

# MPLX OZARK PIPE LINE LLC

## LOCAL AND PROPORTIONAL TARIFF

CONTAINING

### RULES AND REGULATIONS

GOVERNING THE TRANSPORTATION OF

CRUDE PETROLEUM

BY PIPELINE

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This tariff is filed under the authority of 18 C.F.R. § 341.3.

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~~[C] Request for Special Permission Issued on twenty two days' notice under authority of 18 C.F.R. § 341.14. This tariff publication is conditionally accepted subject to refund pending a 30 day review period.~~

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#### GENERAL APPLICATION

Carrier will undertake the transportation of Crude Petroleum, only as defined herein, receiving and delivering such Crude Petroleum through its own pipelines and pipelines of connecting carriers and not otherwise, subject to the rules and regulations contained in this tariff publication.

The rules and regulations published herein apply only under tariffs making specific reference by FERC 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.

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

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## RULES AND REGULATIONS

### 5. DEFINITIONS

“**Barrel**” as herein used means forty-two (42) United States gallons at sixty degrees (60°) Fahrenheit and zero (0) gauge pressure if the vapor pressure of the Crude Petroleum is at or below atmospheric pressure, or at equilibrium pressure if the vapor pressure of the Crude Petroleum is above atmospheric pressure.

“**Carrier**” as herein used means MPLX Ozark Pipe Line LLC.

“**Carrier Force Majeure**” means any event that is beyond the reasonable control of Carrier that prevents Carrier from performing its obligations hereunder, including any of the following events: (a) compliance with acts, orders, regulations, or requests of any governmental authority having jurisdiction over the subject matter in question or any person or entity purporting to act therefor; (b) delays in obtaining governmental and regulatory authorizations, orders, certificates, licenses, permits and approvals required or, in the sole discretion of Carrier, desirable in connection with Carrier’s pipeline system; (c) insurrections, wars, rebellions, civil disturbances, sabotage, the acts of public enemies, blockades, epidemics, riots, strikes, lockouts or labor difficulties; (d) severe, unusual or unexpected weather conditions and actions of the elements, including earthquakes, floods, or landslides; (e) accidental

disruption or breakdown of an entity's transportation facilities, including the inability to obtain electric power, water or fuel directly associated with any such disruption and breakdown; (f) fires; (g) explosions; and (h) breakdowns or failure of pipe, plant, machinery or equipment.

**"Committed Shipper"** as herein used means a Shipper that is obligated to transport, or pay a deficiency payment for failure to transport, a specified minimum volume of Crude Petroleum pursuant to a TSA. A Committed Shipper will be treated as a New Shipper or Regular Shipper, as applicable under these rules and regulations, for any Nominations of volumes that (a) do not exceed its Required Monthly Base Volume, (b) are Deemed Uncommitted Volumes, if applicable, or (c) exceed the sum of its Required Monthly Base Volume and Monthly Committed Volume. A Committed Shipper will be treated as a New Shipper for any Nominations of its Committed Volume after Carrier converts such Committed Volume into the uncommitted volumes of a New Shipper following an event of default by such Committed Shipper under its TSA.

**"Committed Volume"** as herein used means, with respect to a Committed Shipper, the minimum daily volume of Crude Petroleum set out in Schedule A to the Committed Shipper's TSA.

**"Consignor"** as herein used means the party from whom a Shipper has ordered the receipt of Crude Petroleum.

**"Consignee"** as herein used means the party to whom a Shipper has ordered the delivery of Crude Petroleum.

**"Crude Petroleum"** as herein used means the direct liquid products of oil wells, or a mixture of the direct liquid products of oil wells with the indirect liquid products of oil and gas wells including gasoline and liquefied petroleum gases, as provided in Item 40 (MIXTURES).

**"Deemed Uncommitted Volumes"** means (a) with respect to a Committed Shipper that shipped, or whose affiliate shipped, Crude Petroleum on Carrier's pipeline system in one or more of the twelve calendar months immediately preceding the date of the TSA, any volume of Crude Petroleum nominated by such Committed Shipper that exceeds such Committed Shipper's Required Monthly Base Volume, but does not exceed such Committed Shipper's Monthly Committed Volume, and that such Committed Shipper requests to treat as uncommitted volumes in any month in accordance with the terms of such Committed Shipper's TSA, (b) with respect to any other Committed Shipper, any volume of Crude Petroleum nominated by such Committed Shipper that does not exceed such Committed Shipper's Monthly Committed Volume, and that such Committed Shipper requests to treat as uncommitted volumes in any month in accordance with the terms of such Committed Shipper's TSA; provided that any request described clause (a) or (b) shall be ineffective if the Carrier's pipeline system is in prorationing (or would be in prorationing as a result of any such request by one or more Committed Shippers) for all or part of such month, and (c) with respect to a Committed Shipper described in clause (a) or (b) above, any volume of Crude Petroleum Tendered by such Committed Shipper in excess of the lesser of (i) the volume of Crude Petroleum Nominated by such Committed Shipper to the Carrier's pipeline system's for such month or (ii) the capacity of the Carrier's pipeline system allocated to such Committed Shipper for such month, and that is accepted by Carrier for transportation.

