

R.C.T. 69.2.0
(Cancels R.C.T. No. 69.1.0)

[N] Cancellation Notice

MAGELLAN PIPELINE COMPANY, L.P.
RESERVED CAPACITY PIPELINE TARIFF

APPLYING ON THE TRANSPORTATION OF

CRUDE PETROLEUM

MPL SOUTH

TO POINTS NAMED HEREIN

RECEIVED
R.R.C. OF TEXAS
AUG 01 2016
GAS SERVICES DIVISION
AUSTIN, TEXAS

[N] Cancellation Notice

[N] Effective August 1, 2016, this tariff shall be the tariff of Magellan Crude Oil Pipeline Company, L.P. For further rates and routing see Magellan Crude Oil Pipeline Company, L.P.'s Tariff R.C.T. No. 9.0.0.

The rates named in this tariff are for the intrastate transportation of crude petroleum by pipeline, subject, to the rules and regulations published in Magellan Pipeline Company, L.P.'s R.C.T. No. 61.4.0, supplements thereto and successive reissues thereof, and is subject to change, without notice, except as otherwise provided by law.

The rates named in this Tariff are expressed in cents a barrel of 42 U.S. Gallons and are subject to change as provided by law.

The matter published herein will have no adverse effect on the quality of the human environment.

EFFECTIVE: August 1, 2016

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RESERVED CAPACITY PROGRAM

ITEM NO.	5-YEAR QUARTERLY RESERVED CAPACITY PROGRAM
	<p>From: Galena Park MTH, TX</p> <p>To: Galveston Bay – Marathon Refinery, TX; Genoa Jct. ExxonMobil, TX; OTI Jct., Pasadena, TX; Houston Fuel Oil Terminal Company Jct., Pasadena, TX; Houston Refining Refinery; Pasadena Refining System, Inc, Jct., Pasadena, TX; Houston Valero Refinery, TX</p>
100	<p>1. Definitions</p> <p><i>“Base Rate” means the non-incentive rate charged by MPL for transportation of Products from the Origin of Galena Park MTH, TX to the Destinations defined herein.</i></p> <p><i>“Carrier” or “MPL” means Magellan Pipeline Company, L.P.</i></p> <p><i>“Destination Points” means the following Texas delivery points that are connected to and capable of receiving Product from the Carrier within the designated destination area:</i></p> <p style="margin-left: 40px;"><i><u>Houston Ship Channel Area:</u> OTI Jct., Pasadena, TX; Houston Fuel Oil Terminal Company Jct., Pasadena, TX; Houston Refining Refinery; Pasadena Refining System, Inc, Jct., Pasadena, TX; Houston Valero Refinery, TX</i></p> <p style="margin-left: 40px;"><i><u>Genoa Junction Area:</u> Genoa Jct. ExxonMobil, TX</i></p> <p style="margin-left: 40px;"><i><u>Texas City Area:</u> Galveston Bay – Marathon Refinery, TX</i></p> <p><i>“Force Majeure” means any cause, event or circumstance of whatever nature which is not within the reasonable control of the party claiming to be adversely affected thereby including, but not limited to, acts of God or public enemy, the elements, fire, accident, hurricane, explosions, freezing, breakdowns, strikes, other industrial, civil or public disturbance, inability to obtain permits, materials, equipment or labor, or any laws, rules, regulations, acts, prohibition or restraints of any government or governmental body or authority, civil or military. The term “Force Majeure” shall not include or excuse any of the following: (a) Reductions in volumes of product transported for Shipper due to pipeline allocations; (b) Shipper’s decision to cease, or materially reduce or change its operations in the market area served by the Carrier’s system; (c) financial condition or the obligation to pay money that has become due; or (d) Shipper’s inability to connect to or access the Origin Point, save and except to the extent that any such inability is due to or results from events which are controlled by or under the control of MPL (or any of its affiliates).</i></p> <p><i>“Origin Point” means the pipeline connection point located at Galena Park MTH, Texas.</i></p> <p><i>“Term Shipper”: Any Shipper who signs a prior written commitment during the Open Season Period as referenced in Section 2 of this Item.</i></p> <p>2. Any Shipper desiring to participate in the Reserved Capacity Program, as set forth herein must satisfy all of the following provisions.</p> <ul style="list-style-type: none"> • Shipper must have entered into a prior written commitment agreement with Carrier during the Open Season Period which ended on January 21, 2013. • Shipper must have storage at the Origin Point. • Upon entering into the prior written commitment by both the Carrier and Shipper, Shipper will be categorized as a Term Shipper. • The Commitment Term shall be at least sixty (60) calendar months from the Commencement Date. The initial commitment is further defined as twenty (20) Contract Quarters. Each Contract Quarter consists of a three (3) calendar month period, and the first Contract Quarter begins on the Commencement Date. • The Commencement Date will be defined in the commitment agreement between Carrier and Term Shipper. • The commitment agreement will require Term Shipper to make a Quarterly Revenue Commitment payment in the amount as specified in Section 5 of this Item, as adjusted pursuant to the commitment agreement. • The Total Revenue Commitment per Term Shipper shall be \$79,761,272.00 for the Commitment Term. This amount is based on the expectation that Term Shipper will throughput 140,000 barrels per day of Crude Petroleum as specified in Section 5 of this Item.

