

**DCP NGL SERVICES, LLC**

**AS OPERATOR FOR**

**DCP TOLAR PIPELINE, LLC**

CONTAINING  
RULES AND REGULATIONS

GOVERNING  
TRANSPORTATION

OF  
NATURAL GAS LIQUIDS

BY  
PIPELINE

RECEIVED  
R.R.C. OF TEXAS

FEB 22 2016

GAS SERVICES DIVISION  
AUSTIN, TEXAS

**GENERAL APPLICATION**

Rules and Regulations published herein apply only under tariffs which make specific reference by 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.

**EFFECTIVE: January 1, 2016**

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DCP Tolar Pipeline, LLC (the Company) will accept Natural Gas Liquids (as defined herein) for transportation by pipeline from the Receipt Points to the Delivery Points identified by this Tariff, subject to the following rules and regulations:

## **RULES AND REGULATIONS**

### **1. DEFINITIONS –**

- "Barrel" - Forty-two (42) United States gallons at sixty degrees Fahrenheit (60°F).
- "Company" or "Carrier" - DCP Tolar Pipeline, LLC.
- "Day" - A period of twenty-four (24) hours, commencing at 7:00 a.m. on one calendar day (the date of which shall be taken as the date of the day in question) and extending until 7:00 a.m. on the following day. The Company and Shipper may mutually agree on a different commencement time.
- "Delivery Point" - One of the locations identified on the attached Tariff Sheets for delivery of product by Company to shipper
- "Gallon" - A U.S. Gallon of 231 cubic inches at sixty degrees (60") Fahrenheit and at the vapor pressure of the liquid.
- "Historical Volume" -The average monthly volume over the preceding 12 months, at a point on the system.
- "Natural Gas Liquids", [W]"-Product"; or [W] "'NGL"' - Ethane, iso-butane, natural gasoline, normal butane, propane and mixtures thereof.
- [W] "'Nominations" - The written request for transportation by pipeline of a specified volume of Natural Gas Liquids submitted to Company pursuant to the nominations provisions herein.
- [C] "'Origin Point" - ~~One of the locations identified on the attached Tariff Sheets for receipt of the product, into Company's pipeline facilities.~~
- "Receipt Point" or [W] "'Origin Point" - One of the locations identified on the attached Tariff Sheets for receipt of the product into Company's pipeline facilities.
- "Shipper" - Any party who has entered into a transportation contract with Company for transportation of NGL on the pipeline facilities covered by this tariff and who gives notice to transport NGL under the provisions outlined in this tariff.
- "Shrinkage" - The difference in volumes of NGL tendered by a shipper at a Receipt Point and the volume Company will deliver to Shipper at a Delivery Point as set forth in the Tariff Sheets.
- [W] "'Tariff" - Unless otherwise indicated, the term Tariff means this RRC Tariff No. 2, any supplements thereto and successive issues thereof.

## 2. SPECIFICATIONS REQUIRED

The following specifications identified below shall govern Natural Gas Liquids injection into Carrier's System. Any Product having a composition outside these Specifications shall be subject to the Carrier's remedies stated in this Tariff and any other applicable agreements.

Specification Point	Specifications	Test Method
Carbon Dioxide	1,000 ppm by weight	GPA 2165 – latest edition
Methane	1.5 % (Liq. Vol.) of the ethane content* or 0.5 % (Liq. Vol.) of Total Stream whichever is less restrictive	GPA 2177 – latest edition
Propylene	5 % (Liq. Vol.) of propane content	
Butylene	1 % (Liq. Vol.) of butane content	
Corrosiveness – Copper Strip	(1-B Color)	ASTM D1838
Total Sulfur	150 ppm by weight in liquid	ASTM D2784 or GPA Std. 2377 (Modified by vaporizing sample)
Hydrogen Sulfide	Zero	GPA Std. 2377 (Modified by vaporizing sample)
The stream shall contain no more than 1 ppm of other contaminants		
Dryness	No free water	
Color	Saybolt Plus 25**	White Cup Test, ASTM D156 (Modified by weathering Sample)
Vapor Pressure	400 psia (Composite Blend) @ 85°F	ASTM D1267
Temperature	120°F	If C2 is 50 Mole % or greater the temperature must be 90° F or less. When C2 is less than 50 Mole% Temperature can be higher than 90° F but not greater than 120° F.

