

Phillips 66 Carrier LLC

LOCAL TARIFF Applying On Intrastate Transportation of PETROLEUM PRODUCTS

RECEIVED
R.R.C. OF TEXAS
MAY 25 2018
GAS SERVICES DIVISION
AUSTIN, TEXAS

Table of Rates

From	To	Rate in Cents Per Barrel of 42 US Gallons
Uncommitted Shipper Rates		
‡ Pasadena, Harris County, Texas	Kinder Morgan Pasadena, Harris County, Texas	[I] 13.20
	Kinder Morgan Galena Park, Harris County, Texas	[I] 26.15
	Holland Ave Junction, Harris County, Texas	[I] 26.15
Tier 1 (>25MBPD) Rates[‡]		
‡ Pasadena, Harris County, Texas	Kinder Morgan Galena Park, Harris County, Texas	[I] 27.20
	Holland Ave Junction, Harris County, Texas	[I] 27.20
Tier 2 (15-25MBPD) Rates[‡]		
‡ Pasadena, Harris County, Texas	Kinder Morgan Galena Park, Harris County, Texas	[I] 29.30
	Holland Ave Junction, Harris County, Texas	[I] 29.30
Tier 3 (5-15MBPD) Rates[‡]		
‡ Pasadena, Harris County, Texas	Kinder Morgan Galena Park, Harris County, Texas	[I] 31.39
	Holland Ave Junction, Harris County, Texas	[I] 31.39

‡ Means the Origin Point of the Cross Channel Connector Pipeline located at the Phillips 66 Partners Terminal in Pasadena, TX

‡ After committed Shippers meet their monthly T&D volume obligation, their tariff rate will revert to the Uncommitted Shipper rate

The rates named in this tariff are for the transportation of Petroleum Products by pipeline to the points named herein and subject to the regulations named herein.

Filed using procedures established in 18 CFR [W] 342.3 (Indexing) 341.3 (Form of tariff)

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

[I] Increase [W] Change in Wording Only

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Issued By
Todd Denton, President
Phillips 66 Carrier LLC
P. O. Box [W] 421959 4428
Houston, TX [W] 77242-1959 77210-4428

Compiled by
Alan Fairwell, Director, Tariffs
Phillips 66 Carrier LLC
P. O. Box [W] 421959 4428
Houston, TX [W] 77242-1959 77210-4428
PH: 832-765-1608
Fax: 918-977-8537
Alan.E.Fairwell@P66.com

