

MARATHON PIPE LINE LLC

LOCAL TARIFF

CONTAINING

RULES AND REGULATIONS

Governing

TRANSPORTATION

of

REFINED PRODUCTS
(COMMODITIES)

by

PIPELINE

[N] Filed in compliance with 18 CFR § 341.3.

The rules and regulations published herein apply only under tariffs making specific reference by F.E.R.C. or State Commission number to this tariff; such reference will include supplements hereto and successive issues hereof.

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

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GENERAL APPLICATION

The rules and regulations published herein apply only under tariffs which make specific reference by F.E.R.C. or State Commission number to this tariff; such reference will include supplements hereto and successive issues hereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

RULES AND REGULATIONS

This Carrier will undertake the transportation of refined products as defined herein, receiving and delivering the same through its own facilities and lines, subject to the following rules and regulations:

1. Definitions

As used in these rules and regulations, the following meanings are applicable:

“Barrel” means forty-two United States gallons.

“Biodiesel” – A pure fuel of mono-alkyl esters of long chain fatty acids manufactured from renewable feedstocks such as vegetable oils, recycled cooking grease, or animal fats for use in compression-ignition (diesel) engines.

“Buffer Material” means small batches of Commodities transported solely for purposes of avoiding contamination of Commodities of significantly different grade and/or specifications.

“Carrier” means and refers to Marathon Pipe Line LLC.

“Refined Products” (“Commodities”) means and refers to refined petroleum products, intermediate petroleum products and liquefied petroleum gas as specified and defined in Item 4 “Specifications of Commodities.”

“Nomination” means a written designation by a Shipper to the Carrier of a quantity of Commodity for transportation from a specified origin point to a specified destination point over a period of one operating month in accordance with these rules and regulations.

“Operating Month” means any calendar month in which the Carrier transports commodities. For purpose hereof the calendar month shall be deemed to begin at 12:01 a.m. (Eastern Standard Time or Eastern Daylight Savings Time, whichever is in effect on the date specified) on the first day of such month.

“Origination Facility” means the facility immediately upstream of Carrier.

“Shipper” means the party who contracts with the Carrier for the transportation of Commodities subject to and in accordance with these rules and regulations subject to the rate on the applicable tariff.

“Tender” means an offer by a Shipper to the Carrier of a quantity of Commodity for transportation from a specified origin point to a specified destination point.

“Transportation” means the movement of Commodities from a specified origin point to a specified destination point including local transfers between points and handling.

“ULSD” means any ultra low sulfur diesel product. Carrier will provide ULSD acceptance specification upon request.

2. Services

Carrier is engaged primarily in the transportation of petroleum products and distillates as defined in Item 4 and will not accept any other Commodity for transportation under tariffs making reference hereto. Petroleum products and distillates tendered for transportation which differs in quality or characteristics from that usually transported by the Carrier, will, at the option of the Carrier, be transported under such terms as Shipper and the Carrier may agree. Such Commodities will only be transported, as time permits, with existing facilities and when they will not seriously impair the quality of other shipments.

3. Receipt and Destination Facilities

Shipper shall provide the facilities necessary to deliver Commodities to the Carrier’s receipt point manifold at: (1) a pumping rate equal to the Carrier’s full line pumping rate at the point of receipt into the System, and (2) a minimum pressure to be designated by the Carrier.

Commodities may be received into the Carrier’s System at less than Carrier’s full line pumping rate provided that, in Carrier’s sole judgment, such Commodities can be received into Carrier’s System without interfering with or contaminating other shipments.

Shipper shall provide the facilities necessary for promptly receiving the Commodities at Carrier’s destination point as it arrives at the full line delivery rates and pressure as designated by the Carrier.

All proposed receiving or delivery connections must meet minimum nomination, hourly flow rate conditions and metering requirements in effect at the time of requested connection and must also have facilities which will allow for increases to maximum line flow rate and pressure conditions. All proposed connection designs must be approved by the Carrier. All costs and expenses of installing, operating and maintaining connections shall be paid by the connecting party.

Carrier’s acceptance from, and delivery to any Shipper’s facility of Commodities shall not evidence Carrier’s approval of the adequacy of such Shipper’s facilities. The responsibility for such facilities shall be exclusively that of the Shipper.

