

PANOLA PIPELINE COMPANY, LLC

LOCAL TARIFF

APPLYING ON

PETROLEUM PRODUCTS

AS SPECIFIED HEREIN BETWEEN POINTS WITHIN TEXAS

SUBJECT TO THE REGULATIONS NAMED HEREIN

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

EFFECTIVE: November 19, 2014

ISSUED AND COMPILED BY:

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Houston, TX 77002-5227
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SECTION I: RATES (Continued)

Contract Rates*

<u>Origin</u>	<u>Destination</u>	<u>Rate</u>
(Rates in Cents Per Barrel of 42 U.S. Gallons) [U] The rate in this section is unchanged.		
DCP Midstream East Texas Plant (Carthage, Panola County, Texas)	Oneok and Enterprise Fractionators Mont Belvieu (Chambers County, Texas)	[U] 161.12
MarkWest Energy Carthage Plant (Carthage, Panola County, Texas)		
DCP Midstream Crossroads Plant (Carthage, Panola County, Texas)		
Turkey Creek Pipeline, LLC Panola County LPG System (Carthage, Panola County, Texas)		
Enbridge G&P Beckville Plant (Carthage, Panola County, Texas)		

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

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SECTION II: PRODUCT SPECIFICATIONS (Continued)

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 Petroleum Product for transportation which does not meet Carrier's Petroleum Product specifications or which is not good merchantable Petroleum Product readily acceptable for transportation through Carrier's existing facilities.
4. If, upon investigation, Carrier determines that Shipper has delivered to Carrier's facilities Petroleum 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 Petroleum 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 degrees (85°) Fahrenheit. Such limitations will be based upon Shipper's pro rata share of volumes shipped.

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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.												
Month	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.												
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 sixty degrees (60°) Fahrenheit in accordance with GPA Standard 8173.												
OPIS Price	<p>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:</p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left;">NGL Component</th> <th style="text-align: left;">OPIS Price Heading</th> </tr> </thead> <tbody> <tr> <td>Ethane</td> <td>"Purity Ethane"</td> </tr> <tr> <td>Propane</td> <td>"NON-TET Propane"</td> </tr> <tr> <td>Normal Butane</td> <td>"NON-TET N. Butane"</td> </tr> <tr> <td>Isobutane</td> <td>"NON-TET Isobutane"</td> </tr> <tr> <td>Natural Gasoline</td> <td>"NON-TET N. Gasoline"</td> </tr> </tbody> </table>	NGL Component	OPIS Price Heading	Ethane	"Purity Ethane"	Propane	"NON-TET Propane"	Normal Butane	"NON-TET N. Butane"	Isobutane	"NON-TET Isobutane"	Natural Gasoline	"NON-TET N. Gasoline"
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Natural Gasoline	"NON-TET N. Gasoline"												
Crude Oil Products	A Mix recovered from natural gas processing plants as from time to time defined by GPA Standard and meeting specifications set forth in Section II above.												

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ITEM 4 - Metering, Testing, Sampling and Deduction (continued)

A composite sample of Mix will be collected in a floating piston cylinder at each custody transfer point on the system. The sample grabs will be in proportion to the mass flow rate. Sampling will be in accordance with the API Manual of Petroleum Measurement Standards (API-MPMS) and GPA Standard 2174. At the end of each sample period and at least monthly, this composite sample will be analyzed by gas chromatography at a laboratory selected by Carrier.

- The composite samples from each receipt point will be kept until the 20th of each month. Sample analysis reports will be forwarded by the laboratory to all interested parties. It will be the responsibility of each recipient to examine the analysis and promptly advise the Carrier of any questions no later than the 19th of the month so that arrangements can be made for additional sample retainage time and sample testing.
- The analysis of composite samples shall be by gas chromatography in accordance with the principles outlined in GPA Standard 2177 "Analysis of Demethanized Hydrocarbon Liquid Mixtures Containing Nitrogen and Carbon Dioxide by Gas Chromatography" and GPA Standard 2186 Method for the Extended Analysis of Hydrocarbon Liquid Mixtures Containing Nitrogen and Carbon Dioxide by Temperature Programmed Gas Chromatography". The laboratory will handle the composite samples in accordance with GPA Standard 2174. The laboratory will be responsible for thoroughly mixing and agitating the sample before beginning analysis.
- 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 last two months of acceptable analysis will be averaged and used for the current month's business.
- The sample analysis report will include molecular, volume, and weight percent value for the following.