**"Monthly Base Volume"** as herein used means for any month a volume of Crude Petroleum equal to the lesser of (a) the product of (i) the average number of barrels per day of Crude Petroleum Tendered by a Committed Shipper and/or its affiliate to Carrier for transportation on Carrier's pipeline system during the twelve (12) full calendar months immediately preceding February 15, 2017, adjusted upward, as appropriate, to eliminate the effect of any event of Carrier Force Majeure that reduced the number of barrels per day of Crude Petroleum that would otherwise have been Tendered by such Committed Shipper or its affiliate to Carrier at the receipt point during such twelve (12) calendar month period, and (ii) the number of calendar days in such month, and (b) the product of (i) the average number of barrels per day of uncommitted volumes of Crude Petroleum Tendered by a Committed Shipper and/or its affiliate to Carrier for transportation on Carrier's pipeline system during the twelve (12) full calendar months ending one month prior to the month of Nomination, adjusted upward, as appropriate, to eliminate the effect of any event of Carrier Force Majeure that reduced the number of barrels per day of Crude Petroleum that would otherwise have been Tendered by such Committed Shipper or its affiliate to Carrier for transportation on Carrier's pipeline system during such twelve (12) calendar month period, and (ii) the number of calendar days in such month.

**“Monthly Committed Volume”** as herein used means the product of the Committed Volume multiplied by the number of days in the relevant month.

**“Nomination”** as herein used means a written offer by a Shipper to the Carrier of a stated quantity of Crude Petroleum for transportation from a specified origin or origins to a specified destination in accordance with these rules.

**“Required Monthly Base Volume”** means a volume of Crude Petroleum equal to, as designated by Committed Shipper: (a) the lesser of (i) the Monthly Base Volume of a Committed Shipper for the relevant month or (ii) the volume of Crude Petroleum (excluding Committed Volumes) of such Committed Shipper or its affiliate accepted by Carrier for transportation on Carrier’s pipeline system for such month; provided that this clause (ii) will apply only if such Committed Shipper or its affiliate Nominated to Carrier’s pipeline system for such month uncommitted volumes at least equal to such Committed Shipper’s Monthly Base Volume in accordance with the procedures set forth in these rules and regulations or (b) up to the Committed Shipper’s allocation of uncommitted capacity.

**“Shipper”** as herein used means a party who contracts with Carrier for transportation of Crude Petroleum, as defined herein and under the terms of these rules and includes a Committed Shipper.

**“Tender”** (including all grammatical forms) as herein used means make physical delivery of Crude Petroleum at a specified origin or origins for transportation to a specified destination in accordance with these rules.

**“TSA”** as herein used means a Transportation Service Agreement executed by the Carrier and a Shipper pursuant to the open season that commenced on December 15, 2016.

## **10. NOMINATION, MINIMUM QUANTITY**

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- (a) Nominations for the transportation of Crude Petroleum for which Carrier has facilities will be accepted into Carrier's system under these rules in quantities of not less than thirty thousand (30,000) Barrels as operations permit and provided such Crude Petroleum is of similar quality and characteristics as is being transported from receipt point to destination point; except that Carrier reserves the right to accept any quantity of Crude Petroleum from lease tanks or other facilities to which Carrier's facilities are connected if such quantity can be consolidated with other Crude Petroleum such that Carrier can make a single delivery of not less than thirty thousand (30,000) Barrels, and Carrier will not be obligated to make any single delivery of less than thirty thousand (30,000) Barrels, unless Carrier's operations dictate otherwise. The term "single delivery" as used herein means a delivery of Crude Petroleum in one continuous operation to one Consignee into a single facility, furnished by such Consignee, to which Carrier is connected.
- (b) All communications relating to a Shipper’s Nominations, Tenders, payment of invoices or other matters pertaining to the Shipper’s business with Carrier shall be conducted solely by an officer or employee of the Shipper; provided that the Shipper may, in writing, designate to Carrier an agent to act on the Shipper’s behalf provided that the written designation states that:
- i. the Shipper acknowledges that all Shippers using the same agent will be deemed to be Affiliates of one another for purposes of Rule 75(b);
  - ii. the Shipper consents to disclosure of any and all information regarding the Shipper’s Nominations, Tenders, payment of invoices, or other business with Carrier to such agent and releases Carrier and holds Carrier harmless from any and all liability relating to such disclosure; and,
  - iii. such designation shall be valid and binding on Shipper until Carrier receives written notice from Shipper expressly terminating such designation.

To the extent the Carrier receives a communication from a third party or from a Shipper indicating that such third party is conducting business with the Carrier on behalf of the Shipper, Carrier will deem the Shipper to be an Affiliate [for purposes of Item 75(b)] of such third party and of any other Shippers on behalf of which such third party is conducting business with the Carrier as agent.

## **[N] 11. TIME FOR SUBMITTING NOMINATIONS**

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[N] The Carrier is under no obligation to accept a Tender of Crude Petroleum for shipment unless the Shipper submits its nomination to the Carrier on or before the 15<sup>th</sup> calendar day of the preceding calendar month.

## **15. LINE FILL AND TANK BOTTOM INVENTORY REQUIREMENTS**

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~~[C] Prior to delivering Barrels out of Carrier's pipeline system, each~~ [W] Each Shipper will be required to supply a pro rata share of Crude Petroleum necessary for pipeline and tankage fill to ensure efficient operation of Carrier's pipeline system. Crude Petroleum provided by Shippers for this purpose may be withdrawn only after: (1) [C] ~~shipments have ceased and the Shipper has notified Carrier in writing of its intention to discontinue shipments in Carrier's system~~ [N] Carrier determines that the Shipper is no longer responsible for any portion of linefill and tank bottoms, and (2) Shipper balances have been reconciled between Shipper and Carrier. Carrier, at its discretion, may require advance payment of transportation charges on the volumes to be cleared from Carrier's system, and any unpaid accounts receivable, before final delivery will be made. Carrier shall have a reasonable period of time from the receipt of said notice to complete administrative and operational requirements incidental to Shipper withdrawal.

