaturant	1/1/21
X, XHO-Grade Ultra Low Sulfur Diesel Fuel Y-Grade No. 1 Diesel Fuel	10/1/21
T-Grade No. T Dieser Fuer	[W] <u>1/1/23</u> <del>12/1/15</del>

Notification to Shippers of changes in these documents are made via this tariff. If a prospective Shipper should desire current specifications they may access the website mentioned above. Demonstration of conformance with the product specifications shall be made through the submission of a Certificate of Analysis that accurately represents the product characteristics. Accuracy of the Certificate of Analysis is the sole responsibility of the party who establishes the Origin Release. Costs associated with handling, distribution, and disposal of products that enter the system that do not meet the product specifications shall be borne entirely by the party who establishes the Origin Release. At Carrier's discretion, non-fungible blendstocks may be shipped upon request by Shipper and upon Carrier's determination that such movement can operationally and efficiently be made to accommodate Shipper's request.

<sup>1</sup> Product grade for delivery to Glenpool (Explorer PL), OK only.

#### **ITEM 45 – SCHEDULING OF SHIPMENTS**

Petroleum Products shall be accepted for transportation at such time as Petroleum Products of the same specifications are currently being transported from point of Origin to a Destination or Destinations in accordance with schedules of shipments and consignments to be issued from time to time to each Consignor by the Carrier. Such schedules may be modified from time to time in the manner and to the extent reasonably desirable to facilitate the efficient and economical use and operation of the Carrier's facilities and to reasonably accommodate Consignor's needs for transportation. Shippers can distribute shipments to MPL Destinations by designating specific locations or by selecting automatic shipment distribution. Automatic shipment distribution is the distribution of Shipper's volumes on a system-wide basis to even out the days supply based on historical weighted average loadings to all valid locations where the Shipper conducts business. Shippers may specify Destinations by Origin and Grade for automatic shipment distribution. Shippers may elect to utilize Carrier's "ATLAS" system to schedule shipments. Origin Releases and Shipment Requests should be completed fourteen (14) days before the scheduled entry date of product into Carrier's facilities. If an Origin Release or Shipment Request is not timely submitted, Carrier will handle in a manner to facilitate the efficient, economic use and operation of the Carrier's facilities and to reasonably accommodate Consignor's needs for transportation of product. MPL will provide a pump date for a completed nomination a minimum of seven (7) days prior to the release date.

#### ITEM 50 – PRORATION OF PIPELINE CAPACITY

When the total volume of the various commodities offered for shipment on Carrier's facilities, in accordance with the procedures for scheduling of shipments, is greater than can be transported within the period covered by such schedules, then commodities offered by each Shipper, including any new Shipper, for transportation will be transported in such quantities and at such times, to the limit of Carrier's normal operating capacity, so as to avoid unjust discrimination or undue preference among Shippers and to fulfill requirements of governmental agencies.

System-wide pipeline operating capacity, as determined by Carrier, will be allocated based on Inventory Owner's historical loadings at Carrier's facilities. An Inventory Owner's maximum inventory balance will be controlled using an allocation method elected by the Inventory Owner, which will be based on the moving average of the Inventory Owner's daily rack deliveries for each Petroleum Product covering **[W]** <u>ninety (90)</u> thirty (30) days.

A new Shipper [i.e., a Shipper without a loading history over the preceding twelve (12) months] shall be allocated capacity sufficient to permit a minimum shipment as defined in Item 95. All subsequent allocations of capacity shall be based on the loading history developed by the Shipper after Transit Time has elapsed in accordance with the inventory controls provisions of Item 85.

Exception to this Item is referenced in MPL's F.E.R.C. No. **[W]** <u>160.42.0</u> <del>160.41.0</del>, supplements thereto and reissues thereof.