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Rules and Regulations

Item No.	Subject	RULES AND REGULATIONS
20	ABBREVIATIONS AND DEFINITIONS	<p>As used in these rules and regulations, the following terms have the following meanings:</p> <p>"a.m." means a time of day after midnight and before noon.</p> <p>"Barrel" means forty-two United States gallons.</p> <p>"Carrier" means and refers to Phillips 66 Carrier LLC</p> <p>"p.m." means a time of day after noon and before midnight.</p> <p>"Petroleum Products" means gasoline [N], <u>blendstocks</u> and petroleum oil distillates.</p> <p>"RFG" means reformulated gasoline pursuant to 40 C.F.R. (Code of Federal Regulations), Part 80, subpart D.</p> <p>"Shipper" means the party who contracts with the Carrier for transportation of Petroleum Products pursuant to the terms of this tariff.</p> <p>"Tender" means an application by a Shipper to the Carrier for transportation of a stated quantity of Petroleum Products from a specified origin or origins to a specified destination or destinations in accordance with these rules and regulations.</p>
25	COMMODITY	Under this tariff the Carrier is engaged in the transportation of Petroleum Products by pipe line and will not accept any other commodity for transportation.
30	SPECIFICATIONS REQUIRED	<p>Petroleum Products shall be accepted for transportation only when such Petroleum Products meet all required Federal, state and local regulations and Carrier's published petroleum product specifications contained in the Cross Channel Connector Pipeline Specifications document, including these revisions referenced herein.</p> <ul style="list-style-type: none"> ▪ A current copy of the Cross Channel Connector Pipeline Specifications document titled "Phillips 66 Pipeline LLC. – Pipeline Specifications – Cross Channel Connector Pipeline " Effective June 1, 2015 may be obtained on request from the compiled by person listed on the title page or on the Phillips 66 Pipeline LLC website (http://www.phillips66pipeline.com/EN/Pages/index.aspx). ▪ Carrier reserves the right to require Shipper to demonstrate that Petroleum Products offered for transportation meet required specifications as prescribed in the Cross Channel Connector Pipeline Specifications document. ▪ Shipper shall be responsible for all reasonable expenses incurred by Carrier resulting from Carrier's receipt of any Petroleum Products that do not comply with the Cross Channel Connector Pipeline Specifications document. ▪ Carrier reserves the right to require, approve, or reject the injection of corrosion inhibitors, viscosity or pour point depressants, drag reducing agents, or other additives. Petroleum Products will be accepted for transportation at such time as Petroleum Products of the same quality and specifications are currently being transported from receiving point to destination. ▪ Carrier will accommodate future Fungible and Segregated product types in accordance with good industry practice. Such acceptance not to be unreasonably withheld provided, however, that shipment of future Products does not prohibit the shipment of finished grade refined Products including, but not limited to, fungible Explorer Pipeline grades 36, 3S, 3T,3U, 3X, 46, 4S, 4T, 4U, 4X, 51, 75
35	INVENTORY REQUIREMENTS	<p>Carrier shall require Shipper to supply a pre rata share of Products and inventory necessary for pipeline and tankage fill to assure efficient operation of Carrier's pipeline system.</p> <p>Products furnished by a Shipper may be withdrawn from Carrier's pipeline system only after:</p> <ol style="list-style-type: none"> 1. Shipper has ceased shipments and Shipper has notified Carrier in writing to discontinue shipments in Carrier's pipeline system. And: 2. Shipper inventory balances have been reconciled between Shipper and Carrier. <p>Carrier may require advance payment of transportation charges on the volumes to be delivered from Carrier's pipeline system and any unpaid accounts receivable, before final delivery will be made. Carrier shall have a reasonable period of time after receipt of said notice to complete administrative and operational requirements incident to Shipper's withdrawal of said products.</p>