## **20. TITLE**

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The Carrier shall have the right to reject any Crude Petroleum, when Nominated or Tendered for transportation, which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by a lien or charge of any kind, and it may require of the Shipper satisfactory evidence of its perfect and unencumbered title or satisfactory indemnity bond to protect Carrier. By Nominating Crude Petroleum, the Shipper warrants and guarantees that the Shipper has good title thereto and agrees to hold Carrier harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto; provided, that acceptance for transportation shall not be deemed a representation by the Carrier as to title.

## **25. SPECIFICATION AS TO QUALITY RECEIVED**

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No Crude Petroleum will be accepted for transportation except merchantable Crude Petroleum which is properly settled and contains not more than one percent (1%) of basic sediment, water, and other impurities, and has a temperature not in excess of one hundred and twenty degrees (120°) Fahrenheit and its gravity, viscosity, pour point, and other characteristics are such that it will be readily susceptible to transportation through the Carrier's existing facilities, and will not materially affect the quality of other shipments or cause disadvantage to other Shippers and/or the Carrier. If Crude Petroleum is accepted from tankage, settled bottoms in such tanks must not be above a point four inches (4") below the bottom of the pipeline connection with the tank from which it enters Carrier's facilities. Sediment and water limitations of a connecting carrier may be imposed upon Carrier when such limits are less than that of Carrier, in which case the limitations of the connecting carrier will be applied.

Carrier may, from time to time, undertake to transport other or additional grades of Crude Petroleum and if, in the opinion of Carrier, sufficient quantities are not Nominated or facilities are not available to justify continued transportation of other or additional grades, Carrier may, after giving reasonable notice to Shippers who may be affected, cease transporting particular grades of Crude Petroleum.

If, upon investigation, Carrier determines that a Shipper has delivered to Carrier's facilities Crude Petroleum that has been contaminated by the existence of and/or excess amounts of impure substances, including but not limited to, chlorinated and/or oxygenated hydrocarbons, arsenic, lead and/or other metals, such Shipper will be excluded from further entry into applicable segments of the pipeline system until such time as quality specifications are met to the satisfaction of Carrier. Further, Carrier reserves the right to dispose of any contaminated Crude Petroleum blocking its pipeline system. Disposal thereof, if necessary, may be made in any reasonable commercial manner, and any liability associated with the contamination or disposal of any Crude Petroleum shall be borne by the Shipper introducing the contaminated Crude Petroleum into Carrier's system.

Due to operational limitations and Carrier's desire not to cause disadvantage to other Shipper's Tenders, Carrier may limit or restrict a Shipper's Nomination of Crude Petroleum that has a viscosity greater than [C] 54 [N] 55 Saybolt Universal Seconds (SUS) at 100 degrees Fahrenheit. Should Carrier allow such Nomination, applicable barrels shall be subject to a viscosity surcharge as set forth on the tariff.

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**30. COMMON STREAM CRUDE PETROLEUM – CONNECTING CARRIERS**

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When both receipts from and deliveries to a connecting pipeline of substantially the same grade of Crude Petroleum are scheduled at the same interconnection, Carrier reserves the right, with the cooperation of the operator of the connecting pipeline, to offset like volumes of such common stream Crude Petroleum in order to avoid the unnecessary use of energy which would be required to physically pump the offsetting volumes. When this right is exercised, Carrier will make the further deliveries for the Shipper involved from Carrier's common stream Crude Petroleum.

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**35. SHIPMENTS, MAINTENANCE OF IDENTITY**

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Carrier shall not be liable to Shipper for changes in gravity or quality of Shipper's Crude Petroleum which may occur from commingling or intermixing Shipper's Crude Petroleum with other Crude Petroleum in the same common stream while in transit. Carrier is not obligated to deliver to Shipper the identical Crude Petroleum tendered by Shipper; Carrier will deliver the grade of crude petroleum it is regularly transporting as a common stream.

Carrier shall have no responsibility in, or for, any revaluation or settlements which may be deemed appropriate by Shippers and/or Consignees because of mixing or commingling of Crude Petroleum shipments between the receipt and delivery of such shipments by Carrier within the same common stream.

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**40. MIXTURES**

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The indirect liquid products of oil and gas wells, including gasoline and liquefied petroleum gases, hereinafter referred to as indirect products, will be accepted and transported as a mixture with the direct liquid products of oil wells, hereinafter referred to as direct products, provided that the vapor pressure of the resulting mixture does not exceed that permitted by Carrier's facilities and operating conditions.

The indirect products portion of the mixture will be accepted for transportation at reception points other than the one at which the direct products portion of the same mixture is received, provided that the Shipper, Consignee, and destination are the same, and that operating conditions and the Carrier's facilities permit the indirect products portion to be mixed with the direct products of the same Shipper or Consignee.

