

Texas R.R.C. No. 3.5
Cancels Texas R.R.C. No. 3.4

Phillips 66 Pipeline LLC

Local Tariff
APPLYING ON

LIQUEFIED PETROLEUM PRODUCTS

| FROM | TO | RATE IN CENTS PER BARREL OF 42 U. S. GALLONS |
|--------------------------------------|--|--|
| Phillips Hutchinson County, Texas | Spearman (MP 35.81) Ochiltree County, Texas | [D] 15.23 |

Filed in compliance with 18 CFR 342.3 (Indexing).

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

[D] Increase [U] Unchanged Rate

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EFFECTIVE July 1, 2016

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RULES AND REGULATIONS

| ITEM NO. | SUBJECT | RULES & REGULATIONS |
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| 5 | Definition | <p>“Carrier”, as used in these rules and regulations, means and refers to Phillips 66 Pipeline LLC.</p> <p>“Propane”, as used in these rules and regulations, shall be a hydrocarbon product composed predominantly of Propane and shall conform to the definition of and specifications for “Commercial Propane” as contained in N.G.P.A. Publication 2140 (N.G.P.A. Liquefied Petroleum Gas Specifications and Test Methods) as revised in 1962 or later revisions.</p> <p>“Barrel”, as used in these rules and regulations, means forty-two (42) United States Gallons.</p> <p>“Butane”, as used in these rules and regulations, means and refers to a hydrocarbon product composed predominately of butane and isobutane and conforming to Phillips 66 Pipeline LLC NGL specifications for Refinery Grade Butane (RGB).</p> <p>“Natural Gasoline”, as used in these rules and regulations, means and refers to a hydrocarbon product composed predominately of pentane and heavier gasoline components derived from the processing of Natural Gas Liquids and conforming to the Phillips 66 Pipeline LLC specifications for Natural Gasoline.</p> <p>“Liquefied Petroleum Product”, as used in these rules and regulations, shall include Butane, Propane and Natural Gasoline.</p> |
| 10 | Minimum Tender | LPG Product of the required specifications shall be tendered for transportation in quantities of not less than 25,000 barrels from one consignor, consigned to one consignee. |
| 15 | Origin and Destination Facilities | LPG Product will be accepted for transportation only when the Shipper and the consignee have provided equipment and facilities, including storage facilities, satisfactory to Carrier for delivering such tenders to Carrier at origin at a pumping rate equal to the current rate of pumping and for receiving same without delay upon arrival at destination. Satisfactory evidence may be required by Carrier showing that necessary facilities are available for delivering shipments at origin and receiving shipments at destination before any obligation to furnish transportation shall arise. |
| 20 | Acceptance Free From Liens and Charges | LPG Product will be accepted for transportation only when free from all liens and charges. |
| 25 | Gauging, Deductions and Temperature Corrections | Prior to receipt, LPG Product may be gauged or tested by a representative of Carrier. LPG Product will be received and delivered on the basis of volume corrections for temperature from observed temperatures to sixty degrees (60°) Fahrenheit using the factors for specific gravity conversion and volume correction appearing in Table 34, ASTM-IP Petroleum Measurement Tables, ASTM Designation 1250 (latest revision). Propane will be received and delivered on the basis of volume corrections for compressibility in accordance with A.P.I. Standard No. 1101, Table II (latest revision). From the net LPG Product quantities so determined for acceptance, a further deduction of [U] one-fourth of one percent (1/4 of 1%) will be made to cover evaporation and loss. The balance will be the net quantities deliverable. |
| 30 | Liability of Carrier | The Carrier shall not be liable for any delay in delivery or for any loss of LPG Product occasioned by war, invasion, hostilities, rebellion, insurrection, seizure or destruction under quarantine or customs regulations, or confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade. In the event of such loss each owner's share of the loss shall be in the same proportion as its share of the total quantity of the shipments involved in the loss, and each such owner shall be entitled to receive only so much of its share remaining after its due proportion of the loss is deducted. The Carrier shall compute the quantities of loss, and shall prepare and submit a statement to the owners showing the apportionment of the loss among the owners involved. The Carrier will not be liable for discoloration, contamination, or deterioration of LPG Product transported, unless such discoloration, contamination, or deterioration results from negligence of the Carrier in movement or handling of the LPG Product through the facilities of the Carrier. In the event of such damage, each owner's share of the damaged LPG Product shall be in the same proportion as its share of the total quantity of shipments involved, and each such owner shall be allocated only its proportionate share of damaged LPG Product. The Carrier shall prepare and submit a statement to the owners showing the apportionment of the damaged LPG Product among the owners involved. |
| 35 | Delivery at Destinations | Carrier shall notify the consignee of the arrival at destination of each shipment. Upon arrival at destination, the LPG Product will be delivered to the consignee through the facilities provided by the consignee. The consignee shall receive from Carrier's line without delay the LPG Product that has been transported to the destination point for its account. |