Item No.	Subject	RULES AND REGULATIONS
40	TENDERS AND NOMINATIONS	<p>Petroleum Products will be accepted for transportation only on properly executed Tenders, as defined in Item 5.</p> <p>(a) Shippers desiring to Tender Petroleum Products for transportation shall make in writing a separate Tender for each calendar month on or before the 15th day of the preceding month. Carrier is under no obligation to accept Petroleum Products for transportation in any month unless Shipper submits a nomination on or before the fifteenth (15th) day of the calendar month preceding the desired shipment date. If the fifteenth (15th) day of the month falls on a weekend or holiday, nominations are due on the last workday before the fifteenth (15th). A nomination must specify, for each shipment, the quantity, product, grade, Origin, Destination and Shipper.</p> <p>(b) Petroleum Products shall be accepted for transportation at such time as Petroleum Products of the same specifications are currently being transported from point of Origin to a Destination or Destinations in accordance with schedules of shipments to be issued from time to time to each Shipper by the Carrier. Such schedules may be modified from time to time in the manner and to the extent reasonably desirable to facilitate the efficient and economical use and operation of the Carrier's facilities and to reasonably accommodate Shipper's needs for transportation. Any changes or modification to Shipper's monthly nominations should be completed at least fourteen (14) days before the scheduled entry date of product into the Carrier's facilities. If a change in nomination is not timely submitted, Carrier will handle in a manner to facilitate the efficient, economic use and operation of the Carrier's facilities and to reasonably accommodate Shipper's needs for transportation of product. Carrier will provide a pump date for a completed nomination a minimum of seven (7) days prior to the release date.</p>
45	QUANTITIES	<p>Petroleum Products will be accepted from facilities to which the Carrier is connected in shipments of not less than Twenty-Five thousand Barrels (25,000 Barrels) of the same kind, quality, and characteristics from one point of origin for delivery at one destination unless operating conditions as determined solely by Carrier permit smaller batch sizes.</p>
50	SEGREGATION	<p>(a) No Petroleum Products will be accepted for transportation except good merchantable Petroleum Products of acceptable character readily susceptible of transportation through Carrier's existing facilities, and which will not materially affect the quality of shipments being transported, or cause a disadvantage to any other Shipper.</p> <p>(b) Subject to the foregoing, Carrier will, to the extent permitted by its existing facilities, endeavor to segregate such Petroleum Products during transportation and to make delivery of substantially the same Petroleum Products at destination; provided that Carrier may require Shipper to make such Petroleum Products available to Carrier in such quantities (see Item 20) and at such specified times as may be necessary to permit such segregated movements via its existing facilities.</p>
55	ORIGIN AND DESTINATION FACILITIES	<p>(a) No duty to transport will arise until evidence satisfactory to the Carrier has been furnished that consignee has provided necessary facilities to which Carrier is connected and has made necessary arrangements for accepting delivery of shipments promptly on arrival at destination, as provided in these rules and regulations.</p> <p>(b) Shipper shall furnish pumping and other facilities of sufficient capacity to move said products into Carrier's origin station at Carrier's full line pumping rate, provided however, that the Carrier may for its convenience operate at pumping rates less than full line rate. Carrier will not provide storage.</p>
60	MEASUREMENT AND DEDUCTIONS	<p>(a) Quantities for receiving, delivering, assessing charges and all other purposes will be corrected to a temperature of sixty degrees Fahrenheit, after deduction of impurities shown by tests made by the Carrier prior to receipt and upon delivery. Quantities may be computed from tank tables compiled or accepted by the Carrier, or from metering devices acceptable to the Carrier.</p> <p>(b) Petroleum Product quantities transported will be adjusted to allow for inherent losses, including, but not limited to shrinkage, evaporation, interface losses and other losses. Shipper shall bear actual loss allowances and any transmix for said movements.</p>
65	DIVERSION OR RECONSIGNMENT	<p>Diversion or reconsignment may be made without charge if requested in writing by the Shipper, prior to delivery at original destination, subject to the rates, rules and regulations applicable from point of origin to point of final destination, upon condition that no out-of-line or backhaul movement will be made.</p>
70	DELIVERY AND DEMURRAGE	<p>(a) Carrier will transport and deliver Petroleum Products with reasonable diligence and dispatch, but will accept no Petroleum Products to be transported in time for any particular market.</p> <p>(b) After any shipment has had time to arrive at destination and on twenty-four hour notice to consignee, Carrier may begin delivery at its current rate of pumping.</p> <p>(c) If the Shipper, or Consignee, is unable or refuses to receive said Petroleum Product as it arrives at the specified destination, the Carrier reserves the right to make whatever arrangements for disposition of the Petroleum Product it deems appropriate in order to clear its pipeline. Any additional expenses incurred by the Carrier in making such arrangements shall be borne by the Shipper or Consignee.</p>

Item No.	Subject	RULES AND REGULATIONS
75	RATES APPLICABLE	Petroleum Products transported shall be subject to the rates in effect on date such Petroleum Products are received by the Carrier.
80	PAYMENT OF CHARGES	<p>The Shipper shall be responsible for payment of transportation and all other charges applicable to the shipment, and if required, shall prepay such charges or furnish guaranty of payment satisfactory to the Carrier. The Carrier will have a lien on all Petroleum Products accepted for transportation to secure the payment of all charges, including demurrage charges, and may refuse to deliver Petroleum Products until all charges have been paid. If said charges or any part thereof shall remain unpaid five days, computed from the first seven o'clock a.m. after written notice is mailed to Shipper of intention to enforce Carrier's lien as herein provided or when there shall be failure to take the Petroleum Products at the point of destination as provided in Item 45 within five days, computed from the first seven o'clock a.m. after expiration of the notice therein provided, the Carrier shall have the right through an agent to sell said Petroleum Products at public auction for cash between the hours of ten o'clock a.m. and four o'clock p.m. on any day not a legal holiday and not less than twenty-four hours after notice of the time and place of such sale and the quantity, general description and location of the Petroleum Products to be sold has been published in a daily newspaper of general circulation published in the town or city where the sale is to be held, and sent by telegraph to Shipper. The Carrier may be a bidder and purchaser at such sale. Out of the proceeds of said sale Carrier may pay itself all transportation, demurrage, and other lawful charges, expense of notice, advertisement, sale, and other necessary expense, and of caring for and maintaining the Petroleum Products, and the balance shall be held for whomsoever may be lawfully entitled thereto.</p>
85	LIABILITY OF CARRIER	<ul style="list-style-type: none"> (a) The Carrier, while in possession of any Petroleum Products, will not be liable for any loss thereof, or damage thereto, or delay, caused by an act of God, the public enemy, quarantine, the authority of law, or of public authority, strikes, riots, insurrection, inherent nature of the goods, or the act or default of the Shipper or consignee. (b) Any losses of Petroleum Products will be charged proportionately to each Shipper in the ratio that his Petroleum Products, or portion thereof, received and undelivered at the time the loss occurs, bears to the total of Petroleum Products then in the custody of the Carrier for transportation via the lines or other facilities in which the loss occurs; and the Carrier will be obligated to deliver only that portion of such Petroleum Products remaining after deducting Shipper's proportion of such loss determined as aforesaid. Transportation charges will be assessed only on the quantity delivered. (c) Carrier will not be liable for discoloration, commingling, contamination, or deterioration of Petroleum Products resulting from the normal operation of a products pipe line system in batching various kinds of products, and the products so commingled or contaminated will be equitably apportioned among and delivered to the Shippers participating in the products cycle or cycles in which the commingling or contamination occurs.
90	TITLE	A Tender of Petroleum Products shall be deemed a warranty of title by the party Tendering, but acceptance shall not be deemed a representation by the Carrier as to title. The Carrier may, in the absence of adequate security, decline to receive any Petroleum Products which is in litigation, or as to which a dispute over title may exist, or which is encumbered by any lien of which the Carrier has notice.
95	TIME LIMITATION ON CLAIMS	As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with the Carrier within nine months and one day after delivery of the property, or in case of failure to make delivery then within nine months and one day after reasonable time for delivery, based on Carrier's normal operations, has elapsed; and suits shall be instituted against the Carrier only within two years and one day from the day when notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, no Carrier hereunder will be liable, and such claims will not be paid.

