

HSC PIPELINE PARTNERSHIP, LLC
LOCAL PIPELINE TARIFF
FOR
NON-INCENTIVE AND INCENTIVE RATES

Applying on the Transportation of

PROPYLENE

Transported By Pipeline

FROM ORIGINS AT
TEXAS CITY and SEADRIFT, TEXAS

TO DESTINATIONS AT
FREERPORT AND SEADRIFT, TEXAS

RECEIVED
R.R.C. OF TEXAS

JUL 29 2016

GAS SERVICES DIVISION
AUSTIN, TEXAS

All rates published in this tariff are for the intrastate transportation of Products through the pipelines of HSC Pipeline Partnership, LLC within the State of Texas, being expressed in cents per Pound, are subject to change as allowed by law, and are governed by General Rules and Regulations of this tariff.

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

EFFECTIVE JULY 29, 2016

ISSUED AND COMPILED BY

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GENERAL RULES AND REGULATIONS

The General Rules and Regulations published herein apply in their entirety to the services covered by this tariff (i.e., to the transportation and handling of Products between the origins and destinations named herein).

ITEM 5 LIST OF DEFINITIONS

Agreement:	The executed transportation agreement between Shipper and Carrier.
Carrier:	HSC Pipeline Partnership, LLC and its successors and assigns.
Consignee:	The Party to whom a Shipper has ordered the delivery of Product.
Party or Parties:	Carrier, Shipper, or Consignee, as applicable.
Pound:	A unit of mass equal to 16 avoirdupois ounces or 0.45359237 kilogram.
Product:	Fungible propylene meeting the level of purity defined in the Specifications or a type of propylene meeting a lower level of purity that has been accepted for Shipment by Carrier.
Propylene:	Fungible Propylene meeting the level of purity defined in the Specifications.
Shipment:	The transportation of Product under the terms and conditions of this tariff.
Shipper:	The Party who transports Product under this tariff.
Specifications:	The specifications for Propylene in Carrier's document entitled HSC Fungible Specifications.
Volume:	The aggregate quantity of Product transported or caused to be transported for a Shipper pursuant to the terms of this tariff.

ITEM 10 APPLICATION OF INCENTIVE PROGRAM

Rates set forth in Item 60 of this tariff and successive issues thereof will apply to Shipments transported under an effective Agreement. Rates set forth in Item 70 of this tariff and successive issues thereof will apply to Shipments transported when no effective Agreement is in place.

ITEM 12 CLAIMS, TIME FOR FILING

As a condition precedent to recovery, claims must be made in writing to Carrier within nine months after receipt of delivery of the Shipment, or in case of a failure to make delivery, then within nine months after a reasonable time for delivery has elapsed. Suit against Carrier must be instituted by Shipper or its consignee within two years and one day from the day when notice in writing is given by Carrier to the claimant that Carrier 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 in accordance with the foregoing provisions, such claims will not be paid, and Carrier will not be liable therefor.

ITEM 15 CONNECTION AGREEMENTS

Pursuant to applicable law, separate connection agreements in accordance with this tariff and these rules and regulations may be required of the proposed Shipper before any duty of transportation arises. The terms of such a connection agreement will be offered on the same basis as agreements have been offered to and entered into with other similarly situated Shippers and on a non-discriminatory basis. Copies of the connection agreement will be provided upon request from the tariff compiler referenced on the title page of this tariff.

ITEM 23 LOSS OF PRODUCT

If any Product is physically lost or damaged while being transported hereunder by Carrier, other than losses due to measurement inaccuracies, then Carrier shall, as soon as practicable upon discovery, notify Shipper of the lost or damaged Product, and Carrier shall at its option, either (i) make appropriate reimbursement for the lost or damaged Product based on the most recent published average spot price for the applicable grade of delivered Product posted in *North America Olefins and Polyolefins Daily* published by IHS Chemical, prior to the date of the loss or damage; or (ii) replace such Product in kind. If Publication of *North America Olefins and Polyolefins Daily* is discontinued, then the Parties shall establish a mutually agreeable alternate reimbursement mechanism. Title to any damaged Product for which Carrier has reimbursed Shipper or that is replaced by Carrier will pass to Carrier.

Notwithstanding anything in this tariff to the contrary, the aforesaid adjustment for the loss of or damage to Product or the replacement of such lost or damaged Product will be Shipper's and its Consignees' sole and exclusive remedy for any claim based on the loss of or damage to Product while being transported by Carrier.

Carrier shall allocate losses due to measurement inaccuracies amongst Shippers and Consignees on an equitable basis.

Notwithstanding anything in this Item 23, to the extent an Agreement contains provisions related to the loss of Product that are different from the provisions of this Item 23, the provisions of the Agreement will apply.

ITEM 25 MEASUREMENT AND INSPECTION

The Volume of Product received at the origins will be measured by meters and sampled. Shipper, at its sole risk and expense, may have a representative witness all measurement and sampling at the origins or at the destinations. Carrier shall perform any additional testing or sampling requested by Shipper, and Shipper shall reimburse Carrier for all costs and expenses associated with such additional testing or sampling.

ITEM 35 PAYEMNT OF TRANSPORTATION AND OTHER CHARGES

All charges accruing on Products accepted for transportation under this tariff will be based on the applicable rates contained in this tariff.

Carrier may require that Shipper make all payments for services pertaining to the transportation of Products by wire transfer in accordance with the instructions on Carrier's invoice to Shipper.

If 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, then Carrier, upon notice to Shipper, may 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, which will be held by 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 (3) 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. Carrier will not be obligated to provide Shipper access to Carrier's facilities or to provide services pursuant to this tariff until such requirement is fully met.