Mixtures will be transported and delivered as Crude Petroleum only. Nothing in this rule is to be construed to waive provisions of Item 35 (SHIPMENTS, MAINTENANCE OF IDENTITY) of these rules or to require the Carrier to receive, transport, and deliver unmixed indirect products. However, unmixed indirect products may be transported for subsequent mixing with direct products in accordance with this rule where facilities exist and operations permit transporting such indirect products.

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**45. ADDITIVES**

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

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**50. DUTY OF CARRIER**

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Carrier shall not be required to transport Crude Petroleum except with reasonable diligence, considering the quality of the Crude Petroleum, the distance of transportation and other material elements. Carrier cannot commit to delivering Crude Petroleum to a particular destination, at a particular time.

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**55. ORIGIN FACILITIES REQUIRED FOR AUTOMATIC CUSTODY TRANSFER**

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Where Consignor (or Shipper) elects to deliver Crude Petroleum to the Carrier at point of origin through automatic custody transfer facilities (in lieu of tankage), the Consignor (or Shipper) shall furnish the required automatic measuring and sampling facilities and the design, construction, and calibration of such facilities must be approved by the Carrier and any appropriate regulatory body. In the event automatic custody transfer is made by meters, the Consignor (or Shipper) shall also furnish whatever pumping service is necessary to insure that the Crude Petroleum being delivered to the meter is at a pressure in excess of the bubble point of the liquid.

## **60. DESTINATION FACILITIES REQUIRED**

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The Carrier will accept Crude Petroleum for transportation only when the Shipper or Consignee has made the necessary arrangements for shipment beyond or has provided the necessary facilities for receiving said Crude Petroleum as it arrives at the destination.

## **65. NOTICE OF ARRIVAL, DELIVERY AT DESTINATION, DEMURRAGE**

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The obligation of the Carrier is to deliver the quantity of Crude Petroleum to be transported, less deductions, at the specified destination. Such delivery may be made upon twenty-four (24) hours' notice to the Shipper or Consignee who shall accept and receive said Crude Petroleum from the Carrier with all possible dispatch into tanks or receptacles arranged for or provided by the Shipper or Consignee.

Commencing after the first seven o'clock a.m., after expiration of said 24-hour notice, Carrier shall assess a demurrage charge on any part of said Crude Petroleum shipment offered for delivery and not taken by Shipper or Consignee; the demurrage charge will be one-half cent per Barrel per day for each day of 24 hours or fractional part thereof. After expiration of said 24-hour notice, Carrier's liability for loss, damage or delay with respect to Crude Petroleum offered for delivery but not taken by Shipper or Consignee shall be that of a warehouseman only.

If the Shipper, or Consignee, is unable or refuses to receive said Crude Petroleum as it arrives at the specified destination, the Carrier reserves the right to make whatever arrangements for disposition of the Crude Petroleum it deems appropriate in order to clear its pipeline. Any additional expenses incurred by the Carrier in making such arrangements shall be borne by the Shipper or Consignee.

## **70. GAUGING, TESTING AND DEDUCTIONS**

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Crude Petroleum shipped hereunder shall be measured and tested by representatives of the Carrier or by automatic equipment approved by the Carrier. Quantities shall be determined by dynamic or static measurement methods in accordance with appropriate American Petroleum Institute (API) standards, latest revision, and adjusted to base (reference or standard) conditions.

When, in Carrier's opinion, a lease operator or connecting carrier's tanks are unsafe or unsuitable for use in custody transfer because of improper connections, high bottom accumulations of any extraneous matter, incrustations on the inside of the tank walls, or any other conditions unacceptable to Carrier, Carrier may reject the use of such tank until the unacceptable conditions have been corrected. Alternatively, in the case of incrustation inside any tank, Carrier may determine and apply a correction factor to ascertain the correct tank capacity.

Corrections will be made for temperature from observed degrees Fahrenheit to 60 degrees Fahrenheit and for pressure to 14.696 psia. Carrier will deduct the full amount of sediment, water and other impurities as the centrifugal or other test may show.

One of the following pipeline loss allowance will be used when specifically referenced in the tariff:

### **Option 1**

A deduction of two-tenths of one percent (0.2%) will be made to cover evaporation, interface losses, and other normal losses during transportation.

### **Option 2**

No deduction will be made to cover evaporation, interface losses, and other normal losses during transportation

### **Option 3**

Quantities transported will be adjusted to allow for inherent losses, including but not limited to shrinkage, evaporation, interface losses and other losses. Pipeline loss adjustments will be made on the basis of total quantities transported.

### **Option 4**

A deduction of one-tenth of one percent (0.1%) will be made to cover evaporation, interface losses, and other normal losses during transportation.

**Option 5**

A deduction of fifteen hundredths of one percent (0.15%) will be made to cover evaporation, interface losses, and other normal losses during transportation.

**Option 6**

A deduction of twenty-five hundredths of one percent (0.25%) will be made to cover evaporation, interface losses, and other normal losses during transportation.

**Option 7**

A deduction of three-tenths of one percent (0.3%) will be made to cover evaporation, interface losses, and other normal losses during transportation.

**Option 8**

A deduction of thirty-five hundredths of one percent (0.35%) will be made to cover evaporation, interface losses, and other normal losses during transportation.

**Option 9**

A deduction of one-half of one percent (0.5%) will be made to cover evaporation, interface losses, and other normal losses during transportation.