#### ITEM 60 – ACCEPTANCE FREE FROM LIENS AND CHARGES

The Carrier shall have the right to reject any Petroleum Products when tendered for shipment which may be involved in litigation, the title of which may be in dispute, or which may be encumbered by lien or

charge of any kind. Further, Carrier will require Shipper's proof of perfect and unencumbered title or a satisfactory indemnity bond.

### ITEM 65 – CORROSION INHIBITORS

Consignor may be required to inject oil-soluble corrosion inhibitor, approved by Carrier, in the Petroleum Products to be transported.

# ITEM 70 – FACILITIES REQUIRED AT ORIGIN AND DESTINATION

**SECTION A.** The Carrier will not provide storage or other tankage facilities at points of Origin. Carrier will not provide storage or loading facilities at Destinations designated with a ‡. Petroleum Products will be accepted for transportation only when Consignor has provided equipment and facilities satisfactory to the Carrier and when Consignor or Consignee has ascertained from the Carrier or has furnished evidence satisfactory to the Carrier that there are adequate facilities at Destination, which are available for receipt of the shipment as it arrives without delay.

**SECTION B.** In the event Consignor or Consignee fails to provide adequate facilities at the Destination for receipt as provided in Section A hereof, Carrier shall have the right, on 24 hours notice, to divert or reconsign, subject to the rates, rules and regulations applicable from point of Origin to actual final Destination, or make whatever arrangements for disposition as are deemed appropriate to clear the Carrier's facilities, including the right of private sale for the best price reasonably obtainable. The Carrier may be a purchaser at such sale. Out of the proceeds of said sale, the Carrier shall pay itself all transportation and other applicable lawful charges and necessary expenses of the sale and the expense of caring for and maintaining the Petroleum Products until disposed of and the balance shall be held for whosoever may be lawfully entitled thereto.

#### ITEM 75 – PAYMENT OF TRANSPORTATION AND OTHER CHARGES

The transportation and all other applicable lawful charges, except demurrage charges, accruing on Petroleum Products accepted for transportation shall be paid before release of Petroleum Products from the custody of Carrier. If required by Carrier, Shipper shall either prepay all such charges or furnish guaranty of payment satisfactory to Carrier. Petroleum Products accepted for transportation shall be subject to a carrier's lien, as provided by Article 7 of 12A Okla. Stat. (as such article may be amended from time to time), for all applicable, lawful charges.

If such charges are not paid by the due date stated on the invoice, the balance due on the entire past due balance (including principal and accumulated but unpaid finance charges) shall bear interest from that due date until paid in full at the rate equal to the lesser of one hundred twenty-five percent (125%) of the prime rate of interest charged by Citibank N.A., New York, New York as of the due date or the maximum finance charge rate allowed by law.

In addition to all other liens, statutory or otherwise, to which Carrier is entitled and unless the following grant is expressly prohibited by the terms of one or more security agreements or credit agreements creating prior, perfected security interests in the hereinafter-defined Collateral, Shipper hereby grants to Carrier a first priority, continuous and continuing security interest in all of the following, whether now or

hereafter existing or acquired, as collateral for the prompt and complete payment and performance of Shipper's Obligations (as defined below): (a) All Petroleum Products accepted by Carrier for transportation, terminaling, storage, or otherwise; (b) all other property of Shipper now in the possession of and at any time and from time to time hereafter delivered to Carrier or its agents; (c) all of Shipper's pre-payments, deposits, balances, and credits with, and any of its claims against, Carrier, at any time existing; and (d) all products and proceeds of any of the foregoing property in any form. The property described or referred to in subsections (a) through (c) above is collectively referred to as the "Collateral." This grant secures the following (collectively the "Obligations"): (a) all antecedent, current and future transportation, storage, terminaling, special, ancillary and other lawful charges arising under or related to this tariff or the contracts entered into in connection with this tariff; (b) the repayment of any amounts that Carrier may advance or spend for the maintenance, storage or preservation of the Collateral; (c) all amounts owed under any modifications, renewals or extensions of any of the foregoing obligations; and (d) all other amounts now or in the future owed by Shipper to Carrier, whether or not of the same kind or class as the other obligations owed by Shipper to Carrier. Shipper authorizes Carrier to file such financing statements or other documents necessary to perfect and maintain the security interest herein granted.

