

# MARATHON PIPE LINE LLC

In Connection with

**Ohio River Pipe Line LLC**

**JOINT TARIFF**

Containing

**Incentive Rates, Non-Contract Rates and Contract Rates**

The rates named in this tariff for the interstate transportation of PETROLEUM PRODUCTS (Condensate, Natural Gasoline and Diluent under Specification D as defined herein in Item No. 1) by pipeline and are governed, except as otherwise provided herein, by the rules and regulations published in Marathon Pipe Line LLC's FERC No. 295.2.0 and Ohio River Pipe Line LLC's FERC No. 75.2.0, while the petroleum product is in the custody of each carrier, respectively, and successive issues thereof.

**Joint Rates contained herein are each equal to or less than the sum of both Carrier's local rates. Committed Rates filed as Settlement Rates pursuant to the Commission's Order in Docket No. OR15-30-000 (152 FERC ¶ 61,237).**

**Filed in compliance under 18 CFR § 341.3.**

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**ISSUED MAY 24, 2019**

**EFFECTIVE JULY 1, 2019**

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

**ISSUED BY**  
**S. M. LYON, President**  
**MARATHON PIPE LINE LLC**  
**539 South Main Street**  
**Findlay, Ohio 45840**

**COMPILED BY**  
**S. PURSER PEEBLES**  
**MARATHON PIPE LINE LLC**  
**539 South Main Street**  
**Findlay, Ohio 45840**  
**(419) 421-4048**  
**spurserpeebl@marathonpetroleum.com**

Rate Table: All rates [W] ~~remain unchanged~~ are increased unless noted otherwise.

| <b>Table 1</b>  |                  |   |                   |                   |                  |
|---|------------------|---|-------------------|-------------------|------------------|
| <b>Joint Rates</b><br><i>In cents per barrel of 42 U.S. Gallons</i> |                  |   |                   |                   |                  |
| <b>From Origin of:</b>  |                  | <b>Cadiz, Harrison County, Ohio</b><br><b>Scio, Harrison County, Ohio</b><br><b>Hopedale, Harrison County, Ohio</b> |                   |                   |                  |
| <b>To a Destination of:</b>   | Uncommitted Rate | Committed Rates <sup>(a)</sup>  |                   |                   |                  |
|   |                  | Priority Rate   | 15 Year Term Rate | 10 Year Term Rate | 5 Year Term Rate |
| <b><u>State of Illinois:</u></b>                                    |                  |   |                   |                   |                  |
| Kankakee,<br>Kankakee County, Illinois                              | 756.92           | -   | -                 | -                 | -                |
| Robinson,<br>Crawford County, Illinois                              | 648.01           | 649.01  | 500.98            | 555.43            | 609.89           |
| <b><u>State of Indiana:</u></b>                                     |                  |   |                   |                   |                  |
| East Chicago,<br>Lake County, Indiana                               | 756.92           | -   | -                 | -                 | -                |
| Hammond,<br>Lake County, Indiana                                    | 756.92           | 757.92  | 555.43            | 609.89            | 664.35           |
| <b><u>State of Ohio:</u></b>  |                  |   |                   |                   |                  |
| Findlay,<br>Hancock County, Ohio                                    | 528.21           | -   | -                 | -                 | -                |
| Lima,<br>Allen County, Ohio   | 528.21           | 529.21  | 408.41            | 446.53            | 490.09           |

(a) All Committed Rates are only available to Shippers who have executed a Transportation Service Agreement with Carrier in response of the February 2015 Binding Open Season to commit to transporting, or paying a deficiency fee in lieu thereof, a certain specified volume of product. Committed Priority Rates will only be charged to Committed Priority Shipper during prorationing, otherwise term rates will apply. Committed Shippers will pay committed rate as obligated under their executed Transportation Service Agreement. Committed Shipper may elect to have barrels deliver to a closer point than required by their Transportation Service Agreement, but will still pay the committed rate as indicated in their Transportation Service Agreement.

**Joint Movement Routing:**

**Harrison County, Ohio to Findlay, Hancock County, Ohio:**

Marathon Pipe Line LLC from Cadiz, Scio or Hopedale to East Sparta under F.E.R.C. No. [W] ~~332.2.0~~ 332.3.0  
Ohio River Pipe Line LLC from East Sparta to Heath under F.E.R.C. No. [W] ~~76.18.0~~ 76.20.0  
Ohio River Pipe Line LLC from Heath to Findlay under F.E.R.C. No. [W] ~~76.18.0~~ 76.20.0