Item No.	Subject	RULES AND REGULATIONS
100	RFG COMPLIANCE	<p>By submitting to Carrier a Tender of Petroleum Products for transportation, Shipper certifies to Carrier that, as to any Petroleum Products which are required to be reformulated gasoline pursuant to 40 C.F.R. Part 80, Subpart D ("RFG Regulations"), the Shipper has a Quality Assurance Program ("QAP") for reformulated gasoline that has been properly designed and implemented pursuant to 40 C.F.R. 80.79(c). In cases in which the Shipper uses one or more connecting Carriers prior to transfer of custody to Carrier, the Shipper certifies that its QAP includes appropriate measures to ensure that the product handled by the connecting Carriers remains in full compliance with the RFG regulations. Upon Carrier's request, Shipper shall promptly provide Carrier with all pertinent documentation constituting and describing Shipper's QAP, including all pertinent sampling and testing results. Shipper shall cooperate fully with Carrier, with respect to providing documentation and otherwise, in instances in which Carrier seeks to rebut a presumption of liability under the Reformulated Gasoline Regulations. Shipper shall notify Carrier immediately upon learning that Petroleum Products Shipper has Tended for transportation are not in compliance with the RFG Regulations. Carrier shall be free to refuse Tender for transportation any Petroleum Products which Carrier has reason to believe are not in compliance with the RFG Regulations.</p> <p>With respect to the transfer of custody from Shipper to Carrier, Shipper acknowledges that it retains full responsibility for compliance with all of the product transfer document requirements specified at 40 C.F.R. 80.77 and 80.106. Given that Carrier is the only party in a position to verify the precise volume of product actually shipped, Carrier agrees to generate a document that provides the volume of gasoline which is being transferred to Carrier's custody. Carrier agrees to provide a copy of this document to Shipper. Carrier's agreement to generate a volume document in no way renders Carrier responsible for the generation of the required product transfer document.</p>
105	PRORATION OF PIPELINE CAPACITY	<p>This Proration Policy will be used by the Carrier for the Cross Channel Connector System to allocate Available Capacity among all Product Shippers for any Proration Month for which Carrier determines, in its sole discretion, that the aggregate volume of Products Nominated by all Shippers for receipt into Carrier's System exceeds Available Capacity. Carrier may elect to allocate its Available Capacity on any equitable basis, in a manner different from this policy, during a generally recognized emergency period in order to help alleviate the emergency conditions. All capacity calculations shall be based on a gasoline equivalent basis.</p> <p>I. Definitions</p> <p>"Available Capacity" means, with respect to any segment of Carrier's System, total projected available capacity for the Proration Month on such segment, under then-current operating conditions as determined by Carrier, net of any capacity leased to others.</p> <p>"Average Monthly Historical Flow" shall have the meaning as set forth in Item III.B.</p> <p>"Base Period" is the 12 calendar month period just preceding the Calculation Month.</p> <p>"Calculation Month" is the calendar month just preceding the Proration Month for which space is being allocated.</p> <p>"Carrier" means Phillips 66 Carrier LLC.</p> <p>"Contract Shipper" means Shipper that is party to a TSA. A Contract Shipper will be treated as a New Shipper or Regular Shipper, as applicable under this Proration Policy, for any Nominations in excess of its Minimum Volume.</p> <p>"Minimum Volume" means the aggregate minimum quantity of Product that a Contract Shipper guarantees to ship and take delivery of at a destination, or to pay a shortfall payment for failure to ship such minimum quantity, during a month under its TSA.</p> <p>"New Shipper" is any Shipper who is not a Contract Shipper or Regular Shipper. A Contract Shipper will not be a New Shipper to the extent of its Minimum Volume.</p> <p>"Nominated" or "Nomination" means Products validly nominated for movement in Carrier's System in accordance with Carrier's nomination procedures set forth in its published tariffs.</p> <p>"Priority Capacity" means capacity available to Contract Shippers, which is not subject to proration. Priority Capacity will not exceed 90% of the capacity of the System.</p> <p>"Products" means motor fuels, distillate, natural gasoline and similar products for which Carrier elects to offer transportation service on Carrier's System as set forth in its published tariffs.</p> <p>"Products Allocated Capacity" is the Available Capacity less Priority Capacity, and such Products Allocated Capacity will be allocated to Regular Shippers and New Shippers in a Proration Month, as determined in accordance with Item III.</p> <p>"Proration Month" is the calendar month for which Carrier has determined that Nominated volumes exceed Available Capacity.</p> <p>"Regular Shipper" is any Shipper who had a record of movements of Petroleum Product(s) in any eight (8) of the twelve (12) months in the Base Period except that a Contract Shipper will not be a Regular Shipper to the extent of movements of its Minimum Volume.</p> <p>"Shipment History" means the volume of Products moved through an applicable segment of Carrier's System by a Shipper during the applicable Base Period.</p> <p>"Shipper Monthly Historical Flow" has the meaning as set forth in Item III.C.</p>

