

# DIXIE PIPELINE COMPANY LLC

## TEXAS LOCAL PIPELINE TARIFF

### APPLYING ON

## PROPANE

<b>FROM:</b> Beaumont, Texas	<b>TO:</b> Mont Belvieu, Texas	<b>RATE IN CENTS PER BARREL:</b> [I] 64.73
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RECEIVED  
R.R.C. OF TEXAS

MAY 30 2018

GAS SERVICES DIVISION  
AUSTIN, TEXAS

The rate named in this tariff is for the transportation of Propane by pipe line to the point of use in Texas.

The rate named is expressed in cents per barrel and is subject to change as provided by law, also regulations named herein.

Operated by Dixie Pipeline Company LLC, (P5 #221364) Under T-4 Permit No. 00657.

**EFFECTIVE:** July 1, 2018

**COMPILED AND ISSUED BY:**

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# RULES AND REGULATIONS

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## ITEM 5 - Definition of Terms

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As used in these rules and regulations, the following terms have the following meanings:

**Barrel** - means forty-two (42) United States gallons at sixty degrees Fahrenheit (60° F) and equilibrium vapor pressure.

**Carrier** - means and refers to Dixie Pipeline Company LLC.

**Losses** – means all claims, penalties, losses, costs, expenses, liabilities or damages of any kind or nature whatsoever (including reasonable attorney's fees and court costs associated therewith).

**New Shipper** - means a Shipper that is not a Regular Shipper. A Shipper that becomes a New Shipper shall remain one for twelve (12) consecutive calendar months.

**Propane** - means and is limited to the liquid hydrocarbon product meeting the acceptance specifications prescribed in Item 15.

**Regular Shipper** - means a Shipper that has:

- a. injected Propane into, or withdrawn propane from, the Carrier's system within the 12-month period preceding the first day of a month in which the system or a portion of the system is prorated; and
- b. first injected Propane into, or withdrawn Propane from, the system more than twelve (12) months prior to the first day of the month in which the system is prorated.

**Shipper** - means the party who contracts with Carrier for the transportation and withdrawal of Propane under the terms of this tariff.

**Tender** - means an offer by a Shipper to Carrier of a stated quantity of Propane for transportation from a specified origin or origins to destinations listed in Carrier's tariffs in accordance with these rules and regulations.

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## ITEM 10 - Commodity

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Carrier is engaged primarily in the transportation of Propane and will not accept any other commodity for transportation except when Carrier determines that space in the pipeline is available for transportation of other commodities as provided in these rules and regulations and subject to public notice, hereby given, that such service is offered on a temporary basis and may be restricted or canceled at any time after notice thereof as Carrier shall determine is necessary to permit it to properly transport Propane.

- a. Carrier reserves the right to set the minimum and/or maximum batch size of any such other commodity tendered for transportation dependent on space available in the pipeline at the time.
- b. Carrier reserves the right to refuse to accept any commodity that is not compatible with its system, its method of operation or its transportation of Propane.
- c. To protect the integrity of the Propane being transported, Shipper of any other commodity must supply buffer liquids in such quantities and in accordance with such specifications as may be established by Carrier. Such buffer liquids will be considered a part of the shipment of the commodity tendered to Carrier by such Shipper for all purposes other than Shipper's compliance with batch sizes established by Carrier.
- d. Shipper of any such other commodity will be required to accept delivery of the interface material created by the movement of such commodity or pay any and all costs incurred by Carrier in disposing of same.

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## **ITEM 15 - Propane, Acceptance and Certificate of Specifications Testing**

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Propane which will be accepted for transportation shall conform to the definition of and specifications for HD-5 Propane" as contained in "G.P.A. Liquefied Petroleum Gas Specifications and Test Methods" (G.P.A. Publication 2140 as revised and supplemented from time to time) and as determined by the test methods described in said G.P.A. publication, provided that no Propane will be accepted for transportation which has a liquid phase dew point higher than +25° F as determined by an in-line hygrometer. Shipper shall furnish Carrier with a certificate setting forth the specifications of each shipment of Propane delivered in Carrier's pipeline.

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. Carrier shall provide notice to Shipper that Shipper has delivered Propane that does not meet Carrier's Propane specifications, and Shipper shall have thirty (30) days to request a certified sample. When such request is made, Carrier will furnish Shipper a certified sample of sufficient volume to enable Shipper to check the accuracy of Carrier's analysis. If Carrier is unable to provide a certified sample of sufficient volume, and there is no reasonable alternative for determining the failure of Propane to meet Carrier's Propane specifications, then Carrier waives the right to bill Shipper for the treatment of Propane that does not meet Carrier's Propane specifications and Carrier also waives the right to charge Shipper an additional penalty charge of [U] 100 cents per Barrel in that month.

If, upon investigation, Carrier determines that Shipper has delivered to Carrier's facilities Propane that has contaminated the common fungible stream, causing all or a portion of the Propane stream to fall outside the above specifications, Carrier reserves the right to treat or otherwise dispose of all contaminated Propane in any reasonable commercial manner at Shipper's sole expense. Carrier further reserves the right to collect its actual treating and handling charges plus an additional penalty charge of [U] 100 cents per Barrel of contaminated Propane.

