

BENGAL PIPELINE COMPANY LLC

RULES AND REGULATIONS TARIFF

GOVERNING THE TRANSPORTATION OF

PETROLEUM PRODUCTS

BETWEEN POINTS IN TARIFFS MAKING REFERENCE HERETO

THIS TARIFF APPLIES ONLY TO TARIFFS MAKING SPECIFIC REFERENCE HERETO
BY FERC NUMBER.

THE PROVISIONS PUBLISHED HEREIN WILL, IF EFFECTIVE, NOT RESULT IN AN
EFFECT ON THE QUALITY OF THE HUMAN ENVIRONMENT

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Item 5. Definitions

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

“API Gravity” means gravity determined in accordance with ASTM Designation D-287-67 or latest revision thereof.

“ASTM Color” means color determined by the ASTM standard method of test ASTM Designation D-1500-64 or latest revision thereof.

“Barrel” means 42 United States gallons at 60 degrees Fahrenheit and zero psi gauge.

“Batch” means a quantity of petroleum product moved through the pipeline as an identifiable unit. A “Batch” shall be classified as segregated, joint or fungible, each classification being described as follows:

- (a) A “Segregated Batch” is a quantity of petroleum product being the product of a single shipper.
- (b) A “Joint Batch” is the combination of two or more quantities of petroleum product commingled by the carrier at the request of the participating shippers.
- (c) A “Fungible Batch” is a quantity of petroleum product meeting carrier’s established specification which may be commingled with other quantities of petroleum product meeting the same specification.

“Carrier” means Bengal Pipeline Company and other pipeline companies concurring in tariffs making specific reference hereto by FERC number.

“Consignee” means the party to whom a shipper has ordered the delivery of petroleum product.

“Cycle” means a period of time (approximately 5 days) during which each type of product is pumped for all shippers desiring transportation of such product.

“Final Termination” means complete removal of a batch or the final portion thereof from carrier’s main lines.

“Interface Mixture” is that mixture occurring in pipeline operations between adjoining batches of petroleum product having either similar or dissimilar physical characteristics.

- (a) “Compatible Interface” is that mixture occurring between adjoining batches of petroleum product having similar physical characteristics which can be absorbed into the adjoining batches.
- (b) “Transmix” is that mixture occurring between adjoining batches of petroleum product having dissimilar physical characteristics which cannot be absorbed into the adjoining batches.

“Petroleum Products” means gasolines and petroleum oil distillates as further described in Item 10.

“Point of Origin” means the specific location on carrier’s system as designated in its tariff where carrier accepts petroleum product for shipment and may be referred to in other items of this tariff as “origin station.”

“Shipment” means a volume of petroleum product offered to carrier at a point of origin for transportation through carrier’s system to designated delivery locations.

“Shipper” means the party who contracts with Carrier for shipment of petroleum products under the rules, regulations and rates of this tariff and other tariffs making specific reference hereto by FERC number.

Item 10. Specifications

- (a) Carrier may require the shipper to furnish certified laboratory reports indicating the results of the testing of petroleum products offered for transportation. Carrier will also make such tests of the petroleum products as it may deem appropriate. In the event of a variance between shipper’s report and carrier’s test, carrier will endeavor to accept the product so long as such acceptance does not adversely affect the operations of the pipeline.
- (b) Carrier shall have no obligation to accept petroleum products for shipment if such products contain water or other impurities; have a color darker than No. 3 ASTM (except that gasolines to which artificial coloring had been added will be accepted for transportation regardless of color); have a vapor pressure of more than 15 pounds absolute at 100 degrees Fahrenheit; have an API gravity of less than 25 degrees or more than 80 degrees at 60 degrees Fahrenheit; a viscosity of more than 4.3 centistokes at 100 degrees Fahrenheit and a temperature of more than 100 degrees Fahrenheit; or are not in compliance with the Carrier’s published Product Quality Assurance specifications established for all shippers. These specifications are published in Section 3 of Carrier’s Shipper Manual entitled “Product Codes & Specifications.” An electronic copy of this section effective [W] ~~March 13, 2016~~ June 10, 2019 can be found on the Carrier’s website http://www.bengalpipeline.com/shipper_manual.asp. Petroleum products accepted will be corrected as to volume in accordance with Item 40 of this tariff.
- (c) Products tendered for transportation shall not contain blending components, which are not pure hydrocarbons, unless carrier has been notified of these components in advance and has agreed to accept such products for shipment. Shipper must report type and percent by volume of all nonhydrocarbon blending components.
- (d) Carrier reserves the right to refuse to accept any shipment of product that is: (1) not in compliance with state and federal regulations, (2) a health hazard, (3) incompatible with its transportation system, method of operation or transportation of other petroleum products.

