

MARATHON PIPE LINE LLC

LOCAL TARIFF

The rates named in this tariff for the transportation of CRUDE PETROLEUM by pipelines are governed, except as otherwise provided herein, by the rules and regulations published in Marathon Pipe Line LLC's F.E.R.C. No. 316.10.0, and successive issues thereof.

[N] Committed Rate filed as a Settlement Rate pursuant to 18 CFR § 342.4(c) and the Commission's Order in Docket No. OR18-4-000 (162 FERC ¶ 61,078) (2018).

[C] ~~Uncommitted Rates filed in compliance with 18 CFR § 342.3 (indexing).~~

ISSUED MAY 25, 2018

EFFECTIVE JULY 1, 2018

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

ISSUED BY
T. J. AYDT, President
MARATHON PIPE LINE LLC
539 South Main Street
Findlay, Ohio 45840

COMPILED BY
A. J. HELDMAN
MARATHON PIPE LINE LLC
539 South Main Street
Findlay, Ohio 45840
(419) 421-4048
ajheldman@marathonpetroleum.com

APPLICATION OF RATES

The rates named in this tariff are applicable only on crude petroleum delivered to this carrier by pipeline at point of origin for reshipment to destination named herein, for subsequent transportation beyond.

RATE IN CENTS PER BBL.OF 42 U.S. GALLONS

| FROM | TO | COMMITTED RATE ⁽¹⁾ | UNCOMMITTED RATE |
|--|-------------------------------------|-------------------------------|------------------|
| WOOD RIVER, ILLINOIS (Madison County) | PATOKA, ILLINOIS (Marion County) | [I] 25.64 | [U] 20.64 |

⁽¹⁾ Committed Rate is only available to shippers who have executed a Transportation Services Agreement with Carrier in response of the August 2017 Open Season to commit to transporting, or paying a deficiency fee in lieu thereof, a certain volume of crude petroleum.

VISCOSITY SURCHARGE

In addition to all other charges for transportation hereunder, all committed and uncommitted volume of crude petroleum having a viscosity in excess of 55 Saybolt Universal Seconds (SUS) at 60 degrees Fahrenheit (60°F) shall be subject to a surcharge of [U] 1.53 cent per barrel per 100 units or portion thereof in excess of 55 SUS.

EXCEPTION SECTION

An exception to the governing Rules and Regulations F.E.R.C. Tariff No. 316.10.0, and successive issues thereof, on Item No. 11, Apportionment when Nominations are in Excess of Facilities:

When there shall be nominated to Carrier for Transportation more Crude Petroleum than can be immediately transported, based on the capacity of the system or any line segment thereof, the following proration policy will apply:

I. Definitions

"Base Period" is the 24-calendar month period one month prior to the Calculation Month.

"Base Shipment Ratio" is the value determined by dividing the volume of Crude Petroleum moved for a Shipper through the pipeline during the Base Period by the total Crude Petroleum moved through the pipeline for all Shippers during the Base Period.

"Binding Nominations": For any month, if the Carrier determines the Nominations exceed the line segment's capacity, then the Carrier will notify each Shipper and provide each Shipper an opportunity to reduce its Nomination, which shall be considered a Binding Nomination. If a Shipper does not submit a reduced Nomination then its initial Nomination shall be considered its Binding Nomination.

"Calculation Month" is the calendar month immediately preceding the Proration Month, during which allocations for the Proration Month will be determined.

"Committed Shipper" means any Shipper that has executed a TSA to commit to transporting, or paying for the transportation of a specific minimum volume of crude petroleum. Committed Shippers will have priority service in exchange for a premium rate. Committed Shippers will be treated as a Regular Shipper for any nominations in excess of its Monthly Committed Volume. Committed Shippers will also be treated as a Regular Shipper for any portion of its Monthly Committed Volume that is tendered to a receipt point other than the receipt point determined in the TSA.

"Factored Binding Nominated Volumes" are each Shipper's Binding Nominated Volumes recalculated in terms of an "equivalent light" barrel. "Heavy" barrels will be equated to a "light barrel" equivalent by application of factors as solely determined by Carrier.

"Factored Nominated Volumes" are each Shipper's nominated volumes recalculated in terms of an "equivalent light" barrel. "Heavy" barrels will be equated to a "light" barrel equivalent by application of factors as solely determined by the Carrier.