\* Methane in excess of limits stated herein, as measured at each Shipper's individual plant stream, shall be considered as a contaminant and Product so contaminated will not be received by Carrier. If a Product contaminated with methane in excess of the limits set for herein is received by Carrier, at Carrier's option, Carrier shall have the right to deduct the methane content in excess of the Specifications from Shipper's Product delivered to the Receipt Points, but Shipper will nevertheless be required to pay the tariff rate on total volume of methane shipped.

\*\* White Cup Test will be used as initial check for determining Product color. If Product is other than water clear, Saybolt Test (ASTM D156) will be run on pentanes plus as a final determination of Product color. Carrier may discontinue Receipt of Products from Shipper if Product color is off specification based upon Saybolt Test. Receipt of Shipper's Products will be resumed upon its color again meeting Saybolt Plus 25 test (ASTM D156).

### 3. FACILITIES AT RECEIPT AND DELIVERY POINTS

Company will provide such facilities at Origin Points and at Delivery Points as it deems necessary for the operation of the pipeline. Company will not provide tankage or storage facilities or receiving, loading, or unloading facilities at either the Receipt Points or the Delivery Points. Shipments will be accepted for transportation hereunder only:

- a) When Shipper has provided facilities satisfactory to Company capable of delivering shipments at Receipt Point at pressures and at pumping rates required by Company; and
- b) When Shipper is capable of receiving shipments at Delivery Point by pipeline at pressures and at pumping rates required by Company.

Separate contracts and charges may be required of Shipper if, other facilities of the Company other than the pipeline itself is to be used to effectuate Receipt from Shipper or Delivery to Shipper.

### 4. TENDER OF VOLUMES

Natural Gas Liquids meeting Company's specification will be accepted for transportation only where the quantity scheduled for each a Receipt or Delivery Point does not exceed the capacity available on company's facilities at each point. No tenders of less than 500 Barrels (21,000 Gallons) per day will be accepted by Company. No tenders will be accepted unless shipper has entered into a contract for such shipment with Company. Company may, at its discretion, accept shipments of less than 500 Barrels per day upon Shipper's agreement to pay a rate for that day equal to the charge for a shipment of 500 Barrels.

### 5. PRORATION OF PIPELINE CAPACITY

When the total volume of Products that a Shipper is capable of and wishes to tender to a Delivery Point (when combined with the Products contemporaneously sought to be tendered by all other Shippers) is greater than can be transported within the period and between the locations specified by all Shippers making such tenders, Products tendered by each Shipper for transportation will be transported between such locations in such quantities, at such times and to the limit of Carrier's operating capacity so as to avoid discrimination (unreasonable performance or prejudice) among Shippers, and so not to adversely affect the operation of Carrier's System.

Each Shipper will provide to Carrier by the twenty-fifth (25<sup>th</sup>) of the month a forecast by Delivery Point of the volume of each Component to be tendered for delivery during the following month, unless this requirement is waived by Carrier.

Allocation of capacity will be based on each Shipper's Historical Volume. During periods of proration, space will be allocated to each Shipper in proportion to each Shipper's Historical Volume, relative to the Historical Volume of all of Carrier's System Shippers.

Allocations will be awarded on an average daily volume basis, to be applied throughout each applicable calendar month. Allocated space that is not used by a given Shipper will be reallocated among the remaining Shippers.