Upon a default by the Shipper under this tariff or the contracts entered into in connection with this tariff, Carrier may, without further notice, setoff (including by set off, offset, recoupment, combination of accounts, deduction, retention, counterclaim, or withholding across or within each or all of such tariff and contracts, collectively "Setoff") (a) any amounts owed by Carrier to the Shipper under any other agreements, instruments or undertakings between the Shipper and Carrier against (b) any amounts owed by the Shipper to Carrier under any other agreements, instruments or undertakings between the Shipper and Carrier. Carrier shall give the Shipper notice of any Setoff pursuant to this paragraph, as soon as practicable thereafter, provided that failure to give such notice shall not affect the validity of the Setoff.

This item shall be construed in accordance with and governed by the laws of the State of Oklahoma (including without limitation the Uniform Commercial Code, 12A Okla. Stat. § 1-101 et seq., as it may be amended from time to time), without regard to any choice of law rules which may direct the application of the laws of any other jurisdiction.

# ITEM 80 – TAX REGISTRATION

Consignors and Consignees shall be required to provide proof of registration with or tax exemption from the appropriate Federal and/or State tax authorities related to the collection and payment of fuels excise tax or other similar taxes, levies, or assessments. Failure of the Consignor and Consignee to do so shall not relieve the Consignor or Consignee from the obligation to pay any such tax, levy, or assessment. Any tax, levy, assessment, or other charge imposed by such authority against Carrier as the result of such failure shall be collected by Carrier under the provisions of Item 75.

# ITEM 85 – WITHDRAWALS FROM CARRIER'S TERMINAL FACILITIES

If a Consignor ships and consigns to Destinations where the Carrier provides terminal facilities in accordance with the schedules of shipments furnished by the Carrier, Carrier may permit the Consignee to withdraw such consignments from Carrier's terminal beginning at any time after the acceptance of the shipment for transportation. In order for the Inventory Owner to immediately withdraw its inventory of Open Stock Petroleum Products, the Inventory Owner must maintain a minimum inventory balance,

herein referred to as a Minimum Allocation. An Inventory Owner's Minimum Allocation is calculated by applying the Inventory Owner's percentage of overall demand from all Carriers' terminals for a specific Open Stock Petroleum Product against Carrier's system inventory required to maintain Open Stock Status for such Open Stock Petroleum Product. In no event will the calculation of an individual Inventory Owner's Minimum Allocation be less than the minimum inventory levels for each Open Stock Petroleum Product established by the Carrier for all Inventory Owners which are actively utilizing the Carrier's terminal facilities. Consignments in Carrier's system which fulfill an Inventory Owner's Minimum Allocation will be charged an initial transportation rate of **[U]** 177.71 cents per barrel. An Inventory Owner's Minimum Allocation will be updated on the first (1st) day of every month based on the immediately preceding **[W]** <u>ninety (90)</u> thirty (30) day period during which Open Stock Petroleum Product withdrawal privileges were in effect. Inventory Owners have until midnight of the seventh (7th) calendar day of every month to satisfy their Minimum Allocation obligation.

New Inventory Owners will be required to submit a loading forecast, which will be used to calculate an initial Minimum Allocation for each Open Stock Petroleum Product. A new Inventory Owner's withdrawals will be monitored during the first (1st) month and the associated Minimum Allocation may be adjusted by the Carrier, if necessary.

An Inventory Owner with an inventory balance less than its Minimum Allocation will be deemed inactive for a period of six (6) consecutive, full calendar months thereafter (the "Inactive Period") and will not without Carrier's express approval, be allowed to withdraw Open Stock Petroleum Product from Carrier's terminal facilities during the Inactive Period or afterward until the first (1st) day of the month following the month during which the Inventory Owner has provided sufficient inventory to meet its Minimum Allocation which was in effect immediately prior to the suspension of its withdrawal privileges. If an Inventory Owner thereafter fails or refuses to ship in accordance with the schedule of shipments furnished by the Carrier or fails to maintain its Minimum Allocation, Carrier may suspend, until further notice, Open Stock Status for such Inventory Owner.