Components:

N2	Nitrogen	IC4	Isobutane
CO2	Carbon Dioxide	NC4	Normal Butane
C1	Methane	IC5	Isopentane
C2	Ethane	NC5	Normal Pentane
C3	Propane	C6+	Hexanes Plus

- This report will also include the molecular weight and characterized specific gravity of the C6+ fraction.
- A volume deduction equal to the volume of water and other contaminants present in any Petroleum Products tendered for transportation will be made as appropriate.
- Metering pressure will be sufficiently above the stream bubble point as to insure the Petroleum Products remain completely in the liquid phase.

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ITEM 8 - Deliveries, Component Balancing and Tenders

Carrier will transport Petroleum Products, as defined herein, with reasonable diligence considering the quality of the Petroleum Products, the distance of transportation and other material elements.

- Carrier will deliver a volume of Mix to the Consignee equal to the Net Volume of Receipts less adjustments provided herein.
- Carrier may require Shippers to submit written tenders in volumetric barrels and notice of its Consignee and point of delivery of its Petroleum Products by the twenty-fifth (25th) day of the month preceding the month of shipment.
- Each Shipper will be required to furnish his pro rata share of In Line Inventory. New Shippers will be required to deliver a Net Volume of Mix equal to their pro rata share of the In Line Inventory before any deliveries will be made. Subject to Item 9, Petroleum Products furnished to Carrier as In Line Inventory shall be returned to Shipper and charged applicable tariff rates after Shipper has provided written notice to Carrier of Shipper's intent to cease shipping and after a reasonable period of time to allow for administrative and operational requirements associated with the withdrawal of such Petroleum Products.
- Carrier will furnish, by the tenth (10th) working day subsequent to the month of delivery to each Shipper, a monthly statement of (1) Component volumes of Mix received by Carrier for the account of that Shipper, (2) Component volumes of Mix delivered for Shipper's account to each Consignee, and (3) volumes by Component in inventory.
- Monthly Imbalances will be determined by utilizing gas chromatography analysis of composite sample(s) to calculate Component Imbalances. If the sum of all Monthly Imbalances for the twelve (12) month period ending on December 31 of each year yields a positive result, then Carrier shall pay Shipper(s) an amount of money equal to the sum of such Monthly Imbalances within thirty (30) days after such date. If the sum of all Monthly Imbalances for the twelve (12) month period ending on December 31 of each year yields a negative result, then Shipper(s) shall pay to Carrier an amount of money equal to the absolute value of the sum of such Monthly Imbalances within thirty (30) days after such date.

ITEM 9 - Payment of Transportation and Other Charges

Shipper shall pay Carrier the rate specified for transportation and other lawful charges including, but in no way limited to penalties accruing on Petroleum Products tendered and accepted for shipment based on [W] receipt ~~delivery~~ volumes, and if required, shall pay same before [W] receipt ~~delivery~~. Without limiting the foregoing, Contract Shipper shall also make any monthly minimum payment as required pursuant to the terms of the TSA. Carrier shall have a lien on all Petroleum Products in its possession to cover charges for transportation and other lawful charges, and may withhold delivery of Petroleum Products until said charges are paid. Payment must be made by Shipper to Carrier within ten (10) days of invoice. Carrier may require that all payments to Carrier for services pertaining to the transportation of Products be wire transferred in accordance with the instructions on the Carrier's invoice to Shipper. In the event Carrier determines that the financial condition of a Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines it is necessary to obtain security from a Shipper, Carrier, upon notice to Shipper, will require any of the following prior to Carrier's delivery of Shipper's Products in Carrier's possession or prior to Carrier's acceptance of Shipper's Products:

1. Prepayment of all charges by wire transfer and shall be held by the Carrier without interest accruing thereon until credited to Shipper,
2. A letter of credit at Shipper's expense in favor of Carrier in an amount sufficient to ensure payment of all such charges and, in a form, and from an institution acceptable to Carrier, or
A guaranty in an amount sufficient to ensure payment of all such charges, and in a form, and from a third party acceptable to Carrier. In the event Shipper fails to comply with any such requirement on or before the date supplied in Carrier's notice to Shipper, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to this tariff until such requirement is fully met.

SECTION IV: EXPLANATION OF REFERENCE MARKS

[U]

Unchanged rate.

[W]

Change in wording only

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