

**Texas No. 8.4.0**  
(Cancels Texas No. 8.3.0)

# **BRIDGETEX PIPELINE COMPANY, LLC**

## **INCENTIVE TARIFF**

APPLYING ON THE TRANSPORTATION OF

### **CRUDE PETROLEUM**

TO AND FROM POINTS NAMED HEREIN

Governed, except as otherwise provided herein, by rules and regulations published in BridgeTex Pipeline Company, LLC's (the "Carrier") R.C.T. No. 4.2.0, supplements thereto and reissues thereof (the "BridgeTex II Rules Tariff").

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

T-4 Permit No. T-08804. P-5 ID No: P-521318

**Effective: July 1, 2020**

Issued & Compiled By: Tina R. Granger, Pipeline Tariffs  
BRIDGETEX PIPELINE COMPANY, LLC  
One Williams Center – MD 32  
Tulsa, Oklahoma 74172  
(918) 574-7415

**VARIABLE INCENTIVE RATE PROGRAM**

All Rates are for pipeline transportation only.

Any Shipper (as defined in the BridgeTex II Rules Tariff) that transports Product on the BridgeTex II Facilities (defined in Note 1 below) during a given month will be eligible for a variable incentive rate based on the table below (“Variable Rate”) on all volumes nominated and transported under this Local Tariff (the “Incentive Tariff”) in such month and such movements will be made pursuant to the proration policy in Item 150 of the BridgeTex II Rules Tariff. Carrier reserves the right to cancel or amend the Variable Rate or this Incentive Tariff at its discretion.

FROM (Origin)(Note 1)		TO (Destination) (Note 2)	Rates in Cents per barrel of 42 U.S. Gallons (Note 3, Note 4)
Colorado City, TX Midland, TX		East Houston	Differential minus 40.0

**NOTES APPLICABLE TO VARIABLE INCENTIVE RATE**

**Note 1:** The origin (“Origin”) for this Incentive Tariff is the inlet flange to the BridgeTex II Facilities (as defined in this Note 1) located in Colorado City, Texas, or Midland, Texas. The BridgeTex II Facilities means, collectively, the pipeline and the associated facilities and improvements, whether owned or leased by Carrier, to transport Crude Petroleum from the Origin to the Destination (as defined in Note 2), on throughput capacity resulting from an expansion of the Existing Carrier Facilities (as defined in this Note 1) from the Origin. The “Existing Carrier Facilities” means, collectively, the Original Carrier Facilities (as defined in this Note 1) and the Bryan Facilities (as defined in this Note 1). The “Original Carrier Facilities” means, collectively, the pipeline and the associated facilities and improvements, whether owned or leased by Carrier, to transport Crude Petroleum from Colorado City, Texas to destinations in the Houston gulf coast area, with an operating capacity of 300,000 Barrels per day. The “Bryan Facilities” means, collectively, the pipeline and associated facilities and improvements, whether owned or leased by Carrier, to transport Crude Petroleum from Bryan, Texas to destinations in the Houston gulf coast area as effected through an expansion above the throughput capacity of the Original Carrier Facilities between Bryan, Texas and the Houston gulf coast area. This Incentive Tariff only applies to shipments on the BridgeTex II Facilities and does not apply to shipments on the Existing Carrier Facilities.

**Note 2:** The Destination (“Destination”) for this Incentive Tariff is the delivery location into Carrier’s tankage at Magellan’s East Houston Terminal located at 7901 Wallisville Road, Houston, Texas Houston Gulf Coast area, which is connected to and capable of receiving Crude Petroleum from Carrier’s pipeline facilities.

**Note 3:** The “Differential” is determined for each month utilizing the *Argus Crude Oil Assessment* daily price publications for the trade month corresponding to the physical delivery month published each day beginning on the date that New Shipper nominations must be submitted to Carrier for such shipping month and ending on the last business day that falls on or before the 25<sup>th</sup> calendar day of the month prior to the month of delivery (the “Publications”). The Differential will be calculated as follows: Differential equals the WTI Houston Price minus the WTI Midland Price (as such terms are defined below).

The “WTI Houston Price” is the weighted average of the amounts (multiplied by 100 in order to convert dollars into cents) found in each daily Publication under the heading “US GULF COAST AND MIDCONTINENT”, in the table labeled “WTI”, in the column labeled “Diff weighted average” and the row labeled “WTI Houston” for the shipping month for which the nominations apply.

The “WTI Midland Price” is the weighted average of the amounts (multiplied by 100 in order to convert dollars into cents) found in each daily Publication under the heading “US GULF COAST AND MIDCONTINENT”, in the table labeled “WTI”, in the column labeled “Diff weighted average” and the row labeled “WTI Midland” for the shipping month for which the nominations apply.

**Example:** The following is an example calculation of the Differential for shipments in July, 2019, based on values from the Thursday 13 June 2019 through Tuesday 25 June 2019 Publications.

	WTI Houston Timing July Base Jul WTI			WTI Midland Timing July Base Jul WTI		
	Diff weighted average	Diff MTD weighted average	Weighted average	Diff weighted average	Diff MTD weighted average	Weighted average
6/13/2019	7.1300	7.0800	59.4100	(0.8000)	(0.6400)	51.4800
6/14/2019	7.1000	7.0800	59.6100	(0.8600)	(0.6500)	51.6500
6/17/2019	7.0800	7.0800	59.0100	(0.7600)	(0.6600)	51.1700
6/18/2019	6.0000	7.0200	59.9000	(0.5800)	(0.6600)	53.3200
6/19/2019	5.6200	6.9300	59.3800	(0.5300)	(0.6500)	53.2300
6/20/2019	5.0900	6.8300	61.7400	(0.5900)	(0.6500)	56.0600
6/21/2019	5.2300	6.7500	62.5100	(0.5400)	(0.6400)	56.7400
6/24/2019	4.5800	6.6400	62.2800	(0.6200)	(0.6400)	57.0800
6/25/2019	4.7900	6.5500	62.3900	(0.8000)	(0.6500)	56.8000
Average	5.8467			(0.6756)		

Values from the Publications in the table above would yield a Differential of +652.22 cents per barrel calculated as follows:

WTI Houston Price (month of requested nominations):  $+5.8467 \times 100 = +584.67$

WTI Midland Price (month of requested nominations):  $-0.6756 \times 100 = -67.56$

Differential:  $+584.67 - (-67.56) = +652.22$

**Note 4:** Under no circumstance will the Variable Rate be less than [I] 216.0 cents from Colorado City, TX and [I] 244.0 cents from Midland, TX or more than [I] 447.89 cents from either Origin.

**Note 5:** Notwithstanding anything to the contrary in a tariff covering the BridgeTex II Facilities or any contract between a Shipper and Carrier, by electing to ship under this Incentive Tariff, Shipper agrees that: (a) volumes shipped and fees paid under this Incentive Tariff by Shipper will not count toward any volume commitment or minimum payment commitment of Shipper and will not generate any credits under any contract between Shipper and Carrier; and (b) Shipper may not apply any credits earned under any contract with Carrier to any amounts due under this Incentive Tariff. The foregoing exclusions will not apply if Shipper elects to ship qualifying volumes under Carrier’s [W] Texas No. 5.10.0 ~~5-9-0~~.

[W] Wording change only

[I] Increase