Subject to Items 75 and 185, Minimum Allocation may be withdrawn from the system coincidental with the monthly adjustment to all Inventory Owners' Minimum Allocations after the seventh (7th) calendar day of the month following the month in which Carrier receives written notification of Inventory Owner's intent to discontinue shipments under this Item.

Withdrawals of Non-Open Stock Petroleum Products from Carrier's terminal facilities will be permitted after the shipment has sustained its associated Transit Time from the shipment's Origin to Destination. In addition, Carrier may require Inventory Owner to maintain minimum inventory on Non-Open Stock products.

Inventory Owners shall be permitted to withdraw Petroleum Products at Carrier's terminals only if positive inventory is maintained at that location, regardless of the Inventory Owner's system-wide status. If an Inventory Owner's balance at a location reaches zero, rack deliveries can be suspended until the Inventory Owner replenishes its product inventory at the location.

In case of events or circumstances which prevent or threaten to prevent normal transportation and delivery of consignments to a Destination or Destinations, Open Stock Status may be suspended or controlled as to all Inventory Owners at such Destination or Destinations until further notice. When Open Stock Status has been suspended as to any Inventory Owner at a Destination or Destinations, further withdrawals may not be made from a consignment until its physical delivery into terminal facilities at such Destination.

Exception to this Item is referenced in MPL's F.E.R.C. No. 185.20.0, supplements thereto and reissues hereof.

#### **ITEM 90 – PIPEAGE CONTRACTS REQUIRED**

Separate pipeage contracts in accordance with this tariff and these regulations covering further details may be required of a Shipper before any duty to transport shall arise.

#### TRANSPORTATION SERVICES AND RELATED REQUIREMENTS

#### ITEM 95 – MINIMUM SHIPMENT

**SECTION A.** A shipment of 25,000 Barrels or more of Petroleum Products, of the same required specifications only, shall be accepted for transportation at one point of Origin from one Consignor.

**SECTION B.** A shipment of not less than 5,000 Barrels of Petroleum Products, of the same specifications only, shall be accepted for transportation at one point of Origin from one Consignor subject to delay until Carrier has accumulated at receiving point the minimum shipment described in Section A of the same specifications from the same or other Consignors.

#### ITEM 100 – MINIMUM CONSIGNMENT

**SECTION A.** A consignment of Petroleum Products of the same specifications may be made as provided in Section B herein to one Consignee at any Destination on the MPL system or any point directly intermediate thereto, or to any Destination on other pipelines named in tariffs issued by or concurred in by MPL which are lawfully on file with the F.E.R.C. or State Commissions, subject to the rates, rules and regulations applicable from point of Origin to final Destination.

**SECTION B.** A consignment of Petroleum Products of the same specifications may be made as follows:

- 1. Except as otherwise provided, a minimum of 12,500 Barrels of the same product must be consigned to a Destination.
- 2. Any quantity of barrelage may be consigned to a Destination provided that the Carrier can consolidate such consignment with other barrelage so that the total barrelage is 12,500 or more Barrels of the same specifications consigned to the same Destination by the same or other Consignors.
- 3. Any quantity of barrelage may be consigned to a Destination provided that the Carrier can consolidate such consignment with other barrelage so that the total barrelage is 5,000 or more Barrels of the same specifications consigned to the same Destination by the same or other Consignors and further provided that the Carrier can consolidate the 5,000 Barrels with 12,500 or more Barrels of the same specifications consigned by the same or other Consignors to a Destination on the same line situated beyond the Destination to which the 5,000 Barrels are destined.