RESERVED CAPACITY PROGRAM (continued)

3. Available Capacity

The maximum daily average Reserved Capacity for all Term Shippers under this program shall be 140,000 barrels per day (the "Reserved Capacity Volume Available"). In the event the aggregate of all Term Shippers' requests for Reserved Capacity exceeds the Reserved Capacity Volume Available under this Section 3, each Term Shipper's Reserved Capacity volume and Quarterly Revenue Commitment (under Section 5) will be prorated.

4. Origin and Destination

Rates set forth in this Item apply to shipments of Crude Petroleum from the Origin Point to any of the Destination Points.

5. Revenue and Throughput Commitment

Term Shipper agrees to transport a volume of Crude Petroleum from Origin Point to any of the Destination Points sufficient to generate an initial minimum quarterly cash payment of **\$3,755,850**, as such amount may be adjusted pursuant to the commitment agreement (the "Quarterly Revenue Commitment"). The Quarterly Revenue Commitment amount is based on the expectation that Term Shipper will deliver approximately 140,000 barrels per day of Crude Petroleum distributed in the following amounts as set forth in the below chart; provided, however, destination volumes may be adjusted by Term Shipper for up to an allowable 14,000 barrels per day shift from one Destination Point to an alternate Destination Point, but the total volumes shipped under Reserved Capacity shall not exceed 140,000.

From	To	Commitment Level Daily Average Reserved Capacity (BPD)	% of Total Commitment
Galena Park, TX	Houston Ship Channel Area	84,000	60%
	Genoa Junction Area	14,000	10%
	Texas City Area	42,000	30%

6. Deficiency

Should Term Shipper fail to transport a volume of Crude Petroleum during each Contract Quarter sufficient to satisfy the minimum Quarterly Revenue Commitment for that Contract Quarter, at the end of such Contract Quarter, Term Shipper shall make a deficiency payment equal to the applicable minimum Quarterly Revenue Commitment amount, excluding payment shortages resulting from Force Majeure, or any other failure of Carrier to accept Crude Petroleum for transportation for any reason other than Term Shipper's default or failure to perform less the aggregate amount of the payments received by Carrier with respect to shipments made in the applicable Contract Quarter (the "Deficiency Payment").

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RESERVED CAPACITY PROGRAM (continued)

7. **Rates**

Reserved Capacity Daily Average (BPD)	From	To	Reserved Capacity Rate (cents per barrel)
140,000	Galena Park MTH, TX	<u>Houston Ship Channel Area:</u> OTI Jct., Pasadena, TX Houston Fuel Oil Terminal Company Jct., Pasadena, TX Houston Refining Refinery Pasadena Refining System, Inc. Jct, Pasadena, TX Houston Valero Refinery	18.05
		<u>Genoa Junction Area</u> Genoa Jct. ExxonMobil, TX	45.89
		<u>Texas City Area:</u> Galveston Bay – Marathon Refinery, TX	59.52

Escalation of the tariff rates in this Section 7 will be maintained at a premium rate above the applicable Base Rate. The Reserved Capacity Rate shall be equal to the sum of the applicable Base Rate plus one cent (\$0.01) per barrel.

8. Payments for transportation of all volumes to which the Term Shipper holds title in its name and ships from the Origin Point for delivery to the applicable Destination Points and for which term Shipper pays the Reserved Capacity Rate will apply to the minimum Quarterly Revenue Commitment.
9. Carrier will invoice the Term Shipper at the rates set out in Section 7 of this Item at the time of delivery. Term Shipper will bear all other applicable charges in the applicable rules and regulations in MPL's R.C.T. No. R.C.T. 61.4.0 and any supplements thereto and reissues thereof.
10. The Quarterly Revenue Commitment will be suspended during a period of Force Majeure and may, at the conclusion of the Force Majeure event, be reestablished and the Commitment Term extended in accordance with the terms of the commitment agreement in effect.

[N] New [C] Cancellation