Any new Shipper that begins deliveries at a Receipt Point during a period of allocation will be allocated capacity equal to the lesser of: (i) such new Shipper's Production or (ii) two-hundred (200) Barrels per day. Notwithstanding the foregoing sentence, a maximum of five percent (5%) of the capacity of Carrier's System will be allocated to this class of new Shipper. If the total aggregate volume from this class exceeds five percent (5%) of the capacity of Carrier's System, each new Shipper will receive an equal portion of the five (5%) capacity so

allocated. The space allocated to new Shippers will be deducted from the entirety of Carrier's System capacity prior to applying the allocation rules outlined above to the other Carrier's System Shippers.

To penalize inflation of Shippers' nominations, a Shipper's allocation entitlement for the next period of proration will be reduced by the amount of allocated throughput not shipped during the prior month or prior period of allocation, as applicable.

#### 6. ACCEPTANCE FREE FROM LIENS AND CHARGES

Natural Gas Liquids will be accepted for transportation only when free from all liens and charges. Shipper shall notify Company when any NGL tendered for transportation is involved in litigation or is the subject of disputed ownership or is encumbered by lien or charge of any kind. Company shall have the right to reject any shipment, when offered for transportation, which may be involved in litigation or the title of which may be in dispute or which may be encumbered by lien or charge of any kind, and Company may require of the Shipper satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity bond to protect Company against any and all loss.

#### 7. MEASURING, TESTING AND DEDUCTIONS

All Natural Gas Liquids transported by Carrier will be measured at the time of delivery to Carrier at the Receipt Point and at redelivery to Shipper at the Delivery Point; provided, however, measurement of Natural Gas Liquids may occur at locations upstream or downstream of the Receipt Point or the Delivery Point if Carrier and a given Shipper mutually agree and memorialize said agreement in a Connection Agreement.

All shipments tendered to Carrier for transportation and Deliveries made by Carrier shall be metered by Carrier's representative prior to, or at the time of, Receipt from Shipper or Delivery to Consignee, but the Shipper or Consignee shall at all times have the privilege of being present or represented during the testing or metering. All metering equipment shall be tested at least monthly and more often if deemed necessary by carrier. If the shipper requires additional testing it shall be at the Shippers expense. All volume measurements and Natural Gas Liquids sampling shall be made in accordance with the current API Manual of Petroleum Measurement Standards and applicable GPA Publications. Quantities received or delivered shall be calculated in accordance with Gas Processors Association Publication 8173 - Latest Edition.

A. Meter and Density Factor Deviation. The determined meter and density factors shall be applied to the daily registered volume and mass for the measurement station until the next applicable correction is determined. If any test shows the meter or density factor is in error by less than .25%, such equipment will be considered as correct; provided, however, such equipment or correction factors will be properly adjusted to zero error. If any test shows the meter and densitometer factor then in use is in error by more than .25%, it shall be the decision of the concerned field parties as to the scope and corrective action taken, if any. Deviation of factor(s) greater than .25% under similar conditions will not be acceptable and the operator or its designee shall proceed with diligence to effect the required maintenance, repairs or replacement. If any test shows the measurement equipment is in error by less than a total of one-quarter of one percent (.25%), previous readings of such equipment will be considered as correct; provided, however, such equipment or correction factors will be properly adjusted to zero error.

B. Volume Adjustments. If any test shows the measurement equipment and factors then in use are in error so that the total measurement error (sum of the meter and density correction factors) exceeds one-quarter of one percent (.25%), such equipment or correction factors will be properly adjusted to zero error and the previous readings of such equipment will be corrected for any prior period of inaccuracy if the correct readings are known or are agreed upon by the Parties. For any error not known or not agreed upon for the period in which the equipment was inaccurate or out of service, the volume of Natural Gas Liquids shall be determined by the first of the following methods that is applicable:

- a) By correcting the error if the percentage of error is ascertainable by calibration test or calculation.

- b) By using measurements from accurate check meters that have been tested in accordance with this Agreement and were in operation during the period to be corrected.
- c) By any other method agreed upon by both Parties.

For any period not known or agreed upon, such correction shall apply to one-half (1/2) of the volume affected.

Metering pressure shall be a minimum of 50 psig above stream bubble point at line temperature.

