

# PANOLA PIPELINE COMPANY, LLC

LOCAL TARIFF

APPLYING ON

## PETROLEUM PRODUCTS

AS SPECIFIED HEREIN BETWEEN POINTS WITHIN TEXAS

SUBJECT TO THE REGULATIONS NAMED HEREIN

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

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**EFFECTIVE:** January 8, 2014

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ISSUED AND COMPILED BY:

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**PIPELINE SAFETY DIVISION  
AUSTIN, TEXAS**

## SECTION I: RATES

1. The rates published in this tariff are for transportation within the State of Texas, through Panola Pipeline Company, LLC's System, and such transportation is subject to the rules and regulations contained herein, and to all applicable rules, regulations and orders of the Railroad Commission of Texas and other governmental authorities having jurisdiction.
2. Rates are in cents per Barrel applying on Petroleum Products from the established receiving facilities to the established delivery facilities at points named below:

### Base Rates

| <u>Origin</u> | <u>Destination</u> | <u>Rate</u> |
|---------------|--------------------|-------------|
|---------------|--------------------|-------------|

[U] Unchanged Rate.  
Rates in Cents Per Barrel of 42 U.S. Gallons.

|  |  |        |
|--|--|--------|
| DCP Midstream<br>East Texas Plant<br>(Carthage, Panola County, Texas)                      | Oneok and Enterprise Fractionators<br>Mont Belvieu<br>(Chambers County, Texas) | 154.09 |
| MarkWest Energy<br>Carthage Plant<br>(Carthage, Panola County, Texas)                      |  |        |
| DCP Midstream<br>Crossroads Plant<br>(Carthage, Panola County, Texas)                      |  |        |
| Turkey Creek Pipeline, LLC<br>Panola County LPG System<br>(Carthage, Panola County, Texas) |  |        |
| [N] <u>Enbridge G&amp;P</u><br><u>Beckville Plant</u><br>(Carthage, Panola County, Texas)  |  |        |
| (Lufkin, Angelina County, Texas)   | Oneok and Enterprise Fractionators<br>Mont Belvieu<br>(Chambers County, Texas) | 121.40 |
| Panola Pipeline Company, LLC<br>Seven Oaks Station<br>(Polk County, Texas)                 | Oneok and Enterprise Fractionators<br>Mont Belvieu<br>(Chambers County, Texas) | 85.10  |

**SECTION I: RATES** (Continued)

**[N] Contract Rates\***

| <u>Origin</u>  | <u>Destination</u>   | <u>Rate</u>   |
|--|--|---------------|
| <u>DCP Midstream</u><br><u>East Texas Plant</u><br>(Carthage, Panola County, Texas)                      | <u>Oneok and Enterprise Fractionators</u><br><u>Mont Belvieu</u><br>(Chambers County, Texas) | <u>155.09</u> |
| <u>MarkWest Energy</u><br><u>Carthage Plant</u><br>(Carthage, Panola County, Texas)                      |  |               |
| <u>DCP Midstream</u><br><u>Crossroads Plant</u><br>(Carthage, Panola County, Texas)                      |  |               |
| <u>Turkey Creek Pipeline, LLC</u><br><u>Panola County LPG System</u><br>(Carthage, Panola County, Texas) |  |               |
| <u>Enbridge G&amp;P</u><br><u>Beckville Plant</u><br>(Carthage, Panola County, Texas)                    |  |               |

Rates in Cents Per Barrel of 42 U.S. Gallons.

\* Applicable only to Shipper that has executed a TSA with Carrier.