4. Specification of Commodities

(a) SPECIFICATION A—(Refined Petroleum Products)

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

This Specification includes those petroleum products commonly known as gasoline and diesel products (including, but not limited to, kerosene, aviation fuel, low sulfur diesel, high sulfur diesel and ULSD).

SPECIFICATION B—(Intermediate Petroleum Products)

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

This Specification will include those petroleum products commonly known as gas oil, alkylate, isopentane, naphtha, and mixtures of aromatic products.

SPECIFICATION C—(Liquefied Petroleum Gases)

Liquefied Petroleum Gases will be received for transportation hereunder provided they are of good merchantable quality.

This Specification includes those liquefied petroleum gases commonly known as propane, isobutane, butane or mixtures of such products.

- (b) The specifications above exclude the acceptance of Biodiesel as a component of diesel fuel or as a tender of petroleum products. Carrier will not accept Biodiesel fuel for tender or shipment.

Market Solvent Yellow 124 is prohibited in Commodities.

Methyl tertiary butyl ether (MTBE), ethyl tertiary butyl ether (ETBE), tertiary amyl methyl ether (TAME), or other aliphatic ethers will be prohibited within Refined Petroleum Products except under the following criteria:

- (1) The de minimis limit of such aliphatic ether levels will not exceed 0.5% by volume at either the origin or destination points.
 - (2) Carrier will accept higher aliphatic ether levels on Carrier's Texas City, TX to Pasadena, TX pipeline system and the Garyville, LA to Zachary, LA pipeline system at either the origin or destination points if the destination point and/or connecting carrier will accept such aliphatic ether levels.
- (c) Carrier may 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 may, at its discretion, sample and/or test any Commodities tendered for Shipment. In the event of variance between Carrier's test and Shipper's said certificate, Carrier's test shall prevail. If ULSD does not meet Carrier's ULSD acceptance specification, Carrier may require the Origination Facility to redesignate the ULSD to another product.

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

- (d) Commodities not included in any of the above Specifications may be accepted for transportation at the option of the Carrier, subject to Items 2 and 5.

5. Identity and Quality of Commodities

Commodities will be accepted for transportation only on the condition that the Carrier in possession thereof will use due diligence to transport same to destination with a minimum of contamination and Carrier will not be liable for such minor contamination.

Carrier has the right to redesignate a Shipper's batch of off-specification ULSD. Carrier shall deliver the off-specification batch to Shipper's designated location, in order to clear Carrier's system, even if the sulfur contamination was caused by Carrier. If sulfur contamination is caused by Carrier, Carrier's responsibility shall be limited to the volume contaminated at Carrier's destination point. Carrier is not responsible for any sulfur contamination, or damages resulting therefrom, that occur downstream of Carrier's destination point.

In as much as it is impracticable for Carrier to maintain the identity of each entire Commodity shipment, Carrier reserves the right to substitute like volumes of the same general kind and quality as the Commodity shipped. Carrier may also require Shipper to furnish buffers to protect batched movements from contamination.

The use of methanol and ethanol as blending components is prohibited. Shippers must obtain advanced approval from the Carrier if they intend to tender for transportation Commodities containing nonhydrocarbon blending components.

Carrier may also accept for transportation Commodities which do not meet the conditions of Item 4 provided that:

- (a) Carrier has available facilities to segregate such Commodity while it is in transit from all other Commodities and if required, Shipper shall provide such buffers as Carrier solely deems necessary; and
- (b) Carrier shall not be liable to Shipper for changes in the gravity or quality of such Commodity while in transit; and
- (c) The Commodity tendered for transportation is made available at the receipt point in sufficient quantity as Carrier solely deems economically justifiable.

6. Additives

Carrier reserves the right to require and approve or reject the injection of corrosion inhibitors, viscosity or pour point depressants or any other additives in the Commodities to be transported.

7. Title

A tender of any Commodity for transportation shall be deemed a warranty of unencumbered title and merchantability at the time of tender 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 Commodity for transportation. Delivery of a Commodity to the Consignee designated by the Shipper shall relieve Carrier of any liability as to custody or title.

8. Intrasystem Change in Ownership

No transfers of ownership of Commodities will be recognized or recorded by the Carrier. All deliveries to receiving pipelines will be for the account of the Shipper.