All receipts of Crude Petroleum and indirect liquid products having an API gravity of 45 degrees or above shall also be subject to a deduction to cover the shrinkage and incremental evaporation resulting from the mixture thereof, in Carrier's facilities, with Crude Petroleum having an API gravity of 44.9 degrees or less. Such deduction shall be determined in accordance with the following table:

API Gravity, Degrees	Deduction For Incremental Evaporation And Shrinkage
45 through 54.9	0.5%
55 through 64.9	1.0%
65 through 74.9	1.5%
75 and above	2.0%

After consideration of all of the factors set forth in this Item No. 70, a net balance will be determined as the quantity deliverable by Carrier, and transportation charges will be assessed on this net balance.

## **75. APPORTIONMENT WHEN NOMINATIONS ARE IN EXCESS OF FACILITIES**

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(a) When there shall be Nominated to Carrier, for transportation, more Crude Petroleum than can be immediately transported on a line segment, the transportation furnished by Carrier shall be apportioned among Shippers on an equitable basis. Line segments will be prorated separately if necessary.

(b) Space in each segment will be allocated among Shippers as follows:

i. For the purposes of this section, these terms are defined as follows:

**“Actual Shipments”** means volumes of Crude Petroleum that are delivered to a designated delivery point(s) on MPLX Ozark Pipe Line LLC.

**“Affiliate”** means any entity that is under direct or indirect common control, or directly or indirectly:

- 1) controls a Shipper;
- 2) is controlled by another Shipper; or
- 3) is controlled by the same entity that controls a Shipper;

for purposes of this definition the terms “controls” and “controlled by” shall mean the use of shared mailing or business addresses, the use of shared business telephone numbers, the use of common bank account(s) in relation to Carrier’s requirements set forth in Item 100 or Item 101(c)(ii), one Shipper directing or conducting business on behalf of another Shipper as detailed in Item 10(b), the power to direct or cause the direction of the management and policies of another entity whether through the ownership of shares, a contract, trust arrangement or any other means, either directly or indirectly, that results in control in fact, but notwithstanding the foregoing includes, with respect to the control of or by a corporation or partnership,



the ownership of shares or equity interests carrying not less than 50% of the voting rights regardless of whether such ownership occurs directly or indirectly.

**“Available Capacity”** means the total capacity of the pipeline segment or segments thereof, available to transport crude petroleum.

**“Average Daily Volume”** means the average of a Regular Shipper's daily volumes of crude petroleum transported during the Base Period through the line segment or segments subject to prorationing.

**“Base Period”** means a period of 12 months, excluding the month preceding the month of allocation.

**“Binding Nomination”** means for any Month during which the Carrier determines that nominations exceed its capacity, then the Carrier will notify each Shipper and provide each Shipper an opportunity to reduce its nomination by close of business of that day. Upon receipt of reduced nominations Carrier will evaluate whether the nominations exceed its capacity. If there is insufficient capacity to transport the volumes nominated then the Carrier will prorate capacity in accordance with this section. The volume allocated to a Shipper during a period of apportionment shall be considered its Binding Nomination.

**“New Shipper”** means a Shipper that is not a Regular Shipper. Except as set forth below in this definition, a Committed Shipper will not be a New Shipper to the extent of its Monthly Committed Volume in a month, but will be a New Shipper to the extent of any Actual Shipments in such month that (a) do not exceed its Required Monthly Base Volume, if applicable, (b) are Deemed Uncommitted Volumes, if applicable, or (c) exceed the sum of its Required Monthly Base Volume, if applicable, and Monthly Committed Volume if, in the case of clause (a), (b) or (c), such Shipper does not satisfy the requirements below for a Regular Shipper with respect to such Actual Shipments. A Committed Shipper will be treated as a New Shipper with respect to its Committed Volume after Carrier converts such Committed Volume into the uncommitted volumes of a New Shipper following an event of default by such Committed Shipper under its TSA.

**“Nominated Volume”** means, for any Nomination Month, a New Shipper's nomination or Regular Shipper's nomination of Crude Petroleum for transportation by the Carrier.

**“Non-Performance Penalty”** means an amount equal to the product of the applicable tariff multiplied by the difference between 95% of that Shipper's Binding Nomination and its Tendered volume during said month.

**“Regular Shipper”** means a shipper that has Tendered volume in at least six (6) months in the Base Period. A New Shipper becomes a Regular Shipper as soon as it has met the six (6) months Tendered volume standard. The Average Daily Volume of a Regular Shipper will be calculated over the entire Base Period including any months for which no movements are credited. A Regular Shipper ceases to be a Regular Shipper if it has no Tendered volume for seven (7) or more months out of the Base Period. Thereafter, that shipper will be treated as a New Shipper unless and until it meets Regular Shipper criteria. A Committed Shipper will not be a Regular Shipper to the extent of its Monthly Committed Volume in a month, but will be a Regular Shipper to the extent of any Tendered volume in such month that (a) do not exceed its Required Monthly Base Volume, if applicable, (b) are Deemed Uncommitted Volumes, if applicable, or (c) exceed the sum of its Required Monthly Base Volume, if applicable, and Monthly Committed Volume if, in the case of clause (a), (b) or (c), such Shipper satisfies the requirements above for a Regular Shipper with respect to such Tendered volumes.