At least monthly, a composite sample of Product will be collected in a floating piston cylinder at each custody transfer point on the system. The product sampling will be in proportion to the mass flow rate. Sampling will be in accordance with GPA2174. At the end of the sampling period, the sample will be divided into two or more cylinders if deemed necessary. One cylinder will be transported to a laboratory of carriers choice for analysis by gas chromatography. The second cylinder of the sample will be retained as a referee sample for a period of not less than 30 days. Remaining volume of Product after the analysis will be retained at laboratory for no less than 5 business days. Sample analysis reports will be forwarded to all interested parties by the laboratory in a timely manner. It shall be the responsibility of each recipient to examine the analysis and promptly advise Carrier of any questions no later than the 5th business day since sample analysis so that arrangements can be made for additional sample retention time and sample retesting.

In case the sample analysis is suspect, plant operations will be reviewed to determine if plant operating procedures changed during sampling period. If no operating changes are evident and if there is no other assignable cause for the suspect analysis, then the referee sample should be ran by agreed upon 3rd party lab. If it is mutually agreed the referee sample is suspect, other sample periods of acceptable analysis for that month will be averaged and used for the current month's business. If the plant is only sampled monthly, the last three months of acceptable analysis will be averaged and used for the current month's business.

The laboratory will be responsible for thoroughly mixing and agitating the sample before beginning analysis. Sample will be analyzed in accordance with Gas Processors Association (GPA) Standards 2165-latest edition or 2177-latest edition; however, chromatography temperature programming may be used in lieu of the back flush procedures outlined in GPA 2177-latest edition. In addition, GPA Standard 2186-latest edition will be used for the C6+ extended analysis. Extended analysis shall be run quarterly to determine C6+ characteristics and more often if deemed necessary by the shipper. The sample analysis report will include weight and volume percent value for the following components:

N2 – Nitrogen	iC4- Iso Butane
CO2 - Carbon Dioxide	nC4- Normal Butane
C1 – Methane	iC5 - Iso Pentane
C2 – Ethane	C5 - Normal Pentane
C3 – Propane	C6+ - Hexanes Plus

The report will also include the characterized specific gravity of the C6+ fraction.

In case a special sample analysis is requested, party requesting special analysis will bear all costs of special analysis.

Density determination - Carrier will install a device at metering station capable of determining absolute density in pounds mass per unit of volume at the same flowing line conditions of the volume meter and proved in accordance with API-MPMS Chapter 14, Section 6.

Carrier reserves the right to control at its discretion the component distribution in the Product delivered by Shipper in order to achieve maximum operating efficiency of Carrier's System and optimum utilization of total transportation capacity.

8. IDENTITY OF NATURAL GAS LIQUIDS

Natural Gas Liquids will be accepted for transportation only on condition same will be subject to changes in gravity, color, quality or characteristics while in transit or as may result from unavoidable contamination and Company will not be obligated to make delivery of the identical products received for transportation. Company may, therefore, make delivery of Natural Gas Liquids out of common stocks of similar Natural Gas Liquids on hand at delivery point.

9. LIABILITY OF COMPANY

Company shall not be liable for any loss of the Natural Gas Liquids herein described, or damage thereto, or delay, because of an act of God, the public enemy, quarantine, the authority of law, rules, regulations or directions of any regulatory authority, strikes, riots, or the acts of default of the shipper or consignee, or from any other cause not due to the negligence of Company; in case of losses from such causes, other than the negligence of Company, losses shall be charged proportionately to each shipment in the ratio that such shipment, or portion thereof, received and undelivered at the time the loss or damage occurs, bears to the total of all shipments, or portions thereof, then in the custody of Company for shipment via the line or other facilities in which the loss or damage occurs; the consignee shall be entitled to receive only that portion of his shipment remaining after deducting his proportion of such loss or damage, determined as aforesaid and shall be required to pay transportation charges only on the quantity delivered.