9. Time for Submitting Nominations

The Carrier is under no obligation to accept a tender of Commodities for shipment for any operating month unless the Shipper submits its nomination to the Carrier on or before the [W] ~~10th~~ 15th calendar day of the preceding calendar month.

10. Apportionment When Nominations Are in Excess of Facilities

When there shall be nominated to Carrier for transportation more Commodities 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

“Proration 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 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.

“Base Shipment Ratio” is the value determined by dividing the volume of Commodities moved for a Shipper 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

When 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) The capacity allocated to each Shipper will be determined by multiplying each Shipper’s Base Shipment Ratio times the capacity of the line segment being prorated during the Proration Month.
- (2) If the results of the calculation in Item 10 II (1) for a Shipper is less than 10,000 barrels, then Shipper’s allotted capacity will be increased to 10,000 barrels for the Proration Month.
- (3) If the results of the calculation in Item 10 II (1) 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.
- (4) 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 10,000 barrels during the Proration Month.

- (5) If a 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 [W] ~~tenth (10th)~~ fifteenth (15th) 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 [W] ~~tenth (10th)~~ fifteenth (15th) of the preceding month.

11. Buffer Material

In the Transportation of Commodities, the Carrier, as a condition of shipment to protect the quality of such Commodities, may require the Shipper to furnish Buffer Material, which may include other Commodities commingled with it, into facilities which shall be supplied by the Shipper at destination.

The Carrier reserves the right to determine the quality and quantities of Commodities commingled and included in deliveries of Buffer Material to the Shipper at destination, and the Shipper shall pay charges on such Commodities in accordance with this tariff and/or tariffs making reference hereto.

The minimum shipment of Commodities which will be accepted for Transportation from one Shipper from any one receipt point to any one delivery point shall be as follows:

12. Minimum Shipments Required

SPECIFICATION A

Origins	Destinations	Minimum Shipment
All points	All Points	10,000 barrels (All products)

SPECIFICATION B

Origins	Destinations	Minimum Shipment
All points	All Points	20,000 barrels

SPECIFICATION C

Origins	Destinations	Minimum Shipment
All Points	All Points	20,000 barrels

Carrier, at its sole discretion, may accept less than the minimum shipment if operating conditions permit. Carrier reserves the right to require the Shipper to furnish line displacement volumes.

13. Reserved as placeholder for future use

14. Measuring and Testing

Prior to acceptance of Commodities for Transportation, the Carrier may test such Commodities and may require from Shipper a certificate setting forth in detail the specifications of each shipment of Commodities which must indicate all additives and inhibitors included.

All Commodities accepted by the Carrier for Transportation may be gauged by a representative of the Carrier prior to their receipt from the Shipper. Both the Carrier and the Shipper will have the privilege of witnessing gauging, meter readings and

testing to which Commodities are subjected. Should Shipper not avail itself of the right to be present or represented at the times of witnessing gauging and meter readings, it shall be presumed that Carrier's records of quantities of Commodities received or delivered by Carrier are correct. If tank gauges are used, quantities will be computed from regularly compiled tank tables, that are mutually acceptable, showing one hundred percent (100%) of the full capacity of the tanks. Volume corrections will be made from the observed temperature to the basis of sixty degrees (60°) Fahrenheit. The net (corrected) balance received by the Carrier at sixty degrees (60°) Fahrenheit will be the quantity deliverable and Transportation charges will be assessed in accordance therewith. Carrier will make no adjustment for any water found in shipments.

15. In-Transit Storage

When and to the extent Carrier determines space is available, Carrier will provide tankage for in-transit storage of Commodities at its Wood River, Madison County, Illinois, and Martinsville, Clark County, Illinois, facilities. The tankage offered under this rule is only that constructed for normal break out tankage within Carrier's system which from time to time may be surplus to Carrier's normal operating needs. Such in-transit storage will be governed by separate agreement between the Shipper and Carrier, incorporating this tariff and rules and regulations, to the extent applicable, and additional items as are necessary. In the event Shipper fails to remove its Commodities at the expiration of the storage period, Carrier shall have the right to divert, reconsign, or make whatever arrangements for disposition of the Commodities as it deems necessary including, but not limited to, the right of sale thereof.