Item 20. Minimum Tender, Batch, and Delivery

- (a) Minimum Batch & Tender – The minimum quantity of petroleum products which will be accepted at one point of origin from a single shipper for inclusion in a joint or fungible batch shall be 25,000 barrels at all origin stations. The minimum quantity of petroleum products which will be accepted at the point of origin from a single shipper for inclusion in a segregated batch shall be 75,000 barrels at all origin stations.
 - (1) Carrier reserves the right to allow smaller volumes as necessary to achieve optimum utilization of its pipeline system.
- (b) Minimum Delivery
 - (1) The termination of a fungible or joint batch will only be allowed in no less than 25,000 bbls. The termination of a segregated batch will only be allowed in no less than 75,000 bbls.
 - (2) Deliveries from a batch, other than the final termination of the batch, will be made to connecting facilities designated by shipper in no less than 25,000 bbls.
 - (a) Carrier reserves the right to allow smaller volumes as necessary to achieve optimum utilization of its pipeline system.

Item 25. Notice of Intent to Ship: Shipping Schedules

- (a) At least 30 days in advance of effective date, carrier shall furnish each current shipper a copy of carrier's annual schedule calendar and all revisions thereto, which will specify calendar dates on or before which the shipper must notify carrier via electronic information networks of intent to ship Petroleum Products (also referred to herein as nominations) within the cycle periods assigned to said calendar dates.

Shippers shall be required to submit nominations to carrier at least 30 days prior to cycle lifting date. This requirement provides carrier with information to review and analyze to determine the requirements necessary to handle all shippers' Petroleum Products. Unless such nominations are made, the carrier shall be under no obligation to accept Petroleum Products from such shipper.

- (b) Carrier shall prepare and make available, via electronic information networks, origin nomination due dates for fungible gasoline and distillate products. Shippers shall be required to have their Batches nominated and confirmed by any third parties involved in the Batch by the nomination due dates. Unless such nominations and confirmations are received, the carrier shall be under no obligation to accept Petroleum Products from such shipper.
- (c) Carrier will prepare and make available, via electronic information networks, schedules showing the estimated time each shipment will be received for transportation at points of origin and the estimated time of arrival at destination. Such schedules may be modified from time to time to the extent reasonably desirable to facilitate the efficient and economical use and operation of carrier's facilities and to reasonably accommodate shippers' needs for transportation.
- (d) Shipper shall have each shipment available in tankage connected to carrier's origin stations to allow reasonable time for product sampling and testing prior to the scheduled time for receipt by carrier; carrier's experience indicates that eight (8) hours prior to the scheduled time for receipt is sufficient. When a product is not available for carrier sampling and testing, acceptance of said product will be at the discretion of the carrier. The carrier will endeavor to accept the product so long as such acceptance does not adversely affect the operations of the pipeline.

Item 30. Segregation and Variations in Quality and Gravity

- (a) It is inherent in the operations of a products pipeline that interface mixtures will occur between batches. Therefore, carrier shall not be liable for variation in gravity or quality of petroleum products occurring while in its custody, resulting from any cause other than the negligence of the carrier, and carrier is under no obligation to deliver the identical petroleum products received and may deliver petroleum products of substantially the same specifications.
- (b) Subject to the foregoing, carrier will, on segregated batches and to the extent permitted by carrier's facilities make delivery of substantially the identical petroleum products at destinations; however, it being impractical to maintain absolute identity of each total shipment of petroleum products, reasonable substitution of petroleum product having substantially the same specifications will be permitted.

Item 35. Origin and Destination Facilities. Duties of Shippers and Consignees. Disposition of Product on Failure to Accept Delivery. Demurrage Charges at Carrier Tankage.

- (a) Shipper shall furnish facilities to deliver petroleum products to carrier's booster pump suction at origin stations at any requested rate which is within carrier's minimum and maximum operating rates and at a minimum of 5 psi gauge pressure for any applicable pumping rate.
- (b) No duty to transport shall arise until shipper has provided necessary facilities, to which carrier is connected at destination points, capable of receiving shipments without delay at maximum operating pressures and pumping rates of carrier. These facilities must: 1) meet a minimum rating of 275 psi Maximum Operating Pressure, and 2) be capable of receiving deliveries of products within a reasonable margin of safety to provide for unplanned changes in operating conditions, i.e. line blockage at the receiving carrier's manifold.