#### **ITEM 115 – RECONSIGNMENT**

If no out-of-line or backhaul movement is required and if the current scheduled operations will permit, Consignor may reconsign, without charge, any shipment that is in Carrier's possession to Destinations, or any point directly intermediate thereto, or to Destinations on other pipelines named in tariffs issued by or concurred in by Carriers party to this tariff, lawfully on file with the F.E.R.C. and/or State Commissions, subject to the rates, rules and regulations applicable from point of Origin to actual final Destination. Reconsignments are not permitted from terminals not owned by Carrier.

If a Shipper elects to use automatic reconsignments to cover negative inventory positions, the locations from which the product will be reconsigned must be specified. A negative inventory position will be allowed to remain for three (3) working days. After three (3) days, volumes in the account of a Shipper having a negative inventory position will be reconsigned automatically from other locations on MPL to eliminate the negative inventory position.

Transit Time is applied on reconsignments of Open Stock Grades for Transit Time Shippers. Intransit inventory for the Open Stock Grades is automatically released for loading when the Transit Time from the Origin to the Destination has been met.

Backhaul reconsignments are allowed only for Open Stock Grades by Open Stock Status Shippers and/or for Specialty Grades by Open Stock Status Shippers to correct inventory imbalances or errors made by Shippers in entering consignments. A reconsignment is considered a backhaul when the Transit Time from the Origin of the inventory to the new location is less than the Transit Time from the Origin to the original location.

Reconsignment shall not prevent or change the running of time used in computing the demurrage charge, except that no demurrage charge shall accrue thereon from midnight of the day such consignment is removed from the tankage for transportation to the Destination to which reconsigned.

Exception to this Item is referenced in MPL's F.E.R.C. No. 185.20.0, supplements thereto and reissues thereof.

#### ITEM 120 – APPLICATION OF RATES FROM OR TO INTERMEDIATE POINTS

Shipments of Petroleum Products accepted for transportation from any Origin or to any Destination not named in any tariff making reference hereto, which Origin or Destination is directly intermediate to any Origin or Destination from or to which a rate applying though such unnamed point is published, the Carrier will apply, from or to such unnamed intermediate point, the rate published from or to the next more distant point specified in the tariff.

#### ITEM 125 – IDENTITY OF SHIPMENT

Because it is impracticable to maintain the identity of each shipment or consignment of Petroleum Products, substitution of barrelage, but not substitution of one kind of petroleum product for another by Carrier, shall be permitted.

# TERMINALING SERVICES AND RELATED REQUIREMENTS

#### ITEM 130 – MPL COMPANY TERMINALING SERVICES

The rates published in Tariffs issued by or concurred in by MPL include the charges for line haul and the charges for loading into motor tank trucks through MPL terminal facilities EXCEPT: Wichita, KS, Great Bend, KS, Scott City, KS, Bettendorf, IA, Mount Vernon, MO, Rogers, AR, Wrenshall, MN and North Little Rock (MPL), AR where tariff rate is for line haul only and Carrier will require additional contracts for loading or other services. Terminal facilities include tanks, loading racks and meters. Carrier may require Shipper to provide storage for Non-Open Stock Petroleum Products.

#### ITEM 135 – DELIVERY TO DESTINATION

Upon arrival at Destination, Petroleum Products shall be delivered into terminal or other facilities provided by the Consignor or Consignee, or into terminal facilities furnished by the Carrier where Carrier furnishes terminal facilities, pending receipt by Carrier from Consignor or Consignee of instructions relative to the further transportation thereof. Carrier may require Shipper to provide storage for Non-Open Stock Petroleum Products.

#### ITEM 140 – MINIMUM DELIVERY FROM CARRIER'S TERMINAL FACILITIES

Each delivery from Carrier's terminal facilities by Consignor or Consignee must not be less than 4,000 United States gallons in volume before temperature correction.