16. Acceptance of Delivery

If a Shipper is not able to accept delivery of Commodities from Carrier at the time when Carrier has scheduled a delivery, and if Carrier has no means of withholding delivery of such Commodities, then Carrier shall have the right to clear its line and sell such Commodities and apply the proceeds thereof to accrued transportation charges and all other lawful charges and fees which shall be due as if delivery of such Commodities had been made at the rate specified in the applicable tariff; and to hold the balance of such proceeds for whomsoever may be legally entitled thereto.

17. Interface Adjustments

Shippers shall accept and be responsible for handling of any interface generated within or between Commodities. Shipper shall provide tankage or otherwise provide required facilities to receive its portion of interface. Shippers of diesel products with sulfur content higher than ULSD shall be responsible for all interface generated when such products are batched against ULSD.

18. Destination

All Commodities in Carrier's system shall at all times have a destination. Change in destination may be made if requested in writing by the Shipper prior to delivery at original destination point, subject to the rate and rules and regulations applicable from point of origin to point of final destination, provided that no out-of-line or backhaul movement will be made.

19. Rates Applicable

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

20. Applicable Rates From Intermediate Points

On Commodities accepted for Transportation from or to any point on Carrier's lines not named in tariffs making reference to this tariff, but which is intermediate to a point from which rates are published in tariffs making reference to this tariff, Carrier will apply from or to such unnamed point the rate published from the next more distant point specified in the tariff.

21. Charge for Spill Compensation

In addition to the Transportation charges and all other charges accruing on Commodities 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 Commodity, 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 Commodities within their jurisdiction for the purpose of creating a fund for the prevention, containment, clean up and/or removal of spills and/or the reimbursement of persons sustaining loss therefrom.

If a charge is to be established, it will be filed in a tariff.

22. Payment of Charges

The Shipper shall be obligated to pay Carrier all charges and fees upon Carrier's performance of the designated service(s). Payment of such charges and fees shall be made in accordance with invoice terms and these rules and regulations. The Carrier may, at its option, require the Shipper to pay all such charges and fees in advance or to provide an irrevocable letter of credit satisfactory to the Carrier. Carrier is entitled to a lien for all unpaid accrued charges and fees. Such lien attaches to any Commodity retained by Carrier for the Shipper's account. Carrier may refuse to deliver to the Shipper until all charges or fees owed to Carrier have been paid in full by such party.

If any charge remains unpaid after the payment due date, then such amount due shall bear interest calculated at an annual rate equivalent to 125% of the prime rate of interest charged by the Citibank N.A. of New York, New York, for loans made to substantial and responsible commercial borrowers from the payment due date of the invoice to the date payment is received by the Carrier.

If any such charges or fees remain unpaid for thirty (30) calendar days after the payment due date, the Carrier shall have the right, either directly or through an agent, to sell any of the Shipper's Commodities within the custody of the Carrier. From the proceeds of this sale, Carrier will deduct all transportation charges, other lawful charges and fees and interest due to Carrier, including expenses incident to said sale, and the balance of the remaining proceeds, if any, shall be held by Carrier for whomsoever may be lawfully entitled thereto. If proceeds from such sale are not sufficient, Shipper will remain liable for any deficiency including the above interest charges.

23. Liability of Carrier

Carrier, while in possession of any Commodity will not be liable for any loss thereof, damage thereto or delay caused by the act of God, the public enemy, quarantine, the authority of law, strikes, riots, or the act or default of the Shipper, or from any other cause not due to the negligence of Carrier. In the event there is any loss of Commodities other than through the negligence of Carrier, the Shipper shall bear the loss in the same proportion that the amount of the Tendered Commodity bears to the total amount of the consignment of which such Tender is a part and such Shipper shall be entitled to receive only such remaining portion of its Tender as is left after deducting its due portion of the loss.

24. Claims, Suits, Time for Filing

As a condition precedent to recovery for loss or damage, claims must be filed in writing with the Carrier within nine (9) months after delivery of the property, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits must be instituted against the Carrier within two (2) years and one (1) day from the day that notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim or any part or parts thereof. Where claims are not filed or suits are not instituted in accordance with the foregoing provisions, Carrier is not liable and such claims will not be paid.

25. Pipeage or Other Contracts Required

Separate pipeage and other contracts in accord with this tariff and these rules and regulations covering further details may be required by the Carrier before any duty for Transportation shall arise.

[C] Cancel
[W] Change in wording only
[N] New