Carrier will have a lien on all Products in its possession belonging to Shipper to secure the payment of charges due by said Shipper and may withhold such Products from delivery until all of such unpaid charges have been paid. If such charges remain unpaid for 10 days after notice of readiness to deliver, or if Shipper has less than 21,800 Pounds of Products in Carrier's pipeline system, which Shipper fails to remove after 10 days' notice from Carrier, then Carrier may sell said Products at public or private sale. Carrier may be a bidder and purchaser at any public sale. From the proceeds of such sale, Carrier may pay itself all charges lawfully accruing and all expenses of such sale, and Carrier shall hold the balance remaining, if any, for whomsoever may be lawfully entitled thereto.

ITEM 40 PLACE OF RECEIPT AND DELIVERY

Shipments will be accepted for transportation hereunder only when Shipper or its Consignees have provided facilities satisfactory to Carrier: (i) at origins capable of delivering Products without delay; and (ii) at destinations capable of receiving such Shipments without delay.

ITEM 43 PRODUCT INDEMNIFICATION

Pursuant to the terms and conditions of the connection agreement between the Parties, Shipper and its Consignees have the right to reject any Product tendered by Carrier for delivery to Shipper or its Consignees that fails to meet the Specifications, but Shipper and its Consignees have no right to reject Product that fails to meet levels of purity for Propylene stated in the Specifications if Shipper or its Consignees have requested that Carrier transport such Product pursuant to Item 45 of this tariff.

Shipper shall indemnify, defend, and hold harmless Carrier from and against any and all claims, losses, liabilities, and damages to Shipper and its Consignees, Carrier, or any third party resulting from or related to the failure of any Product delivered to Carrier by Shipper to meet the Specifications. Further, Shipper waives any and all claims and causes of action for, and releases and forever discharges Carrier from, any and all claims or causes of action for damages sustained or alleged to have been sustained by Shipper or any of its Consignees as a result of the failure of any Product delivered to Carrier by Shipper to meet the Specifications. In no event will a Party be liable to any other Party for lost profits or special, indirect, punitive, or consequential damages regardless of how any claim, loss, or damage occurs, including loss or damage due to impure Product, or to that Party's sole, joint, or comparative negligence or strict liability.

ITEM 44 PRODUCT INVOLVED IN LITIGATION OR ENCUMBERED

Carrier may reject any Product, when offered for transportation, that 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 Carrier may require of Shipper satisfactory evidence of perfect and unencumbered title or satisfactory indemnity bond to protect Carrier against any and all losses.

ITEM 45 PRODUCT QUALITY

Product tendered by Shipper pursuant to this tariff will be out of common stock in Carrier's pipeline system and must meet Carrier's Specifications, a current copy of which is available upon request from the tariff compiler referenced on the title page of this tariff. Carrier may modify or substitute the Specifications from time to time and at any time to reflect Carrier's current specifications for Product. Receipt of notice by Shipper from Carrier of any modification or changes in the Specifications will constitute an amendment to the Specifications and will be deemed a part hereof for all purposes. Carrier may, from time to time accept Product that fails to meet levels of purity for Propylene stated in the Specifications. Product not meeting the levels of purity for Propylene stated in the Specifications and that has been accepted for Shipment by the Carrier will be shipped on a segregated basis. Unless otherwise previously agreed to in writing by Shipper and Carrier, Shipper is solely responsible for and shall accept, without cost to Carrier, all interface material generated by transportation of Product that does not meet the levels of purity for Propylene stated in the Specifications and that has been accepted by Carrier for Shipment through Carrier's pipeline facilities.

ITEM 48 PRORATION OF PIPELINE CAPACITY

When quantities of Product greater than can be transported are offered to Carrier for Shipment through Carrier's facilities, Carrier shall allocate available transportation on an equitable basis to all Shippers pursuant to Carrier's Proration Policy, entitled HSC Petrochemical Proration Policy, a current copy of which is available upon request from the tariff compiler referenced on the title page of this tariff.

ITEM 49 SEPARATE PIPELINE AGREEMENTS

Separate agreements, if applicable, in association with pipeline connections or other facilities ancillary to Carrier's pipeline system and in accordance with this tariff will be required of any Shipper or Consignee before any obligation to provide transportation arises.

ITEM 50 TAX REGISTRATION

Shipper is required to provide Carrier, if applicable, with proof of registration with or tax exemption from, the appropriate federal and/or state tax authorities, which are in any way related to the collection and payment of excise taxes, sales taxes, BTU taxes, value added taxes, fees, levies, or any similar or dissimilar assessments or charges for the receipt, handling, use, storage, or transportation of Product.

ITEM 55 TITLE OF PRODUCT

Shipper will retain title to its Product while the same is in Carrier's custody. Carrier will be deemed to be in control and possession of the Product from the time the Product is delivered to Carrier until the Product is delivered to Shipper or Consignee at the flange designated for change of custody for such deliveries. Shipper grants to Carrier a security interest in the Product transported on Carrier's pipeline system to secure payment of all charges under this tariff.

RATES

ITEM 60 Incentive Rates

Destination	Origin	Incentive Rate
Freeport (Brazoria County, TX)	Texas City (Galveston County, TX)	1.18¢ per Pound
Seadrift (Calhoun County, TX)	Seadrift (Calhoun County, TX)	

ITEM 70 Non-Incentive Rates

Destination	Origin	Non-Incentive Rate
Freeport (Brazoria County, TX)	Texas City (Galveston County, TX)	15.5¢ per Pound
Seadrift (Calhoun County TX)	Seadrift (Calhoun County, TX)	

ROUTE DIRECTORY: *Rates in this tariff apply via all routes made by use of Carrier's lines.*

Explanation of Abbreviations

BTU: British Thermal Unit

¢: United States cents

Explanation of Reference Marks