

F.E.R.C. No. 178.11.0
(Amends F.E.R.C. No. 178.10.0)

MAGELLAN PIPELINE COMPANY, L.P.

LOCAL AND JOINT VOLUME INCENTIVE PIPELINE TARIFF

APPLYING ON THE TRANSPORTATION OF

PETROLEUM PRODUCTS

MPL MOUNTAIN ORIGINS

TO POINTS NAMED HEREIN

All rates contained herein are incentive rates, below the corresponding base rates found in F.E.R.C. No. **[W]** ~~163.15.0~~ ~~163.14.0~~ which are issued under authority of 18 CFR 342.4 (b) – market based pursuant to the Commission’s Order Approving Settlement in Magellan Pipeline Company, L.P. Docket No. OR10-6-000, issued December 14, 2011.

Governed, except as otherwise provided herein, by rules and regulations published in Magellan Pipeline Company, L.P.’s F.E.R.C. No. **[W]** ~~158.31.0~~ ~~158.27.0~~ supplements thereto and reissues thereof.

The rates named in this Tariff are expressed in cents a barrel of 42 U.S. Gallons and are subject to change as provided by law.

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

ISSUED: May 27, 2022

EFFECTIVE: July 1, 2022

Issued & Compiled By: Jake Nolte, Pipeline Tariffs
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ITEM NO. 100 THREE YEAR VOLUME INCENTIVE PROGRAM

From: El Dorado, KS

To: Denver, CO

1. Rates set forth in this Item apply to deliveries of Low Octane Gasoline Blendstock (“FLB”), from the Incentive Rate Origin defined as El Dorado, KS to the Single Incentive Destination defined as Denver, CO.

Any Shipper desiring to avail itself of the Incentive Rates, as set forth herein must satisfy all of the following provisions.

- Shippers must enter into a prior written commitment with Carrier.
- The Commitment Term shall be thirty-six (36) months, but not longer than the effectiveness of this Item or any successive issues, reissues and amendments thereto.
- The Effective Date of this commitment will be on the date of acceptance by Carrier of an executed written commitment from the Shipper, no later than the first day of the first calendar month following receipt by Carrier of the executed written commitment.
- The Total Guaranteed Committed Volume under this Item is **3,285,000 barrels over the thirty-six month** Commitment Term, which shall equate to a Minimum Annual Guaranteed Committed Volume under this Item of **1,095,000 barrels per year** over the Commitment Term.

2. In addition to the terms and conditions contained in this item, all applicable rules and regulations in MPL’s F.E.R.C. NO. **[W] 158.31.0** ~~158.27.0~~, supplements thereto and reissues thereof, also apply

3. **Tiered Volume Incentive Rates**

FROM	TO	ANNUAL TIER THRESHOLD	INCENTIVE RATE (cents per barrel)
El Dorado, KS	Denver, CO	0-1,095,000 bbls	[I] 175.98
		[W] 1,095,001 1,095,000 bbls – 1,825,000 bbls	[I] 156.42
		> 1,825,000 bbls	[I] 195.55 ^(a)

No storage facilities provided by Carrier at destination, for product of Low Octane Gasoline Blendstock.

^(a) Base rate

4. Volumes delivered at the Single Incentive Destination for the Shipper, including any volumes obtained by title transfer from another Shipper, will apply toward the Minimum Annual Committed Volume. Title transfer of eligible barrels from another Shipper or Shippers to a Participating Shipper must occur prior to time of delivery at the Incentive Destination. The Incentive Rate contained herein will only apply to volumes transported by Shipper, in its name, from the applicable origin, and delivered at the Incentive Destination from Shipper's inventory during the Commitment Term (i.e., the original shipment date must be within the Commitment Term) from the defined Incentive Rate Origins.

5. Carrier will invoice the Shipper at the rates set out in the Local and Joint Base Rate tariff under Item 100 of MPL's F.E.R.C. No. **[W]** 163.15.0 ~~163.14.0~~ and any reissues thereto of these tariff publications. After the end of each month, Carrier will calculate the difference between the rate invoiced and the Incentive Rate for volumes delivered during the previous month at the Incentive Destination from the eligible Incentive Rate Origin, and will issue a payment of the difference to Shipper.

6. Annually, on the anniversary of the commitment Effective Date, if the Shipper did not meet the Minimum Annual Guaranteed Committed Volume, Shipper will pay the difference between Annual Guaranteed Committed Volume and the actual volume delivered during the Contract Year multiplied by the Tier 1 Incentive Rate. No volumes shall be carried forward to meet the Minimum Annual Guaranteed Committed Volume in subsequent Contract Years.

7. Carrier may increase the Incentive Rates set out in paragraph 3 at any time by the same percentage increase as the corresponding base rate is increased. If Carrier elects not to take an allowed increase in a given year, Carrier may take the cumulative allowed increase in any subsequent year.

8. If a Shipper fails to meet the applicable Minimum Annual Guaranteed Committed Volume and that failure is the direct result of the Carrier's inability to provide timely service, the applicable Minimum Annual Guaranteed Committed Volume shall be reduced pro rata on a day for day basis for each day that the Carrier was unable to provide timely service. The Shipper must assert its claim of Carrier's failure to provide timely service in writing to Carrier within ten (10) days following the end of the calendar month during which Carrier did not provide timely service. The Shipper will bear the burden of proof in showing that Carrier's failure to provide timely service did, in fact, result in the Shipper's failure to meet its commitment obligation.

9. Carrier shall not be obligated during any one calendar month to accept for transportation more than one hundred twenty-five percent (125%) of the prorated monthly Annual Guaranteed Committed Volume, based on volumes.

10. In the event Shipper experiences Force Majeure that delays delivery of product to Carrier at point of origin, the Commitment Term shall be extended for a period of time equal to the duration of such Force Majeure and no payment shall be required to be made by Shipper for such extension period. Force Majeure shall mean any cause, event or circumstance of whatever nature which is not within the reasonable control of the Party claiming to be adversely affected thereby such as, but not limited to, acts of God, or public enemy, strikes, lockouts, or other industrial disturbances, wars, insurrections, riots or explosions. Force Majeure shall include, but not be limited to, any of the above occurrences at Shipper's petroleum refinery or any scheduled maintenance or turnaround procedures at such refinery for periods not exceeding thirty (30) days per year, which maintenance or turnaround procedures reduce shipments by at least 10,000 barrels per day for at least ten (10) consecutive days, but such events of Force Majeure will not effect a reduction in Shipper's obligations hereunder.

PARTICIPATING CARRIERS

Holly Energy Partners – Operating, L.P.

EXPLANATION OF REFERENCE MARKS

[C] Cancel
[D] Decrease
[I] Increase
[N] New
[U] Unchanged
[W] Change in wording only