# ITEM 145 – DEMURRAGE CHARGES

In order to provide space for delivery of succeeding shipments in Carrier's tankage or to otherwise prevent or relieve congestion at Destinations where Carrier provides tankage, Carrier may give notice to Consignors or Consignees to remove Petroleum Products from such terminal facilities. Petroleum Products specified in the notice which are not removed at the close of a five (5) day period, beginning the day after such notice is sent by the Carrier, shall be subject to a demurrage charge of **[U]** five cents (5¢) per Barrel per day until removed. Demurrage charges shall be payable upon presentation of an invoice by the Carrier.

# SPECIAL AND ANCILLARY SERVICES AND RELATED REQUIREMENTS

#### ITEM 150 – FILTRATION AND SPECIAL TESTING SERVICE

When a Consignor or Consignee requires filtration and/or special testing of a Petroleum Product to guarantee a minimum of impurities more stringent than normally warranted by the Carrier, the Carrier will provide such service for a charge as set forth below:

#### **Commercial Jet Fuel Filtration**

Removal of particular matter, free water and surfactants [U] 6.42 ¢/BBL

#### ITEM 155 – SPECIAL HANDLING SERVICES

Petroleum Products which require special handling in MPL's pipelines or terminals because of special properties and/or specifications or because demand is insufficient may, if economically feasible and otherwise practical, be handled for an additional charge as set forth below:

#### Premium Unleaded Gasoline

Transported and Handled via MPL Terminals NOT noted with a ‡ ...... [U] 12.88 ¢/BBL

#### Premium Unleaded Gasoline

Transported and Handled via Terminals noted with a ‡ ...... [U] 8.59 ¢/BBL

#### ITEM 160 – HIGH RVP UNLEADED GASOLINE

#### High RVP Unleaded Gasoline Shipments (JANUARY 1 THROUGH APRIL 30)

From January 1 through April 30, MPL will transport unleaded gasoline having a Reid Vapor Pressure (RVP) which exceeds Carrier's normal Reid Vapor Pressure specifications, but which does not exceed ASTM D4814 Volatility Classifications at the time of shipment for **[U]** 21.38 cents per barrel in addition to the published transportation rate.

Shipments will be scheduled only when MPL has determined that the volume, specifications and routing of the various shipments will not impair its ability to comply with all Federal, State and Local regulations regarding the Reid Vapor Pressure of deliveries from Carrier's Facilities. Scheduling of high RVP shipments will be performed in a manner so as to avoid unjust discrimination or undue preference among Shippers.

#### High RVP Unleaded Gasoline Withdrawal (MAY 1 THROUGH SEPTEMBER 15)

Shippers must withdraw all high RVP gasoline (gasoline whose RVP is above the May 1 MPL delivery specifications found at <u>www.magellanlp.com/WhatWeDo/ProductSpecs.aspx</u>) from Carrier's inventory prior to May 1. All inventory transactions will be recorded on a First-In First-Out (FIFO) basis. Shippers with high RVP inventory in Carrier's system beyond May 1 can be charged **[U]** 144.55 per barrel per month. After May 1, Shippers will not be allowed to withdraw any high RVP gasoline inventories in Carrier's system until September 15.

#### ITEM 165 – STORAGE IN TRANSIT (SIT)

When requested in writing at the time of offering for shipment, tenders of Petroleum Products may be stored in transit under conditions and for periods described herein.

Under provisions of this Item, Shippers or Consignees may provide their own storage facilities. Shippers or Consignees who do so are required to obtain connection, design and operational approval of the facilities from MPL prior to tendering shipment and to pay all reasonable costs for connection to the pipeline. Shippers and Consignees will be required to provide MPL with any operational information about the storage, as requested by the Carrier, such as working capacity, service, etc.

When Shippers or Consignee provide such storage facilities, they shall cause accurate records to be kept showing the transit barrelage on hand. At no time shall the transit barrelage on hand be allowed to exceed the working capacity of such storage facility. MPL shall have access to these transit records at all reasonable times. If requested by MPL, the Shipper or Consignee shall certify under oath as to the accuracy of such records. Volumes reshipped shall never exceed the transit barrelage so identified.