**Harrison County, Ohio to Lima, Allen County, Ohio:**

Marathon Pipe Line LLC from Cadiz, Scio or Hopedale to East Sparta under F.E.R.C. No. [W] ~~332.2.0~~ 332.3.0  
Ohio River Pipe Line LLC from East Sparta to Heath under F.E.R.C. No. [W] ~~76.18.0~~ 76.20.0  
Ohio River Pipe Line LLC from Heath to Harpster under F.E.R.C. No. [W] ~~76.18.0~~ 76.20.0  
Marathon Pipe Line LLC from Harpster to Lima under F.E.R.C. No. [W] ~~332.2.0~~ 332.3.0

**Harrison County, Ohio to Robinson, Crawford County, Illinois:**

Marathon Pipe Line LLC from Cadiz, Scio or Hopedale to East Sparta under F.E.R.C. No. [W] ~~332.2.0~~ 332.3.0  
Ohio River Pipe Line LLC from East Sparta to Heath under F.E.R.C. No. [W] ~~76.18.0~~ 76.20.0  
Ohio River Pipe Line LLC from Heath to Harpster under F.E.R.C. No. [W] ~~76.18.0~~ 76.20.0  
Marathon Pipe Line LLC from Harpster to Lima under F.E.R.C. No. [W] ~~332.2.0~~ 332.3.0  
Marathon Pipe Line LLC from Lima to Robinson under F.E.R.C. No. [W] ~~310.9.0~~ 310.10.0

**Harrison County, Ohio to Kankakee, Kankakee County, Illinois:**

Marathon Pipe Line LLC from Cadiz, Scio or Hopedale to East Sparta under F.E.R.C. No. [W] ~~332.2.0~~ 332.3.0  
Ohio River Pipe Line LLC from East Sparta to Heath under F.E.R.C. No. [W] ~~76.18.0~~ 76.20.0  
Ohio River Pipe Line LLC from Heath to Harpster under F.E.R.C. No. [W] ~~76.18.0~~ 76.20.0  
Marathon Pipe Line LLC from Harpster to Lima under F.E.R.C. No. [W] ~~332.2.0~~ 332.3.0  
Marathon Pipe Line LLC from Lima to Robinson under F.E.R.C. No. [W] ~~310.9.0~~ 310.10.0  
Marathon Pipe Line LLC from Robinson to Kankakee under F.E.R.C. No. [W] ~~311.12.0~~ 311.14.0

*Note:* Carrier will only move natural gasoline (fractionation) into the destination of Kankakee.  
An incentive rate is applicable for this movement under Item No. 6.

**Harrison County, Ohio to East Chicago, Lake County, Indiana:**

Marathon Pipe Line LLC from Cadiz, Scio or Hopedale to East Sparta under F.E.R.C. No. [W] ~~332.2.0~~ 332.3.0  
Ohio River Pipe Line LLC from East Sparta to Heath under F.E.R.C. No. [W] ~~76.18.0~~ 76.20.0  
Ohio River Pipe Line LLC from Heath to Harpster under F.E.R.C. No. [W] ~~76.18.0~~ 76.20.0  
Marathon Pipe Line LLC from Harpster to Lima under F.E.R.C. No. [W] ~~332.2.0~~ 332.3.0  
Marathon Pipe Line LLC from Lima to Robinson under F.E.R.C. No. [W] ~~310.9.0~~ 310.10.0  
Marathon Pipe Line LLC from Robinson to East Chicago under F.E.R.C. No. [W] ~~311.12.0~~ 311.14.0

*Note:* Carrier will only move natural gasoline (fractionation) into the destination of East Chicago. An incentive rate is applicable for this movement under Item No. 6.

**Harrison County, Ohio to Hammond, Lake County, Indiana:**

Marathon Pipe Line LLC from Cadiz, Scio or Hopedale to East Sparta under F.E.R.C. No. [W] ~~332.2.0~~ 332.3.0  
Ohio River Pipe Line LLC from East Sparta to Heath under F.E.R.C. No. [W] ~~76.18.0~~ 76.20.0  
Ohio River Pipe Line LLC from Heath to Harpster under F.E.R.C. No. [W] ~~76.18.0~~ 76.20.0  
Marathon Pipe Line LLC from Harpster to Lima under F.E.R.C. No. [W] ~~332.2.0~~ 332.3.0  
Marathon Pipe Line LLC from Lima to Robinson under F.E.R.C. No. [W] ~~310.9.0~~ 310.10.0  
Marathon Pipe Line LLC from Robinson to Hammond under F.E.R.C. No. [W] ~~311.12.0~~ 311.14.0

*Note:* Carrier will only move natural gasoline (fractionation) into the destination of Hammond.  
An incentive rate is applicable for this movement under Item No. 6.

