

TESORO LOGISTICS NORTHWEST PIPELINE LLC

SLC CORE PIPELINE

LOCAL TARIFF

Applying on

CRUDE PETROLEUM

Governed, except as otherwise provided herein, by rules and regulations shown in Tesoro Logistics Northwest Pipeline LLC's F.E.R.C. No. 6.4.0, or successive issues thereof.

The rates contained herein are filed pursuant to Commission Order on Petition for Declaratory Order under Docket No. OR21-12-000.

Filed under the authority of 18 CFR § ~~[W]342.3 (indexing)~~ 342.4(c) (Settlement rates)

ISSUED MAY 25, 2023

EFFECTIVE JULY 1, 2023

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

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TABLE OF RATES

(Rates in Cents per Barrel of 42 U. S. Gallons)

FROM	TO	UNCOMMITTED RATE	COMMITTED RATE *
Ft. Laramie Station, Wyoming	Wahsatch Station, Utah	[U] 288.26	[I] 289.50

* Committed Rate is only available to shippers who executed a Transportation Services Agreement with Carrier in response to the September 2020 Open Season to commit to transporting, or paying a deficiency fee in lieu thereof, a certain specified volume of crude petroleum.

**EXCEPTIONS AND ADDITIONS TO
 TESORO LOGISTICS NORTHWEST PIPELINE LLC
 F.E.R.C. NO. 6.4.0, OR REISSUES THEREOF**

Item No. 30 – Segregation and Variations in Quality and Gravity

In addition to the provisions stated in Item No. 30, the following will apply to movements listed herein:

Crude petroleum accepted for transportation under this tariff must meet the following specifications:

- Gravity of crude petroleum must be between 37 degrees and 48 degrees API.
- Viscosity must not exceed 5 centistokes at 60° F.
- Reid Vapor Pressure (RVP) must not exceed 9.6 psi.
- Hydrogen sulfide content must be below 10 ppm.
- Sulfur content must not exceed 0.30% by weight.
- Basic sediment and water (BS&W) content must not exceed 0.3% by volume and free water content must not exceed 0.3% by volume.
- Pour point limits must not exceed +5F.

Exception to Item No. 110 – Proration Procedure:

Item No. 110 – Proration Procedure

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

“Available Capacity” is the capacity available, during a Proration Month, for allocation to Uncommitted Shippers after allocation of capacity to Committed Shippers.

“Binding Nominations” means, 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.

“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. A Committed Shipper will be treated as an Uncommitted Shipper for any volume it nominates in excess of its Monthly Minimum Volume Commitment. A Committed Shipper will also be treated as an Uncommitted Shipper for any volume it nominates to an origin point other than the origin point designated in its TSA.

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

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

“Transportation Services Agreement (TSA)” means an agreement, executed between the Carrier and a Committed Shipper, which includes a deficiency obligation, as a result of an open season held in September 2020.

“Uncommitted Shipper” means (1) any shipper who has not executed a TSA with Carrier, and (2) if a Committed Shipper nominates volumes in excess of its Monthly Minimum Volume Commitment or nominates volumes to an origin point other than the origin point designated in the TSA (such volumes collectively referred to as the “Excess Volumes”), then that shipper will be considered an Uncommitted Shipper only with respect to its Nomination for such Excess Volumes.

II. Proration Procedures

When Binding Nominations 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 the level of their Monthly Minimum Volume Commitment will not be subject to proration under normal operating circumstances.
- (2) If a Nomination from a Committed Shipper for the month is less than its Monthly Minimum Volume Commitment, the Committed Shipper will be allocated only the amount of its Nomination, still subject to the deficiency obligation as determined within its TSA.
- (3) In the event that Committed Shippers do not fully nominate their Monthly Minimum Volume Commitment, that unused capacity will be made available to accommodate Nominations made by Uncommitted Shippers.
- (4) After allocation of capacity to Committed Shippers on the line segment subject to prorationing, the Available Capacity shall be allocated equally amongst Uncommitted Shippers, up to their Binding Nomination. If this allocation of Available Capacity should result in such Uncommitted Shippers receiving less than the minimum delivery size as defined in Item 25 (b), Carrier will instead administer a lottery as described in this Item 110, Section III in order to allocate the Available Capacity. An Uncommitted Shipper will not be allocated capacity under this Item 110, Section II if it is an affiliate of another Uncommitted Shipper.
- (5) If an Uncommitted 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 an Uncommitted 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. Lottery Process for Uncommitted Shippers

Pursuant to this Item 110, Section II, 4 (b), Carrier will administer a lottery process to allocate capacity to Uncommitted Shippers as follows:

- a. Carrier will use a random number generating software to randomly assign each Uncommitted Shipper a number from one to the number representing the total number of Uncommitted Shippers participating in the lottery (i.e., if there are ten Uncommitted Shippers, numbers one through ten will be assigned).
- b. The Uncommitted Shipper with the number closest to one will receive the first allocation of monthly minimum delivery size, as defined in Item 25 (b). This process of assigning monthly minimum delivery size allocations to the Uncommitted Shipper with the number closest to one will continue until all of the Available Capacity for the month has been allocated.
- c. Following the lottery, Carrier will notify shippers as to whether they were allocated capacity in the Proration Month.

An Uncommitted Shipper will not be allocated capacity through the lottery process if it is an affiliate of another Uncommitted Shipper.

IV. General

Space allocated to a shipper may be neither assigned to nor used to the benefit of another shipper. In no event will any portion of an allocation granted to an Uncommitted Shipper be used in such manner that it will increase the allocation of another shipper beyond what they are entitled to under this Proration Procedure. When Carrier has reason to believe that shippers are attempting to violate provisions of the Proration Procedure, Carrier may require written certification and assurance from responsible officials of shippers stating that shipper has title to, custody of and intends to tender all of the nominated grades and volumes between the origins and destinations indicated in its Nomination and that the provisions of the Proration Procedure have not been violated. Carrier may reject a Nomination by an Uncommitted Shipper if, in the sole judgment of the Carrier, it is determined the purpose of the Uncommitted Shipper's Nomination is to circumvent this Proration Procedure. In the event any Uncommitted 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 an Uncommitted 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 date and time specified in Item 20 (b) do not exceed the capacity of the system or any line segment thereof, additional Tenders may be accepted by the Carrier to fill capacity. These additional Tenders will be accepted only if they do not impair the movement of Crude Petroleum that was Nominated on or before the date and time specified in Item 20 (b) and will be accepted in a non-discriminatory manner.

Explanation of reference marks:

- [W] Change in wording only
- [U] Unchanged Rate
- [I] Increase