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(Continued)

PRORATION OF
PIPELINE CAPACITY

"Shipper(s)" means the party or parties who have Shipper status to nominate Products for movement under Carrier's published tariff for Products movements.

"TSA" means a transportation services agreement that was executed by a Contract Shipper with Carrier, pursuant to an opens season conducted by Carrier, and which includes a Shipper option to purchase Priority Capacity.

II. Determination of Allocated Capacity for Contract Shippers

First, each Contract Shipper that Nominates Priority Capacity for its Minimum Volume for such Proration Month shall be allocated capacity equal to the lesser of (i) one hundred percent (100%) of its Minimum Volume, and (ii) its Nominated Barrels. If Priority Capacity exceeds Available Capacity, then each Contract Shipper shall be allocated capacity which will equal their Minimum Volume divided by total Priority Capacity multiplied by the Available Capacity. Any Priority Capacity not allocated to Contract Shippers shall be allocated as set forth in Item III. However, the shipping history shall remain with the Contract Shipper.

III. Allocation of Products Allocated Capacity Among New and Regular Shippers

- A. New Shippers shall be included in the allocation of Products Allocated Capacity. Total Products Allocated Capacity available for New Shippers will not exceed ten percent (10%) of the Products Allocated Capacity. Each New Shipper will be granted an equal initial allocated capacity of Products for the Proration Month, provided that such initial allocation of capacity shall not be made to more than one of any affiliated New Shipper(s). Any unused capacity shall become available for allocation among Regular Shippers as set forth in Item III.D.
- B. **Average Monthly Historical Flow** shall be a calculation of the total Barrels of all Products delivered for each segment of the System during the Base Period and divide this value by the lesser of (i) number of months in which the segment of the System has been in operation, or (ii) 12.
- C. **Shipper Monthly Historical Flow** shall be a calculation of the total Barrels of all Products delivered for a particular Shipper for each segment of the System during the Base Period and divide this value by the lesser of (i) number of months in which the segment of the System has been in operation, or (ii) 12.
- D. The total available Barrels of capacity for each segment of the System which will be allocated to that Shipper will be calculated by taking the Shipper Monthly Historical Flow divided by the Average Monthly Historical Flow, and multiplying this quotient by the total Barrels of capacity allocated to Regular Shippers. The final Products capacity allocated to a particular Shipper will be the lower of (i) the Shipper's Nomination or (ii) the allocation as determined in this Item III.D.
- E. Any remaining capacity not used by Regular Shippers would be re-allocated among all New Shippers in equal proportion according to Item III.A.