If, in carrier's reasonable opinion, the facilities provided by shipper fail to meet any or all of the above requirements, carrier may discontinue deliveries to such facility. Carrier may, however, at its sole options, make or continue deliveries to a facility not in compliance with this item (b) to avoid disruption of its pipeline system or to avoid any other unsafe condition. Any decision to make or continue a delivery shall neither be construed as a waiver by carrier of the shipper's breach of this tariff item nor in any other way affect shipper's obligation under Item 65 of this tariff. Furthermore, carrier's acceptance and delivery of product to any facility provided by shipper shall not evidence carrier's approval of the adequacy of such facilities or the competency of its personnel and responsibility for such facilities and its personnel shall be exclusively that of the shipper.

- (c) Not less than 24 hours before arrival of petroleum products at the shipper's designated delivery location, carrier shall notify shipper's designated consignee of the expected time and volume of the pending delivery. It shall be the duty of the shipper and consignee, after notification as hereinbefore stated, to make the necessary arrangement for the safe receipt of the petroleum product in consignee's facilities and to confirm to carrier their readiness to receive such delivery. At least sixty (60) minutes prior to the estimated time of arrival of the delivery, the consignee shall notify carrier that the receiving facilities including tanks, manifolds, and alarm systems, are ready and in a safe condition to receive product. When carrier elects or agrees to deliver product into a consignee's receiving tank(s) which has malfunctioning high-level alarms, consignee shall establish a safe operating procedure that is satisfactory to carrier prior to start of delivery, shall monitor and periodically report status of delivery conditions to carrier during delivery and within thirty (30) minutes after completion of a delivery, notify carrier that the delivery of product has been concluded and that consignee's facilities are in a safe operating condition.
- (d) In the event carrier has accepted petroleum products for transportation in reliance upon shipper's representations as to acceptance at destination, and there is failure to promptly accept such petroleum products at destination as provided in paragraph (b) hereof, then and in such event carrier shall have the right to divert, reassign or make whatever arrangements for disposition of the petroleum products it deems appropriate to clear its pipeline facilities including the right to sell, for the account of the shipper, the petroleum products at private or public sale, and to charge the shipper demurrage as provided in paragraph (e) hereof. Out of the proceeds of said sale, carrier may pay itself all transportation charges and other necessary expense for caring for and maintaining the petroleum products and the balance shall be held for whomsoever may be lawfully entitled thereto.
- (e) Demurrage shall be charged at [U] 25 cents per barrel per day, or portion thereof, for volumes remaining in carrier tankage beyond the end of the cycle, plus 2 days, and such demurrage shall be charged to the shipper of that batch. For product movements the shipper must designate a valid destination not later than 8:00am Eastern Standard Time three business days prior to the day of that batch delivering into carrier tankage.

Item 40. Measuring and Volume Correction

- (a) Quantities of petroleum product received at origin and delivered at destination shall be determined by meters or tank gauges. Volumes shall be corrected by recognized means from observed temperature and pressure to a temperature of 60 degrees Fahrenheit and a pressure of zero psi gauge. Full volume deductions will be made for all water and other impurities in products received or delivered as determined by recognized means.
- (b) Shippers or consignees shall have the right to be present or represented at the times of measuring and testing. Should shippers or consignees not avail themselves of the right to be present at the time or times of measuring and testing pursuant to the terms of this item, then, and in that event, it shall be presumed that carrier's records of quantities of petroleum product received or delivered by carrier are correct and that carrier's determination of water and other impurities contained in said petroleum products are correct.
- (c) At any time during normal operations, shippers may observe and verify the methods and procedures used for measurement and testing of products by carrier to insure that such are proper and recognized means of measurement.

Item 45. Change, Diversion, or Reconsignment

A change in designated origin point, delivery point, or reconsignment will be permitted provided such change or reconsignment does not adversely affect the operation on the carrier's pipeline system. Carrier shall have no obligation to honor any change in origin point unless the change is received by carrier before 8:00 a.m. Eastern Standard Time on the carrier's second business day prior to the date the batch is to be pumped. Carrier shall have no obligation to honor any change in delivery point or diversion unless the change is received by the carrier before 8:00 a.m. Eastern Standard Time on the carrier's first business day before a batch is to be diverted or delivered. No back haul movement will be permitted.

