

R.C.T. No. 10  
(cancels R.C.T. No 9)

# MAGELLAN PIPELINES HOLDINGS, L.P.

## LOCAL PIPELINE TARIFF

CONTAINING

RATES, RULES AND REGULATIONS

GOVERNING THE TRANSPORTATION AND HANDLING

OF

## PETROLEUM PRODUCTS

TRANSPORTED BY PIPELINE

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

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## GENERAL RULES AND REGULATIONS

### DEFINITIONS

#### ITEM 10 –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 Pipelines Holdings, L.P.

"**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 of Carrier at which Carrier delivers Petroleum Products out of Carrier's pipeline not owned by MPH to which Petroleum Products are delivered from Carrier's pipeline.

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

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

"**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 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 to a specified Destination pursuant to the terms of this tariff.

**COMMODITY DESCRIPTION AND MEASUREMENT**

**ITEM 20 - PETROLEUM PRODUCTS DEFINED**

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

Jet Fuels – Commercial

**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 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:** The following pipeline loss allowance options will be used for the Items referenced herein.

**Option 1** 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 under **Item No. 195** of this tariff.

~~**[C] Option 2** Petroleum Products quantities transported under **Item No. 200** of this tariff, will be adjusted to allow for inherent losses, including but not limited to shrinkage, evaporation, interface losses and other losses. Shipper shall bear actual loss allowance. The pipeline loss adjustment will be made on the basis of total quantities transported.~~

**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 Petroleum 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 tested and measured by the Carrier or its authorized agent prior to acceptance with test facilities to be furnished by Shipper.

**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 Origin to Destination. Shipper will communicate with Carrier's designated scheduler the delivery timing and desired batch size. If a schedule of shipments and consignments 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.

## GENERAL RULES AND REGULATIONS (Continued)

### PRESHIPMENT REQUIREMENTS AND PROCEDURES (Continued)

#### 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 facilities at point of Origin or storage or loading facilities at Destination. 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 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 accruing on Petroleum Products accepted for transportation shall be paid before release of Petroleum Products from the custody of Carrier. If required, all such applicable charges shall be prepaid at point of Origin. Petroleum Products accepted for transportation shall be subject to a lien for all applicable current and antecedent lawful charges.

If such charges are not paid within thirty (30) days of the due date stated on the invoice, Carrier shall have the right to assess finance charges on the entire past due balance (including principal and accumulated but unpaid finance charges) until paid in full at the rate equal to one and one-half percent (1.5%) per month for each month or portion thereof, or the maximum finance charge rate allowed by law, whichever is less.

If the Petroleum Products remain in Carrier's custody more than thirty (30) days after the notice of receipt by Carrier, Carrier shall have the right to sell the Petroleum Products at a public or private sale in a commercially reasonable manner to collect such charges.

Carrier reserves the right to set-off any such charges against any monies owed to Shipper by Carrier or any Petroleum Products of Shipper in Carrier's custody.

#### 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 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 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.

**SPECIAL AND ANCILLARY SERVICES AND RELATED REQUIREMENTS**

**ITEM 150 - FILTRATION AND SPECIAL TESTING SERVICE**

The following filtration and special testing service options will be used for the Items referenced herein.

**Option 1:** Transportation movements **pursuant to Item 195**, Carrier shall provide required filtration and special testing of Petroleum Products to guarantee a minimum of impurities for a charge as set forth below:

- Commercial Jet Fuel Filtration  
Removal of particulate matter, free water and surfactants.....  6¢/BBL
- Commercial Jet Fuel Testing  
Testing to ensure the integrity of the jet fuel being shipped. \$1000/batch received at origin.

~~**[C] Option 2:** Transportation movements **pursuant to Item 200**. Carrier will not provide filtration or special testing services. Upon shipper request, any filtration and/or special testing services shall be charged to shipper based on actual cost.~~

**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 therefrom.

**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 nondelivery of messages or for errors or delays in transmission or interruption of such service.

## LIABILITY AND CLAIM SETTLEMENT

### ITEM 180 -DUTY OF CARRIER

The Carrier shall transport and deliver into facilities at Destination, with reasonable diligence, the quantity of Petroleum Product accepted for transportation, less the appropriate tender deduction.

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.

### ITEM 185 - LIABILITY

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 of 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, liability, fines, penalties 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 product(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 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.

**LIABILITY AND CLAIM SETTLEMENT (Continued)**

**ITEM 190 - CLAIMS: TIME FOR FILING**

Claim for any delay, damage to, or loss of Petroleum Products must be made in writing to the Carrier within nine (9) months after delivery from the Carrier's facilities of the shipment involved at the Destination to which such shipment was consigned, or in case of failure by Carrier to deliver, then within nine (9) months after the date upon which delivery would have reasonably been completed by Carrier. Such written claim, as aforesaid, shall be a condition precedent to any suit.

Suit for any delay, damage to, or loss of Petroleum Products shall be instituted within two (2) years and one (1) day after notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim or any part thereof specified in the notice.

Claims or suits for delay, damage to, or loss of Petroleum Products not filed or instituted in accordance with the foregoing provisions will not be paid, and Carrier will not be liable.

<b>RATES</b>
All Rates are for pipeline transportation only (Rates in Cents per Barrel of 42 United States Gallons)
<b>[I] Increased rate. All rates on this page are increased, unless otherwise noted.</b>

ITEM NO.	FROM	TO	RATE
195	Dallas (M.T.H. Terminal), TX	Dallas (Love Field Airport), TX	<b>[I]</b> 80.00

ITEM NO.	FROM	TO	RATE CODE	RATE
<b>[C]</b> 200	Aldine Station, TX (Harris County)	Houston Intercontinental Airport, TX (Harris County)	A	<b>[C]</b>
			B	<b>[C]</b>
<b>[C] Rate Codes:</b>				
A – Applies to the first 45,000 barrels transported in any given month for a given shipper.				
B – Applies to barrels in excess 45,000 transported in any given month for a given shipper.				

<b>EXPLANATION OF ABBREVIATIONS:</b>	
No.	.....Number
M.P.H. or MPH	.....Magellan Pipelines Holdings, L.P.
M.T.H. or MTH	..... Magellan Terminals Holdings, L.P.
<b>[C]</b>	Cancel
<b>[I]</b>	Increase