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## SECTION II: PRODUCT SPECIFICATIONS

1. Carrier will receive only Petroleum Products for transportation under this tariff. Petroleum Products must be tendered for transportation in volumetric Barrels. The composite stream consists of a mixture of Petroleum Products subject to contaminant restrictions and product parameters [W] as defined below in ~~paragraph 2 of Section II.~~

[C] ~~2. Contaminant restrictions and product parameters.~~

The specification defines only a basic purity for this product. This product is to be free of any contamination that might render the product unusable for its commonly used applications. Specific contaminants (but not limited to) are caustics, chlorides, oxygenates, heavy metals, glycol, and inorganic gases.

| <u>Contaminant</u>   | <u>Test Method</u>                                      | <u>Units (Maximums)</u>       |
|--|---|-------------------------------|
| Carbon Dioxide   | [W] <del>GPA 2165</del> and <u>GPA 2177, GPA 2186</u>   | 1,000 ppm by weight           |
| Color Saybolt Number* See Note 2                                       | ASTM D156, [W] <u>ASTM D6045</u>                        | +25 Min.                      |
| Methane  | [N] <u>GPA 2186</u>                                     | * See Note 1                  |
| Distillation:<br>End Point [W] <u>@14.7 psia, Degree F*</u> See Note 2 | [W] <del>ATSM D216</del> <u>ASTM D86</u>                | [W] <u>375 °F Degrees Max</u> |
| Aromatics  | [N] <u>GPA 2186</u>                                     | 10.0% (Liq. Vol.)             |
| Olefins  |   | 1.0% (Liq. Vol.)              |
| Corrosiveness:<br>Copper Strip   | ASTM D1838  | 1B                            |
| Total Sulphur  | [W] <del>ASTM D2784</del> <u>ASTM D5623, ASTM D6667</u> | 150 ppm by weight in liquid   |
| Hydrogen Sulfide   | [W] <del>GPA 2377</del> <u>ASTM D5623</u>               | Pass                          |
| Halide   | UOP 619, [W] <u>ASTM D7359</u>                          | 1.0 ppm by weight             |

### Notes

- Methane maximum is 0.50 LV% of the total stream or 1.50 LV% of the ethane content, whichever is greater. (Based on absolute density, lbm/gal of methane, published in GPA 2145)
- Distillation and color to be run [W] at atmospheric pressure on that portion of the mixture having a boiling point of 70°F and above [C] ~~at atmospheric pressure.~~

Product shall be commercially free from sand, dust, gums, gum-producing substances, oil, glycol, inhibitors, amine, any other contaminants, or any compound added to the product to enhance the ability to meet these specifications, and other impurities which may be injurious to the pipeline's property or the property of third parties, or may interfere with its transmission through the pipeline.

| <u>Product Parameters</u> | <u>Test Method</u>    | <u>Units (Maximums)</u>          |
|---------------------------|-----------------------|----------------------------------|
| Dryness                   | [N] <u>VISUAL</u>     | No Free Water                    |
| Vapor Pressure            | GPA 2140 and GPA 2145 | 400 psia (composite blend @85°F) |
| Temperature               |                       | [W] <u>120° Fahrenheit Max</u>   |

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## SECTION II: PRODUCT SPECIFICATIONS (Continued)

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Where GPA, ASTM or API publications are referenced in this tariff, the reference applies to the publication as it may be amended from time to time. Methane in excess of limits stated herein shall be considered as contaminant and product so contaminated shall not be received by Carrier. However, it is recognized that product so contaminated may be tendered to Carrier without Carrier's knowledge. During any period in which Shipper's product exceeds the specification, the methane content in excess of the specification will be deducted from Shipper's delivered volume of methane.

1. Shipper shall perform applicable tests to insure that the stream delivered to Carrier's pipeline conforms to Carrier's specifications. Should spot samples, analyses, or any other test (including tests performed by Carrier) indicate that the stream delivered does not meet the specifications required by Carrier, Shipper agrees, either voluntarily or upon notification by Carrier, to stop delivery of such off-specification stream to Carrier until such time as it is determined by additional testing that the stream meets the definition of Petroleum Products issued by Carrier. Shipper shall indemnify and save Carrier harmless from any loss sustained by other Shippers or by Carrier by reason of contamination or damage to other Petroleum Products in Carrier's custody, or by reason of damage to Carrier's pipeline or associated facilities caused by failure of the materials accepted for transportation to meet specifications issued by Carrier.
2. Upon request by Carrier, Shipper shall furnish a certificate from an independent petroleum laboratory certifying the results of the appropriate tests of the Petroleum Products tendered for transportation demonstrating that they meet the product specifications contained herein.