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**Item No. 1 - Specification of Commodities moved under Joint Tariff:**

SPECIFICATION D—(Utica Petroleum Products)

Utica Petroleum Products will be received for transportation hereunder provided they are of good merchantable quality.

This Specification includes those petroleum products commonly transported from the Utica Shale area and known as light condensate, natural gasoline (diluent) and natural gasoline (fractionation.)

Carrier shall not be obligated to accept any Specification D Commodity that, as determined by Carrier, has on receipt any untreated cracked material including coker by-products, olefin plant by-products, cat cracked stocks, or organic chlorides.

Carrier will, when required by subsequent pipelines or when product quality concerns arise, require Shipper to furnish a certificate setting forth in detail the specifications of each Commodity offered for Transportation to Carrier's pipeline or other facilities. Carrier will, at its discretion, sample and/or test any Commodities tendered for Transportation.

Shipper shall provide Carrier with prompt notification of any tank switches that occur during the pump-out of Specification D Commodity from any Origination Facility.

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**Item No. 2 - Exceptions to the governing Rules & Regulations regarding Prorationing published in Marathon Pipe Line LLC's FERC No. 295.2.0 (Item No. 10) and Ohio River Pipe Line LLC's FERC No. 75.2.0 (Item No 10):**

Carrier will allocate Specification D expansion capacity independently from capacity reserved for other commodity specifications.

I. Definitions

"Prorationing Month" is the calendar month for which capacity is being allocated.

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

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

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

A "New Shipper" is any shipper who is not a Regular Shipper or a Committed Priority Shipper.

"Committed Volumes" are the volumes obligated by a Committed Priority Shipper in response of a binding open season through an executed transportation services agreement with Carrier.

A "Committed Priority Shipper" means a shipper that has executed a transportation services agreement with Carrier in response of a binding open season and commits to transporting, or paying for the transportation of a specific minimum volume Commodities. Committed Priority Shippers have priority service on designated pipeline systems in exchange for a premium rate. Committed Priority Shippers will be treated as a Regular Shipper for any nominations in excess of their committed volume. Committed Priority Shippers will also be treated as a Regular Shipper for any portion of their committed volumes that is tendered to a receipt point other than the receipt point determined in the transportation service agreement.

"Base Shipment Ratio" is the value determined by dividing the volume of Commodities moved for a Shipper or a Shipper's Committed Volumes, whichever is higher, through the pipeline during the Base Period by the total Commodities moved through the pipeline for all shippers during the Base Period.

"Binding Nominations": For any month, if the Carrier determines the Nominations exceed its capacity, then the Carrier will notify each Shipper and provide each Shipper an opportunity to reduce its Nomination, which Nomination 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.

II. Proration Procedure

- (1) Nominations from Committed Priority Shippers up to the level of their Committed Volume will not be subject to prorationing under normal operating circumstances.
- (2) If Nominations from Committed Priority Shippers for the month is less than their Committed Volume, the Committed Priority Shippers will be allocated only the amount of its Nomination, still subject to their annual or quarterly deficiency obligation as determined with their transportation service agreement.

- (3) The remaining capacity will be made available to accommodate nominations made by Regular Shippers and New Shippers using historical rights in the following manner:
- a. The capacity allocated to each Shipper will be determined by multiplying their Base Shipment Ratio times the remaining capacity of the line segment being prorated during the Proration Month.
  - b. If the results of the calculation in Item II (3)(a) for a Shipper is less than 5,000 barrels, then Shipper's allotted capacity will be increased to 5,000 barrels for the Proration Month.
  - c. If the results of the calculation in Item II (3)(a) for a Shipper is greater than that Shipper's Nomination on that line segment, then that Shipper's allotted capacity will be reduced to equal its Nomination on that line segment. The remaining capacity shall be allocated among Shippers in proportion to their Base Shipment Ratio.
  - d. 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 Shipper will receive the minimum capacity allocation of 5,000 barrels during the Proration Month. Capacity for all New Shippers will be limited to 10% of the total segment.
  - e. 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 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 received by Carrier 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 written assurances from responsible officials of Shippers regarding use of allocated capacity stating that this requirement has 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 fifteenth (15<sup>th</sup>) of the month preceding the Operating Month 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 Commodities nominated before the fifteenth (15<sup>th</sup>) of the preceding month.

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**Item No. 3 – Exception to the governing Rules & Regulations regarding Minimum Shipments Required published in Marathon Pipe Line LLC's FERC No. 295.2.0 (Item No. 12) and Ohio River Pipe Line LLC's FERC No. 75.2.0 (Item No 12):**

#### **SPECIFICATION D**

| <b>Origins</b> | <b>Destinations</b> | <b>Minimum Shipment</b> |
|----------------|---------------------|-------------------------|
| All Points     | All Points          | 5,000 barrels           |

Carrier may accept less than the minimum shipment if operationally possible and performed in a non-discriminatory manner. Carrier reserves the right to require the Shipper to furnish line displacement volumes.