Item 50. Tariffs Applicable

Petroleum products accepted by carrier shall be subject to and governed by rates, rules and regulations contained in tariffs issued by carrier and in effect at 12:00 midnight Eastern Standard Time on the date petroleum products are received by carrier.

Item 55. Transportation Charges

- (a) Transportation charges will be computed and collected, in United States currency, at the applicable tariff rate on the basis of the number of barrels of petroleum products delivered at destination, after volume corrections, as provided for in Item 40.
- (b) In the event that an invoice for the charges described in (a) above, or for delivery adjustments under Item 75, is not paid to and received by carrier in full within fifteen (15) days of its date, the balance due on such invoice shall bear interest from that 15th day at an annual rate equal to the prime rate, as posted in the Wall Street Journal, plus 3%, but not to exceed the rate permitted on such invoices by applicable state law. The interest rate for each month will be determined the first business day of each month.
- (c) The shipper shall be responsible for all changes applicable to the particular shipment and if required by carrier, shall prepay all charges or furnish guaranty of payment satisfactory to carrier.
- (d) Carrier shall have a security interest in all petroleum products accepted from a shipper under this tariff. This security interest shall secure:
 - (1) All transportation, delivery adjustment, interest charges and any other amounts due or to become due from a shipper, and
 - (2) All costs and expenses of carrier in exercising any of its rights detailed in (e) below, including, but not limited to, reasonable attorney fees, storage charges and settlement of conflicting liens.
- (e) The security interest provided herein shall be in addition to any lien provided by statute or common law. In the event shipper fails to satisfy when due any obligation to carrier, carrier shall have all the rights and remedies accorded to a secured party under applicable state law and in addition may in its sole discretion and without notice take any or all of the following actions:
 - (1) Refuse to deliver petroleum products in its possession until all such obligations have been paid.
 - (2) Proceed to sell any such products, in accordance with the applicable provisions of state law, and apply the proceeds to such obligations.
 - (3) Store such products or contract for storage of such products pending sale or other disposition.
 - (4) Take any other action it deems necessary for the proper protection and sale of such products.

Item 60. Liability of Carrier

While in custody of any petroleum product, carrier shall not be liable for loss thereof, or damage thereto, or delay caused by acts of God, public enemy, quarantine, authority of law, governmental action, strikes, riots, nuclear or atomic explosions, floods, or act of default of the shipper or consignee or any other cause whether similar or dissimilar to the causes herein enumerated, not due to the negligence of the carrier. Losses not due to the negligence of carrier will be allocated to the shippers as provided in Item 75 of this tariff. Losses due to the negligence of carrier shall be the obligation of carrier and settled by carrier for carrier's account.

Statements of the losses, ascertained and computed by carriers standard accounting procedure, are to be accepted by shipper as prima facie correct in the distribution of such losses under this item and Item 75.

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.

The carrier will be obligated to deliver only that portion of such petroleum products remaining after deducting for all shrinkage, evaporation, other physical product loss and transmix contemplated under this tariff. All such product losses shall be accounted for as provided under this item and Item 75.

Carrier recognizes and accepts custody of all petroleum product accepted for shipment while such petroleum product is in pipeline facilities owned and operated by carrier.

Item 65. Liability of Shipper

As a condition to carrier's acceptance of petroleum products under this tariff, each shipper (for purposes of this item the term "shipper" shall include users of tank space) agrees to protect and indemnify carrier against claims or actions for injury to and/or death of any and all persons whomever and for damage to property of carrier, shipper, consignee and/or third party resulting from or arising out of 1) any breach of or failure to adhere to any provision of this tariff by the shipper, his consignee, his agents, employees or representatives and 2) the negligent act or acts or failure to act of the shipper, his consignee, his agents, employees or representatives in connection with the delivery or receipt of such petroleum product and 3) liability arising from the chemical characteristics of product(s), except to the extent such liability arises from carrier's negligence.

Item 70. Title

An offer of petroleum products for shipment shall be deemed a warranty of title by the party offering, but acceptance shall not be deemed a representation by the carrier as to title. The carrier may, in the absence of adequate security, decline to receive any petroleum products which are in litigation, or as to which a dispute over title may exist, or which are encumbered by a lien. Delivery of petroleum products to the consignee designated by the shipper shall relieve carrier of all liability as to custody or title.