When Shippers or Consignees request Petroleum Product to be delivered to their own storage facilities to be utilized as storage in-transit, the initial transportation charge to be collected shall be the rate per Barrel from the Origin of the Petroleum Product to the Destination or the nearest Destination at which the storage facility is located. If no rate is named from the Origin to the storage location, then the initial charge shall be the rate per Barrel from the Origin of the Petroleum Product to the first MPL Destination situated beyond. If the Petroleum Product is reshipped, MPL shall collect transportation charges based on the difference between the tariff rate paid to the storage-in-transit Destination and the tariff rate applicable from the initial Origin to the final Destination in effect on the date of reshipment.

When Shippers or Consignees provide their own storage facilities, and utilize this storage in transit provision, a **[U]** ten cents (10¢) per barrel in-transit fee will be charged.

It being impracticable to maintain the identity of Petroleum Products stopped in transit, substitution of barrelage, but not one kind of Petroleum Products for another, shall be permitted.

Petroleum Product offered for reshipment under this item will be governed by all applicable rules and regulations contained in this Tariff, including but not limited to, Item 25 – Product Acceptance Specifications, Item 40 – Testing and Measuring, Item 45 – Scheduling of Shipments, Item 95 – Minimum Shipment and Item 50 – Proration of Pipeline Capacity. Petroleum Product offered for reshipment under this item shall be accepted for shipment at such times as it shall not interfere or delay shipments from points of Origin(s) to deliveries to Carrier's Destinations. Furthermore, during any prorationing of Carrier's system, the reshipment of the storage in-transit barrels will be subordinate to all other shipments nominated for the month. This Item 165 is not intended to and does not create any type of Origin on Carrier's pipeline system.

# ITEM 170 – CHARGES FOR SPILL COMPENSATION ACTS AND REGULATIONS

In addition to the transportation charges and all other charges accruing on Petroleum Products accepted for transportation, a per Barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against the Carrier in connection with such Petroleum Products pursuant to any Federal, State, or Local act or regulation which levies a tax, fee, or other charge on the receipt, delivery, transfer, or transportation of such Petroleum Products within their jurisdiction for the purpose of creating a fund for the prevention, containment, clean up, and/or removal of spills and/or reimbursement of persons sustaining such costs or losses there from.

#### ITEM 175 – COMMUNICATION FACILITIES

Shippers may use the Message Facility of Carrier's "ATLAS" system to conduct pipeline business only. All messages are subject to audit. Use of the Carrier's "ATLAS" system for any purpose other than to conduct pipeline business will cause Shipper's privilege of use to be suspended for twelve (12) months. Carrier will not be liable for non-delivery of messages or for errors or delays in transmission or interruption of such service.

# LIABILITY AND CLAIM SETTLEMENT

#### ITEM 180 – DUTY OF CARRIER

#### Quantity

The Carrier shall transport and deliver into terminal facilities at the applicable Destination(s), with reasonable diligence, a quantity of Petroleum Product equal in volume to the quantity of Petroleum Product accepted for transportation, less the appropriate tender deduction, transmix allocation and any other volume reduction provided or referenced in this tariff. In the event of non-delivery due to interface cuts or other operating losses in excess of the tender deduction, the Carrier shall have the right to satisfy any claim by product replacement or cash payment.

#### Quality

Carrier shall have no duty to deliver Petroleum Product other than in conformance with state and federal governmental requirements for such Petroleum Product that apply to deliveries at the applicable Destination, except as otherwise noted in the specifications that apply to deliveries at such Destination as established by Carrier and set forth at the public website <u>www.magellanlp.com/WhatWeDo/ProductSpecs.aspx</u>.