10. CREDIT

Shippers may be required to submit information to determine a satisfactory credit appraisal by Company. To enable Company to conduct such credit appraisal, potential shippers shall submit the information set out in subsections (i) through (iv) below; provided, however, that submission of such material shall not be deemed acceptance of a request for service by Company, which determination shall be made by Company only after submission of the material and information set forth below and a determination by Company that potential shipper is sufficiently creditworthy. Company shall apply consistent evaluation practices on a nondiscriminatory basis to determine creditworthiness.

A. Potential shipper must provide (a) a copy of its most recent audited financial statement; (b) a bank reference; and (c) at least three trade references, which indicate that potential shipper's obligations are being paid on a prompt basis. Such documents shall be provided to:

DCP Tolar Pipeline, LLC  
370 17<sup>th</sup> St., Suite 2500  
Denver, CO 80220  
Telephone: 303-595-3331

In the event potential shipper cannot provide the information above, then potential shipper shall, if applicable, provide that information for its parent company.

B. Company shall not be required to perform or to continue any transportation service on behalf of any potential shipper who is or has become insolvent; who fails to meet payment obligations, or has an unexcused failure to deliver NGL for three (3) days, or who, at Company's request, fails within a reasonable period to demonstrate creditworthiness acceptable to Company. Provided, however, such potential Shipper may receive transportation service if it prepays for such service, provides a standby irrevocable letter of credit acceptable to Company, or furnishes an acceptable guarantee by another person or entity which satisfies the credit requirements of Company, in an amount equal to three (3) months or the duration of the potential shipper's bid or Shipper's transportation service agreement, whichever is shorter, of charges calculated on a one hundred percent (100%) load factor basis.

C. For purposes herein, the insolvency of a potential shipper or Shipper shall be conclusively demonstrated if a potential shipper or Shipper or any parent entity thereof (hereinafter collectively referred to as "the Shipper") makes an assignment or any general arrangement for the benefit of creditors; files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the petition of creditors or has such petition filed against it and such proceeding remains undismissed for thirty (30) days; otherwise becomes bankrupt or insolvent (however evidenced); liquidates a substantial part of its property or affairs; or is generally unable to pay its debts as they become due.

D. Company may reassess the creditworthiness of and performance by Shipper from time to time; and Shipper shall be required to demonstrate creditworthiness and/or provide adequate assurances of performance throughout the term of the executed service agreement.

A waiver of one or more of these requirements shall not be construed as a waiver of these requirements in general and such requirements may be invoked by Company at any time.

#### 11. CLAIMS, TIME FOR FILING

As a condition precedent to recovery, claims must be filed in writing with Company within ninety (90) days after delivery of the Natural Gas Liquids or in case of failure to make delivery, then within thirty (30) days after a reasonable time has elapsed. Suit shall be instituted against Company only within two (2) years and one (1) day from the day that notice is given in writing by Company to the claimant that Company has disallowed the claim or any part or parts thereof specified in the notice. Where claims for loss or damage are not filed or suits are not instituted thereon in accordance with the foregoing provisions, such claims will not be paid and Company will not be liable.

#### 12. REQUEST FOR SERVICE

Separate transportation contracts in accord with this tariff and these regulations covering further details will be required of the proposed shipper before any duty of transportation shall arise.

#### 13. SERVICES PERFORMED

The rates published in this tariff cover only the transportation of Natural Gas Liquids by pipeline and include no other services.

#### 14. SHRINKAGE

A Shrinkage factor by weight may be made on the quantity of Product received at each receipt Point as specified in the Tariff included herein. Except as otherwise provided in this tariff (including, but not limited to, adjustments as provided in Paragraph 2, "Measurement"), Company will be accountable for delivery at Delivery Point of the quantity remaining after deduction of said Shrinkage.

#### 15. PAYMENT OF TRANSPORT

The charges for transportation of Product accepted for shipment shall be based on the applicable rate set forth in the Tariff. Shipments accepted for transportation shall be subject to a lien, in favor of Company for all charges hereunder.