Item 75. Delivery Adjustments

- (a) Carrier shall account to each shipper for all petroleum products received. Any overage or shortage not due to the negligence of the carrier (Item 60 of this tariff), including losses resulting from shrinkage, evaporation, other physical product loss and interface mixture in any calendar month, will be allocated on a monthly accrual basis among the shippers in the proportion that the total number

of barrels delivered from the entire system for each shipper bears to the total number of barrels delivered from the entire system for all shippers.

- (b) It is inherent in the operation of a products pipeline that interface mixtures will occur between batches. Carrier will dispose of accumulated interface mixture in the following manner:
- (1) Compatible interface mixture occurring in carrier's system will be delivered with compatible products moving in adjoining batches. Carrier reserves the right to dispose of accumulated compatible interface, including the right to sell such compatible interface on a bid or contractual basis for the account of its shippers at private or public sale. Carrier will settle with each shipper for its share of the net proceeds of the sale less transportation charges as provided for in paragraph (a) of this item.
 - (2) Transmix occurring in the carrier's system shall be retained in carrier's custody for disposal for the account of the shippers. The total carrier inventory of transmix occurring in the carrier's system in any calendar month will be allocated among the shippers in the proportion that the total number of barrels of petroleum product delivered from carrier's system for each shipper bears to the total number of barrels delivered from carrier's system for all shippers during that calendar month. Transmix disposed of will be sold on a bid or contractual basis for the account of shippers, each shipper being credited with its proportionate share of the net proceeds of the sale, less transportation charges. Carrier will settle with shippers as provided in paragraph (a) of this item.
 - (3) When a shipper tenders a product which by his quality requirements cannot be blended into another product or accept a blend of at least 5 percent, that shipper shall be required to accept delivery of the additional interface mixture created or pay the costs incurred in its disposition by the carrier.
 - (4) The provisions of Item 20 with reference to minimum delivery at destination will not apply to deliveries of transmix as provided for in this item.

Item 80. Time Limitations on Claims

As a condition precedent to recovery for loss, damage, or delay of shipments, claims must be filed in writing with the carrier within nine months and one day after delivery of the product, or in case of failure to make delivery, then within nine months and one day after reasonable time for delivery, based on carrier's normal operations, has elapsed; and suits shall be instituted against the carrier only within two years and one 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 hereunder shall not be liable, and such claims will not be paid.

Item 85. Corrosion Inhibitors

Shipper may be required by carrier to inject oil soluble corrosion inhibitors acceptable to carrier, in the petroleum products to be transported.

Item 90. Proration of Pipeline Capacity

When the total volume offered for shipment by all shippers in accordance with Item 25 is greater than can be transported within the period and between the locations specified by such offers, petroleum products offered by each shipper for transportation will be transported between such locations in such quantities, at such times and to the limit of carrier's operating capacity so as to avoid

discrimination (unreasonable preference or prejudice) among shippers, and so as not to adversely affect the reasonable operation of carrier's facilities.

Carrier's proration policy effective February 1, 2010 can be found in Section 1 of Carrier's Shipper Manual entitled "Proration Policy". An electronic copy of this section can be found on the carrier's website at www.bengalpipeline.com or is available upon request by contacting the preparer of this tariff.

Item 105. Financial Assurance Agreements Required

In the event a shipper or consignee desires new or additional pipeline service which necessitates additions or modifications to carrier's pipeline system, a separate financial assurance agreement may be required before any obligation to provide the new or additional service under this tariff shall arise.

Item 110. Application of Rates from or to Intermediate Points

- (a) For shipment of petroleum products from any point or origin from which a rate on a given shipment to a given destination and via a given route is not named in this tariff, which point is intermediate to a point from which a rate on said shipment is published in this tariff via a route through the intermediate point over which such rate applies to the same destination, apply from such intermediate point to such destination and via such route the rate in this tariff on said shipment from the next point beyond from which a rate is published herein on that shipment to the same destination via the same route.
- (b) For shipment of petroleum products to any point of destination to which a rate on a given shipment from a given point of origin and via a given route is not named in this tariff, which point is intermediate to a point to which a rate on said shipment is published in this tariff via a route through the intermediate point over which such rate applies from the same point of origin, apply to such intermediate point to the next point beyond to which a rate is published herein on that shipment from the same point of origin via the same route.

Explanation Of Abbreviations and Reference Marks

API	American Petroleum Institute
ASTM	American Society of Testing and Materials
FERC	Federal Energy Regulatory Commission
ICC	Interstate Commerce Commission
Bbls	Barrels
No	Number
Psi.....	Pounds per square inch
[W].....	Change in Wording
[U].....	Unchanged