In addition to Shipper's obligation to deliver Propane meeting Carrier's specifications, and Carrier's right to dispose of off-specification Propane as provided for herein, Shipper shall pay any reasonable fees set forth by Carrier for the incident and shall indemnify, defend, reimburse, and hold Carrier harmless from and against all Losses, whether the Losses be suffered by Carrier or any third party, arising out of or related to Shipper's delivery to Carrier of off-specification Propane, including, without limitation, Losses to Carrier's property, the property of others (including other Shippers), or treating or blending fees.

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## **ITEM 20 - Tenders & Scheduling**

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- A) Propane will be transported only under a tender accepted by Carrier from facilities connected to Carrier when a tariff covering the movement is lawfully in effect.
- B) A Shipper desiring to tender Propane for transportation shall make such tender to Carrier in writing on tender forms specified, or, on request, supplied by Carrier. All such tender forms must be submitted on or before the fifteenth day of the month preceding the month during which transportation of the tendered volume is to begin. If the initial tenders require the allocation of capacity, Carrier shall provide such notice of allocation to Shippers including each Shipper's allocated capacity within five (5) business days of the tender deadline. Notwithstanding the foregoing, Carrier reserves the right to allocate the pipeline thereafter on any given day when tenders exceed available capacity pursuant to Item 70. Shippers shall have, following Carrier's notification of each Shipper's allocated capacity, three (3) business days to submit revisions to their initial tenders so as to distribute their allocated capacity among the Propane origins and destinations then served by Carrier. Should a Shipper's revised tenders exceed its allocated capacity for Propane, Carrier shall have the right to alter any or all of such Shipper's tenders in Carrier's sole discretion such that the tenders equal the capacity allocated to Shipper.
- C) Propane shall be accepted for transportation at such time and in such quantities as scheduled by Carrier. Carrier will prepare schedules showing the estimated time that each shipment will be received for transportation at origin points. Carrier will furnish the schedules to Shippers upon request. Such schedules

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### **ITEM 20 - Tenders & Scheduling (continued)**

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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 Carrier's facilities and to reasonably accommodate Shippers' needs for transportation.

- D) Carrier operates a batched system. As part of that batched system Carrier may require Propane Shippers to not inject Propane for up to ninety-six (96) continuous hours in order to allow other products to pass by their origin point, provided that after any such period, Propane Shippers will be permitted to inject Propane for at least twenty-four (24) continuous hours. During the up to ninety-six (96) continuous hour period when a different type of product is moving by the Propane Shipper's origin, the Propane shipper may not inject any Propane into the line until permitted by Carrier.

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### **ITEM 25 - Quantities**

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- A) A tender will be accepted only when total quantity covered by such tender will be made available for transportation within a period not to exceed one calendar month.
- B) Any quantity of Propane will be accepted from lines or other facilities to which Carrier is connected, provided the total of such quantities tendered by a single shipper equals or exceeds seven thousand (7,000) barrels in any one calendar month from all origins to all destinations.

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### **ITEM 30 - Identity of Shipment**

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Carrier will make all deliveries out of a common stream of commingled shipments, and no attempt will be made to preserve identity of individual shipments.

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### **ITEM 35 - Origin and Destination Facilities**

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- A) Carrier will provide such facilities at its origin stations as it deems necessary for the operation of the pipeline. Tenders will be accepted for transportation hereunder only when Shipper has provided facilities satisfactory to Carrier capable of delivering Propane into Carrier's origin stations at pressures and at pumping rates required by Carrier
- B) No duty to transport will arise until evidence satisfactory to Carrier has been furnished that Shipper has made necessary arrangements for accepting delivery of shipments promptly on arrival at Carrier's destination points, as shown in this tariff.

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### **ITEM 36 - Bi-Directional Routing**

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This pipeline system has a bi-directional section consisting of the section between Mont Belvieu, Texas and Hattiesburg, Mississippi.

- a. East to west movements by Carrier over this bi-directional section will be secondary to movements in the reverse direction, i.e., movements in a west-to-east direction.
- b. Secondary direction service will be provided on this section in a given month only when and to the extent that all volumes of Propane nominated for movement in the primary direction on such section can be accepted by Carrier without prorationing and there is sufficient remaining capacity to provide such secondary direction service.

Requests for secondary direction service must be made by the fifteenth day of the calendar month preceding the calendar month during which such direction is requested. Shippers requesting secondary direction service will be notified of Carrier's ability to provide such service as soon as is practicable following such request.

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### **ITEM 40 - Measurement**

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Propane will be measured by Carrier on receipt and delivery. Observed volumes at operating pressures and temperatures will be corrected to net volumes at 60° F and equilibrium vapor pressure by using the factors obtained from tables prepared by Carrier and ASTM-IP Petroleum Measurement Tables.

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### **ITEM 50 - Storage**

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Carrier does not have available and does not hold itself out to provide storage of Shipper's Propane at origin, destination, or intermediate points.