#### ITEM 185 – LIABILITY OF CARRIER

The Carrier shall not be liable for any delay in transportation or terminaling services or loss of Petroleum Products caused by acts of God; storm, flood, extreme weather, fire, explosion; war, invasion, hostilities, rebellion, terrorism, insurrections, riots; strikes, picketing or other labor stoppages, whether of Carrier's employees or otherwise; electrical or electronic failure or malfunction; communications failure or malfunction; computer hardware and/or software failure, malfunction; breakage or accident to machinery or equipment; proration; temporary restraining orders, injunctions or compliance orders issued by courts or governmental agencies; seizure or destruction under quarantine or customs regulations, or confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade; or any cause not due to fault or negligence of Carrier. In the event of such loss, each owner shall bear the loss in the same proportion as its share of the total quantity of the kind of product involved in the loss in the custody of the Carrier at the time of such loss. Each Shipper or Consignee shall be entitled to receive only so much of its share remaining after its due proportion of the loss is deducted. The Carrier shall compute the quantities of loss and shall prepare and submit a statement to the Shippers or Consignees showing the apportionment of the loss among the Shippers or Consignees involved.

Carrier will transport and deliver Petroleum Products with reasonable diligence and dispatch, but will not be liable for delays in transportation of Petroleum Products to a particular market.

The Carrier shall not be liable for discoloration, contamination or deterioration of Petroleum Products transported unless such discoloration, contamination or deterioration results from the negligence of the Carrier. In the event of such damage, each Shipper's or Consignee's share of the damaged Petroleum Product shall be in the same proportion as its share of the total quantity of shipments involved and each such Shipper or Consignee shall be allocated only its proportionate share of damaged Petroleum Product.

Inventory Owner shall protect, indemnify, defend and hold Carrier, its parent and affiliates harmless from and against all claims, losses, suits, liabilities, fines, penalties, damages and expenses (including reasonable attorneys' fees and expenses) of any kind or character arising from or related to (1) negligent or willful acts or omissions on the part of Inventory Owner, its employees, agents or contractors (including, but not limited to, any contractors transporting products(s) to or from any location on Carrier's system), or (2) liability arising from the chemical characteristics of product(s), except to the extent such liability arises from Carrier's negligence.

Product(s) in this Item refers to any individual product, as defined in this Tariff (in Item 20 – Petroleum Products Defined), or any combination thereof, whether achieved via in-line (automated) or splash (manual) blending.

In no event shall Carrier be liable to any Shipper or Inventory Owner for any losses, liabilities or damages, including special, punitive, exemplary, consequential, incidental or indirect losses or damages howsoever caused, (including but not limited to loss of revenue, loss of profits or present or future opportunities) whether or not foreseeable, and irrespective of the theory or cause of action upon which such damages might be based, except for such actual losses or damages sustained as a result of, and to the extent of, Carrier's negligence.

#### ITEM 190 – CLAIMS: TIME FOR FILING

Notice of any claim for loss, damage or liability for or in connection with Petroleum Products ("Claim", whether one or more) must be made in writing to the Carrier within nine (9) months after delivery of the Petroleum Products at the applicable Destination(s), or, in the case of a failure of Carrier to so deliver, then within nine (9) months after a reasonable time for delivery has elapsed. Failure to give such notice of any Claim shall be deemed to be a waiver and release of such Claim and of all rights to assert such Claim, and Carrier shall have no liability or obligation with respect thereto.

Suit against Carrier for any Claim must be instituted within two (2) years and one (1) day from the day when notice in writing is given by Carrier to the claimant that the Carrier has disallowed all or any part of such Claim. Any Claim for which suit has not been instituted in accordance with the foregoing provisions shall be deemed to have been waived, relinquished and released, and Carrier shall have no liability or obligation with respect thereto.

# **EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS**

	Pounds per square inch Reid Vapor Pressure
No	Number
ЕРА	Environmental Protection Agency
F.E.R.C	Federal Energy Regulatory Commission

[C] Cancel

[D] Decrease

[I] Increase

[N] New

[U] Unchanged

[W] Change in wording only