[C] ~~“Revenue Credit” means revenue in excess of the Transportation Revenue.~~

**“Shipper Force Majeure”** means an event, which is unforeseen, and beyond the control of the Shipper, that either prevents the Shipper from delivering the affected volume to Carrier or prevents the Shipper from accepting delivery of the affected volume from Carrier. The following are the examples of Shipper Force Majeure events: earthquakes; floods; landslides; civil disturbances; sabotage; the acts of public enemies; war; blockades; insurrections; riots; epidemics; the act of any government or other authority or statutory undertaking; the inability to obtain or the curtailment of electric power, water or fuel; strikes, lockouts, or other labor disruptions; fires; explosions; breakdowns or failures of pipe, plant, machinery or equipment; and contamination or poisoning of catalyst and/or solvent or biological treatment facilities. For greater

certainty, a lack of funds; the availability of a more attractive market; Shipper's inability to purchase Crude Petroleum; or inefficiencies in operations do not constitute events of Shipper Force Majeure.

**“Transportation Revenue”** means the product of the applicable tariff multiplied by the Shipper's Actual Shipments.

- ii. The Available Capacity of the line segment being prorated shall be between Committed Shippers, Regular Shippers and New Shippers.
  - iii. If, for any month, more Crude Petroleum is Nominated to the Carrier than can be transported by the Carrier, then the Carrier shall prorate the Available Capacity among Shippers as follows:
    - (1) Subject to Item 75(b)iv, each Committed Shipper will be allocated its Committed Volume (excluding its Deemed Uncommitted Volumes, if any) or, if less, its Nominated volume.
    - (2) During any period when the Available Capacity of a line segment is reduced below the annual average capacity of such line segment because of an annual event of Carrier Force Majeure, the Available Capacity allocated to Committed Shippers pursuant to step (1) will be reduced by the same percentage as the reduction in the Available Capacity of such line segment.
    - (3) Up to 5% of any remaining Available Capacity not allocated through the application of steps (1) and (2) will be allocated among all New Shippers, if any, on a pro rata basis. If the pro rata allocation in a given month results in no New Shipper being allocated a minimum batch in accordance with Item 10(a), then the Carrier will administer a lottery using a software-generated random process for the total number of monthly minimum volume batches available to New Shippers. A New Shipper will not be allocated capacity through the lottery process if they are (i) an Affiliate of a Regular Shipper; or (ii) an Affiliate of another shipper who received an allocation through the lottery process. Detailed procedures regarding Carrier's lottery process are outlined in Item 76.
    - (4) Any remaining Available Capacity not allocated through the application of steps (1), (2) and (3) will be allocated among all Regular Shippers based on the lesser of (A) each Regular Shipper's Average Daily Volume or (B) its Nominated volume; this is an iterative process such that any unallocated remaining Available Capacity shall continue to be reallocated to all Regular Shippers in this manner until either all such remaining Available Capacity is allocated among Regular Shippers or the Regular Shippers' Nominations have been fulfilled.
    - (5) Any remaining Available Capacity not allocated through the application of steps (1), (2), (3) and (4) will be allocated pro rata among all remaining unallocated Nominations.
  - iv. For purposes of the allocation pursuant to Item 75(b)iii, a Committed Shipper will not be deemed to have Nominated to Carrier any or all of the Monthly Committed Volume in a month until such Committed Shipper or its Affiliate shall have Nominated to Carrier all of its Required Monthly Base Volume for such month. Although the Required Monthly Base Volume will be calculated first to determine whether sufficient volumes have been Nominated to satisfy the Monthly Committed Volume, Available Capacity will be allocated to the Monthly Committed Volume in accordance with steps (1) and (2) of Item 75(b)iii before Available Capacity is allocated to the Required Monthly Base Volume in accordance with step (4) of Item 75(b)iii.
  - v. Carrier will provide any unused capacity in a fair and equitable manner across all classes of Shippers. Uncommitted volumes Tendered in unused Committed Shipper's capacity will not be included with the Shipper's Average Daily Volume and will not be assessed a Non-Performance Penalty. Carrier will prioritize Committed Shipper's request to Tender Committed Volumes.
- (c) No individual Shipper nomination shall be considered beyond the physical capacity of the pipeline segment(s) that the nominated Crude Petroleum will be transported on. If, for any month, more Crude Petroleum is tendered to the Carrier than can be transported by the Carrier, then:
- i. no individual nominations by Regular Shippers shall be considered beyond ninety-five percent (95%) of the physical capacity of the pipeline segment(s) that the nominated Crude Petroleum will be transported on; and,

- ii. no individual nominations by New Shippers shall be considered beyond five percent (5%) of the physical capacity of the pipeline segment(s) that the nominated Crude Petroleum will be transported on.

Nominations in excess of these limits will be reduced accordingly.

- (d) Except during a Shipper Force Majeure event, if a Shipper is unable to tender Crude Petroleum equal to the space allocated to it, Carrier will implement the following ~~[W] penalties~~ penalty:

~~[W] i.~~ Once Carrier has determined the capacity allocated to each Shipper for a given month under the provisions stated herein, it shall provide notice to each Shipper of its allocated capacity (i.e., its Binding Nomination) for the month. If any Regular Shipper or New Shipper fails to tender a volume of Crude Petroleum during the month equal to ninety-five percent (95%) of its Binding Nomination for that month, that Regular Shipper or New Shipper shall pay to Carrier (in addition to the tariff charge for the volumes actually transported) the Non-Performance Penalty.