RULES AND REGULATIONS – Continued

| ITEM NO. | SUBJECT | RULES AND REGULATIONS |
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| 40 | Diversion or Reconsignment | If no out-of-line or backhaul movement or interference with shipping sequence is required, diversion or reconsignment may be made without charge, provided notice is given not less than forty-eight (48) hours before scheduled arrival at original destination, subject to the rates and regulations so provided in this tariff. |
| 45 | Pipeage Contact Required | Separate pipeage contracts in accord with this tariff and these regulations covering further details may be required of the proposed Shipper before any duty of transportation shall arise. |
| 50 | Claims, Time For Filing | As a condition precedent to recovery, claims must be filed in writing with Carrier within nine (9) months after delivery of the LPG Product or in case of failure to make delivery, then within (9) months after a reasonable time for delivery has elapsed. Suit shall be instituted against Carrier only within two (2) years and one (1) day from the day that notice is given in writing by Carrier to the claimant that Carrier has disallowed the claim or any part of 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 Carrier will not be liable. |
| 55 | Transportation Charges | Transportation charges will be assessed and collected by the Carrier at the rates named herein on the basis of the quantity actually delivered at destination after deductions and corrections as provided for herein. All applicable charges hereunder are payable in United States currency. The payment of transportation and all other lawful charges accruing on LPG Product accepted for transportation shall on demand be paid before the release of said LPG Product from the custody of Carrier. If required, charges shall be prepaid at point of origin. Carrier shall have a lien on all LPG Product in its possession belonging to the Shipper or consignee to secure the payment of all unpaid lawful charges due from such Shipper or consignee and may withhold such LPG Product from delivery until all such unpaid charges have been paid. |
| 60 | Apportionment When Tenders Exceed Capacity | When there is tendered to Carrier, for transportation, a quantity of LPG Product greater than can be currently transported, the transportation furnished by Carrier shall be apportioned among all Shippers in proportion to the amounts tendered by each; provided, no tender for transportation shall be considered beyond the amount which the Shipper requesting the shipment will have on hand accessible to and ready for shipment by Carrier. |
| 65 | Application Of Intermediate Rates | The rates published in this tariff apply from established receiving stations of the Carrier to the established delivery station at or near points named. From any point not named in this tariff which is intermediate to a point from which rates are published herein through such unnamed point, apply from such unnamed point the rate from the next more distant point. To any point not named in this tariff, which is intermediate to a point to which, rates are published herein; apply to such unnamed point the rate to the next more distant point. |
| 70 | Quantity And Testing | LPG Product tendered for shipment hereunder shall be free of any dissolved water, sediment, or other foreign materials. At Carrier's request, Shipper shall furnish Carrier with a certificate setting forth the test analysis of each shipment of LPG Product delivered into Carrier's pipeline. Shipper shall indemnify and save Carrier harmless from any loss sustained by other Shippers, or by the Carrier by reason of contamination, or damage to other LPG Product in Carrier's custody or by reason of damage to Carrier's pipeline or other facilities caused by failure of the materials accepted for transportation to be LPG Product as prescribed in this item. Carrier may sample and test any such shipment prior to acceptance or during receipt and in the event of variance between Shipper's certificate and Carrier's test, the latter shall prevail. When requested, Carrier will furnish the Shipper a certified sample of sufficient volume to enable the Shipper to check the accuracy of the Carrier's analysis. Carrier reserves the right to reject any LPG Product into the pipeline, when a sample obtained at the point of origin is found to deviate from the Shipper's certificate of laboratory analysis. |

RULES AND REGULATIONS - Concluded

| ITEM | SUBJECT | RULES AND REGULATIONS |
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| 75 | Odorization | <p>(a) As an accommodation to Shippers, Propane loaded and delivered into tank trucks, tank cars, and piping or storage of others shall be odorized with ethyl mercaptan unless, (1) as provided in (b) below, Carrier is instructed in writing by Shipper not to odorize specific deliveries, or (2) Shipper makes arrangements satisfactory to Carrier for the use of another odorant.</p> <p>(b) If Shipper desires that specific deliveries of Propane not be odorized, Shipper shall furnish Carrier written instructions that such delivery or deliveries are not to be odorized. At the same time, Shipper shall furnish a certification that odorization is not required by any applicable law, rule or regulation or by applicable standards for prudent operation as to or in connection with the purposes and uses to be made of Shipper's Propane.</p> <p>(c) Shipper acknowledges and represents that it is knowledgeable about the chemical and physical properties and limitations, storage, use, and handling or odorant and Propane, whether odorized or unodorized. Shipper further acknowledges that odorant can fade over a period of time, or fade if subjected to certain metal or conditions of metal and may therefore be undetectable. Shipper represents and warrants it has provided its consignees such information and warnings, as it believes necessary for proper and safe use of its Propane.</p> <p>(d) Shipper shall defend, indemnify and hold Carrier harmless from all loss, cost, claims, damages, suits, liability and expense (including, but not limited to costs and reasonable attorney's fees) arising out of or related (1) Carrier's selection of ethyl mercaptan or other odorant; (2) Carrier's odorization of the Propane; (3) odorant fade after delivery to Shipper or its consignee; (4) inaccuracy of Shipper's certification required by paragraph (b) above; (5) Shipper's choice or use of an odorant other than ethyl mercaptan in accordance with (a) above; or (6) failure or alleged failure of Shipper or its consignee to handle unodorized Propane delivered to them by Carrier in a prudent manner. This indemnification, as stated above, shall extend to all claims against Carrier for product liability, or breach of warranty or negligence of Carrier (with the exception of Carrier's failure to utilize ethyl mercaptan or other odorant mutually acceptable to Shipper and Carrier or Carrier's failure to inject at least the quantity of such odorant specified under the applicable National Fire Protection Association Code.)</p> |
| 80 | Line Fill Requirements | <p>Each Shipper shall be required to supply a pro rata share of LPG Product necessary for pipeline and tankage fill to ensure efficient operation of the pipeline system. LPG Product furnished pursuant to this Item No. 86 will only be returned to Shipper after such Shipper has ceased shipping and after a reasonable period of time to allow for administrative and operational requirements associated with the withdrawal of such LPG Product.</p> |

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