Carrier reserves the right to refuse to accept any Product for transportation which does not meet Carrier's Product specifications or which is not good merchantable Product readily acceptable for transportation through Carrier's existing facilities.

4. If, upon investigation, Carrier determines that Shipper has delivered to Carrier's facilities Product that has contaminated the common fungible stream, rendering all or a portion of the fungible Product stream undeliverable, Carrier reserves the right to treat or otherwise dispose of all contaminated Product in any reasonable commercial manner at Shippers sole expense.
5. On Product received by Carrier that does not meet product deliverability requirements, Carrier reserves the right to charge an additional 100 cents per Barrel penalty fee and the right to treat, handle or otherwise dispose of all off-spec Product in any reasonable commercial manner at Shippers sole expense.
6. Petroleum Products having a vapor pressure of less than twelve (12) psia will not be accepted for shipment hereunder. Carrier reserves the right to accept limited volumes of high vapor pressure material for shipment hereunder provided the composite stream transported in Carrier's pipeline does not exceed four hundred (400) psia at eight-five [W] degrees (85°) ~~degrees~~ Fahrenheit. Such limitations will be based upon Shipper's pro rata share of volumes shipped.

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## SECTION III: RULES AND REGULATIONS

### ITEM 1 - Abbreviations and Definitions

|                             |   |
|-----------------------------|---|
| [N] <u>Agreement</u>        | [N] <u>An agreement, including a TSA, executed by Carrier and Shipper, which provides for transportation services subject to the terms of this tariff.</u>  |
| API                         | American Petroleum Institute.   |
| ASTM                        | American Society for Testing Materials.   |
| Barrel                      | A volume of forty-two (42) gallons or 9,702 cubic inches United States measurement at sixty degrees (60°) Fahrenheit.   |
| Carrier                     | Panola Pipeline Company, LLC.   |
| Component(s)                | The individual hydrocarbon constituents of methane, ethane, propane, isobutane, normal butane, isopentane, normal pentane, hexanes and other heavier hydrocarbons.  |
| Component Imbalance         | For each Component for any month, the product resulting from multiplying the Component Quantity for such month by the Imbalance Factor for such month.  |
| Component Quantity          | For each Component for any month, the quantity, in gallons, of such Component present in the Gross Imbalance Quantity for such month.   |
| Component Settlement Price  | For each Component [C] <del>for any month</del> , the price per gallon for such Component [W] <del>present in the Gross Imbalance Quantity for such month using the monthly average of all price quotes published in Oil Price Information Service for "Mont Belvieu Spot Gas Liquids Prices" for such month other than price quotes for Enterprise TE</del> for any given month will be the applicable OPIS Price. |
| Consignee                   | The party, including a connecting pipeline system, to whom Shipper has ordered delivery of Petroleum Products.  |
| [N] <u>Contract Shipper</u> | [N] <u>Means a Shipper that has executed a TSA prior to August 2, 2013.</u>   |
| [N] <u>Contract Volume</u>  | [N] <u>Means the volume of Petroleum Products specified by Contract Shipper(s) to ship on the pipeline, or to pay for, pursuant to the TSA.</u>   |
| [N] <u>Day</u>              | [N] <u>Means the twenty-four (24) hours between 7:00 a.m. and 7:00 a.m. the following day.</u>  |
| Delivery                    | The transfer from Carrier at destination to Consignee.  |
| [N] <u>Expansion</u>        | [N] <u>Means the modification to the existing facilities of Carrier that resulted approximately fifteen thousand (15,000) Barrels per day of increased capacity.</u>  |
| [N] <u>Gallon</u>           | [N] <u>A volume of one U.S. liquid gallon or 231 cubic inches United States measurement at sixty degrees (60°) Fahrenheit.</u>  |