~~[C] ii. The Revenue Credit, plus interest calculated in accordance with the Commission's regulations (18 C.F.R. § 340.1 (c)), collected from imposition of the financial penalty will be accounted for in a separate account, and refunded to Regular Shippers and New Shippers who did not incur the Non-Performance Penalty during a calendar quarter. The associated refund with interest will be made on an annual basis.~~

## **76. LOTTERY PROCESS**

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Carrier will administer a lottery process, in order to allocate capacity to New Shippers pursuant to Item 75(b)(iii), as follows:

- (a) Carrier will use a random number generating software to randomly assign each New Shipper a number from one to the number representing the total number of New Shippers participating in the lottery (i.e. if there are thirty New Shippers, numbers one through thirty will be assigned).
- (b) The New Shipper with the number closest to one will receive the first monthly minimum Tender allocation. This process of assigning monthly minimum Tender allocations to the New Shipper with the number closest to one will continue until all of the available monthly minimum Tender allocations have been assigned.
- (c) Following the lottery, Carrier will notify Shippers as to whether or not they were allocated capacity in that month. Unsuccessful New Shippers will be notified within two (2) business days that they will not receive an allocation.

## **80. APPLICATION OF RATES AND CHARGES**

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Petroleum accepted for transportation shall be subject to the rates and charges in effect on the date of receipt of such Crude Petroleum by the Carrier. Trunk line transportation and all other lawful charges will be collected on the basis of the net quantities of Crude Petroleum delivered. Gathering charges will be collected on the basis of net quantities of Crude Petroleum received. All net quantities will be determined in the manner provided in Item 70 (GAUGING, TESTING AND DEDUCTIONS).

## **85. APPLICATION OF RATES FROM AND TO INTERMEDIATE POINTS**

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For Crude Petroleum accepted for transportation from any point on Carrier's lines not named in a particular tariff, which is intermediate to a point from which rates are published in said tariff, through such unnamed point, the rate published from the next more distant point specified in such tariff will apply. For Crude Petroleum accepted for transportation to any point not named in a particular tariff which is intermediate to a point to which rates are published in said tariffs, through such unnamed point, the rate published therein to the next more distant point specified in the tariff will apply. This is in accordance with 18 C.F.R. § 341.10.

## **90. CHARGE FOR COMPENSATION FUND FEES INCURRED BY COMPANY**

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In addition to all other charges accruing on Crude Petroleum accepted for transportation through Carrier's facilities, a per Barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against

Carrier by any Federal, State or local agency for the purpose of creating a fund for the reimbursement of parties who sustain costs or losses resulting from oil pipeline industry operations.

### **~~[C] 95. TANKER AND BARGE LOADING AND UNLOADING~~**

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~~[C] Carrier will receive or deliver Crude Petroleum across its dock facilities from both tankers or barges where dock facilities are equipped to handle tankers or barges. Shippers shall indemnify and hold Carrier harmless against any and all claims (whether made by the vessel owner or any other party) for demurrage or any other charges arising out of any delay of such vessel.~~

### **100. PAYMENT OF TRANSPORTATION AND OTHER CHARGES**

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Shipper shall be responsible for payment of transportation and all other charges applicable to the shipment, and at the discretion of Carrier, may be required to prepay such charges or furnish guaranty of payment satisfactory to Carrier. Payments not received by Carrier in accordance with invoice terms shall be subject to a late charge equivalent to 125% of the prime rate as quoted by a major New York bank. Carrier shall have a lien on all Crude Petroleum accepted for transportation to cover payment of all charges, including demurrage and late charges and may refuse to make delivery of the Crude Petroleum until all charges have been paid. If said charges, or any part thereof, shall remain unpaid for five days after notice of readiness to deliver, the Carrier may sell the Crude Petroleum at public auction. Carrier shall have a lien on Crude Petroleum when there shall be failure to take the Crude Petroleum at the point of destination as provided in Item No. 65 (NOTICE OF ARRIVAL, DELIVERY AT DESTINATION, DEMURRAGE). Carrier shall have the right to sell said Crude Petroleum at public auction, for cash. The auction will be held between the hours of ten o'clock a.m. and four o'clock p.m. on any day not a weekend or legal holiday, and not less than twenty-four hours after the Shipper has been officially notified of the time and place of such sale and the quantity, general description, and location of the Crude Petroleum to be sold. Carrier may be a bidder and purchaser at such sale. Out of the proceeds of said sale, Carrier shall pay itself for all transportation, demurrage, and other lawful charges, expenses of notice, advertisement, sale and other necessary expenses, and expenses of caring for and maintaining the Crude Petroleum, and the balance shall be held for whomsoever may be lawfully entitled thereto after the auction. If the proceeds of said sale do not cover all expenses incurred by Carrier, the Shipper and/or Consignee are liable to Carrier for any deficiency.

### **101. FINANCIAL ASSURANCES**

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- (a) At any time, upon the request of the Carrier, any prospective or existing Shipper shall provide information to the Carrier that will allow the Carrier to determine the prospective or existing Shipper's capacity to perform any financial obligations that could arise from the transportation of that Shipper's Crude Petroleum under the terms of this tariff, including the payment of transportation charges, equalization obligations and the value of the allowance oil and negative Shipper's balance positions. The Carrier shall not be obligated to accept Crude Petroleum for transportation from an existing or prospective Shipper if the Shipper or prospective Shipper fails to provide the requested information to the Carrier within five (5) days of the Carrier's written request, or if the Carrier reasonably determines that the existing or prospective Shipper does not have the capacity to perform any financial obligations that could arise from the transportation of that Shipper's Crude Petroleum under the terms of this tariff, including the payment of transportation charges, equalization obligations and the reasonably determined value of the allowance oil and negative Shipper's balance positions.
- (b) In the event that the Carrier reasonably determines that:
- i. the existing or prospective Shipper's financial condition is or has become impaired or unsatisfactory;
  - ii. any Financial Assurances previously provided by a Shipper no longer provide adequate security for the performance of the Shipper's obligations that could arise from the transportation of its Crude Petroleum under the terms of this tariff; or
  - iii. the Carrier otherwise determines that it is necessary to obtain Financial Assurances from the Shipper;