Transportation charges incurred during any month will be invoiced on or about the 60th day of the succeeding month and shall be paid within 30 days of receipt of invoice. Company may require that charges:

- a) Be prepaid at time of acceptance, or



- b) On demand be paid before release of Product from custody of Company. Company may charge Shipper Interest of 1112 percent (1.5%) per month (18 percent per annum) for overdue transportation charges, not to exceed the lawful rate Company is allowed to charge.

Company shall have a lien on all NGL until the charges are paid. If the charges shall remain unpaid for more than 30 days after notice of readiness to deliver, the Company may sell the NGL at public auction at the general office of the Company on any day not a legal holiday. The date for the sale shall be not less than 48 hours after publication of notice in a daily newspaper of general circulation published in the city where the general office of the Company is located. The notice shall give, the time and place of the sale and the quantity of the NGL to be sold. At said sale, Company shall have the right to bid, and if the highest bidder, to become the purchaser. From the proceeds of such sale, Company will pay itself the transportation and all other lawful charges, including expenses incident to said sale, and the balance remaining, if any, shall be held for whomsoever may be lawfully entitled thereto. The remedies set forth in this tariff are in addition to, and not in limitation of, any statutory or common law remedy available to Company pursuant to the laws of the State of Texas.

#### 16. DISPOSITION OF SHIPMENTS

In the event that Shipper does not have adequate facilities available to receive or is not capable of receiving any shipment at Delivery Point(s) in accordance with Company's schedules, Company may make whatever disposition of such undelivered shipment which is necessary in order to free its pipeline. Including but not limited to storage in Company's storage facilities. Company shall not be liable to Shipper because of such disposition, and Shipper shall pay for all costs and fees thereof the same as if Shipper had requested or authorized such disposition. If Shipper does not take delivery of the NGL in accordance with Company's schedules and Company retains such NGL in Its pipeline facilities, Shipper will pay a fee equal to twice the transportation rate until Company otherwise disposes of such volumes.

#### 17. FORCE MAJEURE

Carrier shall not be liable to any Shipper for a failure to perform its obligations hereunder, if performance was prevented by Force Majeure. The term "Force Majeure" means an unforeseen occurrence or event beyond the control of Carrier, which partially or entirely prevents Carrier's performance of its obligations. Events of Force Majeure include, without limitation by enumeration: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes and tornados, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to production equipment or facilities, or lines of pipe, weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (ii) acts of others such as strikes, lockouts, riots, sabotage or other industrial or civil disturbances; or (iii) necessity for compliance with any court order, law, statute, ordinance, regulation or order promulgated by a governmental authority having jurisdiction. Carrier shall make commercially reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance. The settlement of strikes, lockouts or other industrial disturbances shall be entirely within the discretion of Carrier to resolve.

Carrier shall provide notice to Shipper of the occurrence of an event of Force Majeure. Initial notice may be given orally; however, written notification with particulars of the event or occurrence is required as soon as reasonably possible. Upon providing notification of Force Majeure to affected Shippers, Carrier will be relieved of its obligations hereunder to the extent and for the duration of Force Majeure.

#### 18. IMBALANCE CHARGES

In the event that Shipper fails to deliver to Company at the Receipt Point, the equivalent volumes of NGL which Company redelivers to Shipper at the destination point during a calendar month, then Shipper will pay Company an imbalance charge of \$0.05 per gallon per day for each day the imbalance continues. If Shipper delivers volumes to Company in excess of those volumes which Company redelivers to Shipper in any calendar

month, then Shipper will pay an imbalance charge of \$0.05 per gallon per day for each day the imbalance continues. Company may waive such charges if Company, in its sole discretion, determines that the imbalance is immaterial. The waiver of such charges for any particular imbalance period is not to be construed as a waiver of such charges for any other imbalance and Company maintains the right to collect such charges from Shipper for any imbalance not the subject of a written waiver.

#### REFERENCE MARKS

[C] Cancel.

[N] New.

[W] Change in wording only.