## SECTION III: RULES AND REGULATIONS (Continued)

### Item 1- Abbreviations and Definitions (continued)

| GPA                      | Gas Processors Association.  |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
|--------------------------|--|----------------------|---------------------------|---------------|------------------------|----------------|--------------------------|----------------------|----------------------------|------------------|----------------------------|-------------------------|------------------------------|
| Gross Imbalance Quantity | For any month, Receipt volume for such month minus the Delivery volume for such month.   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| Historical Volume        | The total of Shipper's Historical Volume for all Shippers.   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| Imbalance Factor         | For any month, the Net Imbalance Quantity for such month divided by the absolute value of the Gross Imbalance Quantity for such month.   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| In Line Inventory        | The Mix in Carrier's custody following Receipt in the pipeline and before Delivery to the Consignee.   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| Liq. Vol.                | Liquid Volume.   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| Mix                      | Mixture of Components.   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| [N] <u>Month</u>         | [N] <u>Shall mean 7:00 a.m. on the first day of a calendar month to 7:00 a.m. on the first day of the following calendar month.</u>  |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| Monthly Imbalance        | For any month, the sum of each product (both positive and negative) resulting from multiplying each Component Imbalance for such month times the corresponding Component Settlement Price for such month; provided, however, with respect to any month for which the absolute value of the Gross Imbalance Quantity for such month is less than or equal to the product of one quarter of one percent (0.25%) times the Receipt volume for such month, then the Monthly Imbalance for such month shall be zero.  |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| Net Imbalance Quantity   | For any month, the absolute value of the Gross Imbalance Quantity for such month minus the product resulting from multiplying: (X) one quarter of one percent (0.25%) times (Y) the Receipt volume for such month.   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| Net Volume               | Component volume calculated to [N] <u>sixty degrees (60°) Fahrenheit</u> in accordance with GPA Standard 8173.   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| [N] <u>OPIS Price</u>    | <p>[N] <u>The average of the daily "Avg" prices (in cents per Gallon) in the table entitled "OPIS Mont Belvieu Spot Gas Liquids Prices" under the heading "Any Current Month" as listed in the OPIS North America LPG Report published by the Oil Price Information Service for each day during the applicable month on which the Oil Price Information Service publishes the OPIS North America LPG Report as follows:</u></p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left;"><u>NGL Component</u></th> <th style="text-align: left;"><u>OPIS Price Heading</u></th> </tr> </thead> <tbody> <tr> <td><u>Ethane</u></td> <td><u>"Purity Ethane"</u></td> </tr> <tr> <td><u>Propane</u></td> <td><u>"NON-TET Propane"</u></td> </tr> <tr> <td><u>Normal Butane</u></td> <td><u>"NON-TET N. Butane"</u></td> </tr> <tr> <td><u>Isobutane</u></td> <td><u>"NON-TET Isobutane"</u></td> </tr> <tr> <td><u>Natural Gasoline</u></td> <td><u>"NON-TET N. Gasoline"</u></td> </tr> </tbody> </table> | <u>NGL Component</u> | <u>OPIS Price Heading</u> | <u>Ethane</u> | <u>"Purity Ethane"</u> | <u>Propane</u> | <u>"NON-TET Propane"</u> | <u>Normal Butane</u> | <u>"NON-TET N. Butane"</u> | <u>Isobutane</u> | <u>"NON-TET Isobutane"</u> | <u>Natural Gasoline</u> | <u>"NON-TET N. Gasoline"</u> |
| <u>NGL Component</u>     | <u>OPIS Price Heading</u>  |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| <u>Ethane</u>            | <u>"Purity Ethane"</u>   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| <u>Propane</u>           | <u>"NON-TET Propane"</u>   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| <u>Normal Butane</u>     | <u>"NON-TET N. Butane"</u>   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| <u>Isobutane</u>         | <u>"NON-TET Isobutane"</u>   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| <u>Natural Gasoline</u>  | <u>"NON-TET N. Gasoline"</u>   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |
| Petroleum Products       | A Mix recovered from natural gas processing plants as from time to time defined by GPA Standard and meeting specifications set forth in <u>EWI Section H.2 Section II</u> above.   |                      |                           |               |                        |                |                          |                      |                            |                  |                            |                         |                              |

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