“Monthly Committed Volume” with respect to a Committed Shipper, is the minimum monthly volume requirement of Crude Petroleum set forth in their TSA.

A “New Shipper” is any Shipper who is not a Regular Shipper.

“Proration Month” is the calendar month for which capacity is being allocated.

A “Regular Shipper” is any Shipper having a record of uncommitted movements, in the line segment being prorated, during the Base Period.

“Transportation Services Agreement (TSA)” means an agreement, executed between the Carrier and a Committed Shipper, which includes a monthly deficiency obligation, as a result of an open season held in August 2017.

II. Proration Procedures

When Factored Binding Nominated Volumes for any month exceed the capacity in any line segment of the Carrier’s systems, such capacity shall be allocated among Shippers by the following procedure:

- (1) Nominations from Committed Shippers up to their level of their Monthly Committed Volume will not be subject to proration under normal operating circumstances.
- (2) If Nominations from Committed Shippers for the month is less than their Monthly Committed Volume, the Committed Shipper will be allocated only the amount of its Nominations, still subject to the monthly deficiency obligation as determined with their TSA.
- (3) In the event that Committed Shippers do not fully move their Monthly Committed Volume, the available capacity will be made available to accommodate nominations made by Regular Shippers and New Shippers.
- (4) The capacity allocated to each Regular Shipper will be determined by multiplying each Regular’s Shipper’s Base Shipment Ratio times the capacity of the line segment being prorated during the Proration Month.
- (5) If the results of the calculation in Item 11 II (4) for a Regular Shipper is less than 10,000 barrels, then Regular Shipper’s allotted capacity will be increased to 10,000 barrels for the Proration Month.
- (6) If the results of the calculation in Item 11 II (4) for a Regular Shipper is greater than that Regular Shipper’s Factored Binding Nomination on that line segment, then that Regular Shipper’s allotted capacity will be reduced to equal its Factored Binding Nomination on that line segment. The remaining capacity shall be allocated among Shippers in proportion to their Base Shipment Ratio.
- (7) New Shippers will be included in the allocation of the pipeline capacity. Since New Shippers will have a Base Shipment Ratio of zero, such New Shippers will receive the minimum capacity allocation of 10,000 barrels during the Proration Month.
- (8) If a New or Regular Shipper Tenders a volume greater or equal to ninety-five percent (95%) of its Binding Nomination, then such Shipper shall be invoiced based on its delivered volumes. If a New or Regular Shipper Tenders less than ninety-five percent (95%) of its Binding Nomination then shipper shall be invoiced for its delivered volumes for that month, plus the product of the applicable tariff and volume equal to the difference between the actual volume Tendered and a volume equal to ninety-five percent (95%) of the shipper’s Binding Nomination or shipper’s prorated Binding Nomination, as adjusted by further prorating or operational factors.

III. General

In no event will any portion of an allocation granted to a New Shipper be used in such manner that it will increase the allocation of another Shipper beyond what he is entitled to under this Proration Policy. Carrier may require a Shipper to give the final refinery destination of the Crude Petroleum being Nominated and may reject the Nomination of a potential New Shipper to a refinery destination for which a Regular Shipper is already making a Nomination if, in the sole judgment of the Carrier, the purpose of the New Shipper’s Nomination is to circumvent the requirements of this Proration Policy. Carrier may also require written assurances from responsible officials of Shippers regarding use of allocated capacity stating that these Proration Policy requirements have not been violated. In the event any New Shipper shall, by any device, scheme or arrangement whatsoever, make available to another Shipper or in the event any Shipper shall receive and use any capacity from a New Shipper through violation of this

requirement, the allocated capacity for both Shippers will be reduced to the extent of the excess capacity so made available or used in the shipping cycles next following discovery of the violation which are under proration.

When nominations submitted by Shippers to Carrier on or before the Nomination Date do not exceed the capacity of the system or any line segment thereof, additional Nominations may be accepted by the Carrier to fill capacity. These additional Nominations will be accepted only if they do not impair the movement of Crude Petroleum Nominated on or before the Nomination Date and will be accepted in a non-discriminatory manner.

[N] New
[C] Cancel
[I] Increase
[U] Unchanged Rate