then the Shipper shall provide Financial Assurances for the payment of the charges and costs as provided for in this tariff or otherwise lawfully due to the Carrier relating to the transportation of the Shipper's Crude Petroleum by the Carrier. For the purpose of this tariff, and without limiting the generality of the charges and costs lawfully due to the Carrier relating to the transportation of the Shipper's Crude Petroleum, those charges and

costs shall include transportation charges, equalization obligations, negative Shipper's balance positions and the allowance oil. The Carrier shall not be obligated to accept Crude Petroleum for transportation from an existing or prospective Shipper if the Shipper or prospective Shipper fails to deliver the Financial Assurances to Carrier within five (5) days of Shipper's receipt of Carrier's written request for such Financial Assurances.

- (c) Pursuant to Item 101 (b), the Carrier, upon notice to the Shipper, may require one or more of the following Financial Assurances for the payment of all charges and costs as provided for in this tariff, or otherwise lawfully due to the Carrier, to be provided at the expense of the Shipper:

[C] ~~i. prepayment;~~

[W] ii. a letter of credit in favor of Carrier in an amount sufficient to ensure payment of all costs and charges that could reasonably accrue due to the Carrier, in a form and from an institution acceptable to Carrier;  
[W] or

[W] iii. a guaranty in an amount sufficient to ensure payment of all such costs and charges that could reasonably accrue due to the Carrier, in a form and from a third party acceptable to Carrier [W] ~~or~~ .

[C] ~~iv. such other enforceable collateral security including but not limited to security agreements over assets of the Shipper, in a form acceptable to the Carrier ("the Financial Assurances").~~

## **105. DIVERSION**

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Subject to Item 10 (TENDER, MINIMUM QUANTITY), change in destination or routing will be permitted without additional charge, on written request from the Shipper, provided an applicable tariff is in effect for any requested destination or routing, and provided that no back-haul is required.

## **110. LIABILITY OF CARRIER**

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(a) Except where caused by the direct negligence of the Carrier, the Carrier shall not be liable to a Shipper for any delays, damages, or losses experienced as a result of the Carrier's transportation (and all services and procedures related thereto), commingling, or intermixing of such Crude Petroleum in the facilities of the Carrier.

Notwithstanding anything to the contrary contained in this tariff, unless caused by the gross negligence or willful misconduct of the Carrier, the Carrier's liability, if any, shall not extend to any indirect, consequential, incidental, or punitive damages, or to any loss of profits or revenues incurred by such Shipper that may result from the transportation (and all services and procedures related thereto), commingling or intermixing of Crude Petroleum with other Petroleum under this tariff, regardless of whether such claim arises under or results from contract, tort, or strict liability. In no event shall this tariff create any liability for damages on behalf of any third party (whether or not affiliated with the Shipper).

(b) If damage or loss to Crude Petroleum results from any cause other than the direct negligence of Carrier while Carrier is in possession or control of such Crude Petroleum, then Carrier may apportion the cost of such damage or loss on a pro rata basis among all Shippers. Each Shipper's share of such cost shall be determined by Carrier based on the proportion of the volume of Shipper's Crude Petroleum in the possession of Carrier on the date of such loss to the total volume of Crude Petroleum in the possession of Carrier on the date of such loss. Carrier shall be obligated to deliver only that portion of the Crude Petroleum remaining after such deduction.

## **115. CLAIMS, SUITS AND TIME FOR FILING**

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As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with the Carrier within six (6) months after delivery of the Crude Petroleum, or, in case of failure to make delivery, then within six (6) months after a reasonable time for delivery has elapsed; and suits arising out of such claims shall be instituted against the Carrier only within two (2) years from the time when the Carrier delivers, or arranges delivery of, the Crude Petroleum or, in case of failure to make or arrange delivery, then within two (2) years after a reasonable time for delivery has elapsed. Any such loss or damage shall be determined solely on the basis of volumetric loss and not on the monetary value of the Crude Petroleum. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable and such claims will not be paid.

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**120. PIPEAGE OR OTHER CONTRACTS**

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Separate pipeage and other contracts may be required of a Shipper, in accordance with the applicable tariff and these rules, before any duty of transportation by the Carrier shall arise.

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**[C] 125. QUALITY BANK**

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[C] ~~See individual tariffs for Quality Bank provisions on specific systems, if applicable.~~

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**[C] 130. STRATEGIC PETROLEUM RESERVE**

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[C] ~~In the event that MPLX Ozark Pipe Line LLC is required to perform crude oil drawdowns from the Strategic Petroleum Reserve, such an event may be considered a cause recognized by Item No.110 of the rules and regulations, and Carrier's ability to perform may be limited and excused by such occurrences without liability.~~

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**Explanation of Abbreviations:**

API	American Petroleum Institute
FERC	Federal Energy Regulatory Commission
No.	Number

**Symbols:**

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