IV. Notification

Carrier shall notify each Shipper of its allocated capacity in accordance with the notification timelines set forth in the Nomination provisions of Carrier's published tariff(s). Shippers shall have, following Carrier's notification of each Shipper's allocated capacity, three days to submit revisions to their initial Nominations so as to distribute their allocated capacity among the Products, origins and destinations then served by Carrier.

V. Good Faith Tenders

Carrier will accept only good faith Nominations from Shippers, and Carrier shall use whatever reasonable means necessary to determine whether Nominations are made in good faith. Good faith means the non-contingent ability of Shipper to deliver to Carrier at the origin(s), or to receive from Carrier at the destination(s) specified in the Nomination, all of the volume Nominated during the time period for which the Nomination is made. Carrier may request any additional documentation from Shipper indicating Shipper's ability to deliver and/or receive the Products Nominated.

VI. Failure to Use Allocated Capacity

Except for a Contract Shipper with respect to its Minimum Volume, if a Shipper fails to deliver at the origin(s) or fails to remove at the destination(s), specified by it in its Nomination, Products sufficient to fill its allocated capacity and such failure has not been caused by force majeure, as substantiated in a manner satisfactory to the Carrier, Shipper shall pay the transportation charges under Carrier's published tariff for the applicable Product movement for such unused allocated Capacity, and Carrier shall also have the right, in a non-discriminatory manner, to reduce Shipper's allocated capacity for the next Proration Month in which such Shipper Nominates Product by an amount equal to such unused allocated capacity.

<p>105 (Continued)</p>	<p>PRORATION OF PIPELINE CAPACITY</p>	<p>VII. Multiple Shipper Accounts</p> <p>Unless otherwise instructed by Shipper, Carrier will consolidate the movement history and Nominations of all the Shipper's Products accounts for Shippers who have multiple Shipper accounts. Total allocated capacity will automatically be distributed among such Shipper's various accounts with any excess capacity allotment on one of its accounts being transferred to any account for which Nominated volume exceeds allotted capacity for that account. Nothing in this Item VII will allow such Shipper to receive a capacity allocation greater than the total allocated capacity that such Shipper would be entitled to if all of its movement history were consolidated in one Shipper account.</p> <p>VIII. No Enhancement of Allocation</p> <p>In no event will a capacity allocation to Shipper be used in such a manner that will enhance the allocated capacity of another Shipper beyond the allocated capacity that such Shipper would be entitled to under this Proration Policy. Carrier may require written assurances from a responsible officer of Shipper regarding its use of its allocated capacity stating that Shipper has not violated this Policy.</p> <p>IX. Transfer of Allocated Capacity and Shipment History</p> <p>Space allocated to a Shipper may not be assigned to another Shipper. Upon request of Carrier, a responsible official of a Shipper's company may be required to give assurances to Carrier that this provision has not been violated. In the event such provision is violated, the allocated space for all Shippers involved in the violation shall be reduced by the amount of the unauthorized space obtained; the reduction being effective for the remainder of the current month as well as for the next month of proration for which pipeline capacity has not yet been allocated. Carrier may reallocate the space so withdrawn.</p>
<p>110</p>	<p>TAX REGISTRATION</p>	<p>The Carrier shall require the Shipper, consignee or consignor to provide proof of registration with appropriate Federal and State Agencies for the collection of all sales and excise taxes. Failure to provide such proof of registration shall not relieve Shipper, consignee or consignor of the appropriate tax liability. Any charges levied against the Carrier by any State or Federal agency will be collected by the Carrier in accordance with the provision stated in tariff Item No. 50.</p>