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**Item No. 4 – Exceptions to the governing Rules & Regulations regarding Interface Adjustments published in Marathon Pipe Line LLC’s FERC No. 295.2.0 (Item No. 17) and Ohio River Pipe Line LLC’s FERC No. 75.2.0 (Item No. 16):**

Shippers shall accept and be responsible for handling any interface generated within or between Commodities. Shipper shall provide tankage or otherwise provide required facilities to receive its portion of interface.

To ensure that Shippers are kept whole, actual overages and shortages shall be settled on a per barrel basis for each pipeline system that comprises the joint tariff movement. When Carrier has moved quantities in excess of quantities received into the system for Shipper, Shipper will be invoiced for the over delivery by the Carrier. When the Carrier has moved quantities short of quantities received into the system for Shipper, the Carrier will pay the Shipper for the shortage. Payment will be based on the value of the Petroleum Products as quoted in OPIS (Oil Price Information Service), or other industry accepted price service selected by the Carrier.

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**Item No. 5 – Exceptions to the governing Rules & Regulations regarding Rates Applicable published in Marathon Pipe Line LLC’s FERC No. 295.2.0 (Item No. 19) and Ohio River Pipe Line LLC’s FERC No. 75.2.0 (Item No. 18):**

Commodities transported shall be subject to the rates and governed by the rules and regulations in effect on the date such Commodities are delivered by Carrier.

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**Item No. 6 – Kankakee/Hammond/East Chicago Volume Incentive Program (“Incentive Program”)**

Incentive Rates set forth within this item apply to deliveries of natural gasoline (fractionation) to Kankakee, Illinois; East Chicago, Indiana; and Hammond, Indiana:

- A. PROGRAM PERIOD:  
The Incentive Program period begins April 1, 2019 and expires March 31, 2020 (“Term”), unless otherwise extended or cancelled by Carrier.
- B. PROGRAM ELIGIBILITY:  
Shippers must notify Carrier in writing of their intent to ship under the Incentive Program by executing a transportation services agreement no later than March 31, 2019.
- C. QUALIFYING ORIGINS AND DESTINATIONS:  
Qualifying barrels must originate and deliver to the following locations under this tariff publication for eligibility for the Incentive Program:
- Barrels must originate from Harrison County, Ohio (Cadiz, Scio, and/or Hopedale).
  - Qualifying barrels must deliver into Findlay, Ohio; Lima, Ohio; Robinson, Illinois; Kankakee, Illinois; East Chicago, Indiana; and/or Hammond, Indiana.
  - Qualifying barrels may include all Specification D products classified under Item No. 1.
  - A Shipper’s volume commitment under any previously executed transportation services agreement will apply as qualifying barrels under this Incentive Program. However, Shipper is still obligated to pay the rate set forth under that transportation services agreement for those committed volumes subject to that transportation services agreement, prior to any Incentive Rate under this Incentive Program is applied.

Carrier will cumulatively apply Shipper’s delivered volumes toward the Quarterly Volume Commitment eligibility threshold.

- D. VOLUME ELIGIBILITY:  
The minimum annual volume requirement shall be 7,000,000 barrels. The minimum volume that shall be delivered quarterly is 1,750,000 barrels (“Quarterly Volume Commitment”). Upon executing a transportation services agreement and becoming program eligible, Shipper will begin receiving the Incentive Rate on applicable volumes.

E. NATURAL GASOLINE (FRACTIONATION) INCENTIVE RATES:

| <b>From the Origin of:</b>                                     | <b>To the Destination of:</b>       | <b>Incentive Rate<br/>(Cents per Barrel)</b> |
|--|-------------------------------------|--|
| Scio, Harrison County, Ohio<br>Hopedale, Harrison County, Ohio | Kankakee, Kankakee County, Illinois | [U] 540.00                                   |
|  | Hammond, Lake County, Indiana       | [U] 540.00                                   |
|  | East Chicago, Lake County, Indiana  | [U] 540.00                                   |

Carrier may increase the Incentive Rates when the corresponding base rates in Table 1 are increased. The increase will be limited to the same percentage as the corresponding base rate increase.

F. DEFICIENCY PAYMENT:

Shipper must guarantee to transport the Quarterly Volume Commitment. If the Shipper does not meet their Quarterly Volume Commitment, Shipper will be obligated to remit a deficiency payment pursuant to the terms in the transportation service agreement.

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- [U] Unchanged rate
  - [I] Increase
  - [W] Change in wording