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### **ITEM 55 - Diversion or Reconsignment**

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Diversions or reconsignment may be made by Shipper without charge at any time prior to delivery, subject to the rates, rules and regulations applicable from point of origin to point of final destination.

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### **ITEM 60 - Delivery**

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- A) Carrier will transport and deliver Propane with reasonable diligence and dispatch.
- B) After any shipment has had time to arrive at destination Shipper may begin withdrawals.
- C) Upon failure of Shipper to remove or take delivery of any shipment after expiration of a 24 hour notice by Carrier to Shipper that such shipment is available for delivery, Carrier shall have the right to make such disposition of the undelivered shipments as may be necessary to free its facilities. If Carrier sells such Propane, it will remit the proceeds thereof, less any unpaid transportation charges and costs of selling, to Shipper. Carrier shall not be liable to Shipper for any loss caused by such disposition, and Shipper shall pay for all costs thereof the same as if Shipper had requested or authorized such sale or disposition.
- D) A Shipper's required in transit balance will be computed on the basis of the ratio of his shipments for a twelve-month period to the total of all shipments for the same twelve-month period. A Shipper who discontinues tendering to Carrier may be required, or permitted at the discretion of Carrier to withdraw his in transit balance at any uniform rate specified by Carrier over any period of time not to exceed one hundred and twenty (120) days. Such period of 120 days may be extended at the discretion of Carrier in the event proration is in effect during such period and other Shippers are unable to replace such in transit volumes.

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### **ITEM 70 - Proration**

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When there is offered to Carrier product quantities greater than can be transported between origins and destinations, Carrier shall allocate withdrawal and injection capacity.

- A) **WITHDRAWAL CAPACITY ALLOCATION** - Allocation of the system or a portion of the system for withdrawal capacity will be based on the Shipper's historical volume. The historical volume is the Shipper's product deliveries during the first twelve (12) calendar months following a date thirteen (13) calendar months prior to the first day of the calendar month during which capacity will be allocated.
- B) **INJECTION CAPACITY ALLOCATION** - Allocation of the system or a portion of the system for injection capacity will be based on the Shipper's historical volume. The historical volume is the Shipper's product receipts during the first twelve (12) calendar months following a date thirteen (13) calendar months prior to the first day of the calendar month during which capacity will be allocated. During periods of injection allocation, a Shipper's historical volume to a specific destination will not be able to be used for movements east of that destination; provided however, for purposes of injection allocation, both the Hattiesburg destination and all destinations east of Hattiesburg will be considered as one destination.

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## ITEM 70 – Proration (continued)

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The following provisions shall apply for both Injection and Withdrawal capacity:

- a. Allocation will be given as a daily or monthly volume, at Carrier's discretion, and will be calculated for the calendar month.
- b. Once capacity has been allocated for a particular calendar month, a shipper may not transfer its capacity allocation to another shipper or shippers.
- c. With agreement of Carrier and the Shippers concerned, historical volume may be transferred in extraordinary situations (e.g., where one shipper has sold its interest in production from a particular plant or field to another shipper).
- d. New Shippers will receive five hundred (500) barrels per day of capacity until the total barrels received by the New Shippers exceeds five percent (5%) of the total capacity, at which time all New Shippers will receive an equal portion of the 5% of the total capacity.

C) ALLOCATION PENALTY - If a Shipper fails to deliver at the origin(s), specified by it in its tender, Propane sufficient to fill its allocated capacity and such failure has not been caused by force majeure, as substantiated in a manner satisfactory to Carrier, Shipper shall pay the transportation charges under Carrier's published tariff for the Propane movement for such over tenders or unused allocated capacity, and Carrier shall also have the right, in a non-discriminatory manner to reduce such Shipper's allocated capacity for the next allocation month in which Shipper tenders Propane by an amount equal to such unused allocated capacity. However, Carrier may, in a non-discriminatory manner, waive its right to reduce Shipper's allocated capacity for the next allocation month if, in Carrier's reasonable judgment, Shipper's failure to deliver Propane sufficient to fill its allocated capacity was due to an unusual and non-reoccurring circumstance. If a Shipper tenders for delivery to multiple destinations, the transportation charge shall be equal to the weighted average transportation charge for the destinations utilized.

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## ITEM 75 - Rates Applicable

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Propane transported shall be subject to the rates in effect on date such Propane is delivered by Carrier.

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## ITEM 80 - Payment of Charges

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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 Carrier. Carrier shall have a security interest on all Propane in its possession belonging to Shipper to secure the payment of any and all unpaid transportation, or other lawful charges, due Carrier and unpaid by Shipper. Carrier has the right to withhold delivery of such Propane until all unpaid charges have been paid. If said charges remain unpaid for ten (10) days after notice and demand therefore, Carrier may dispose of such product by public or private proceedings in one or more contracts. Sales or other disposition may be as a unit or in parcels and at any time and place and on any terms which are commercially reasonable. The proceeds of disposition shall be applied in the following order:

- a. to the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by law, reasonable attorney's fees and legal expenses incurred by Carrier
- b. and to the satisfaction of the indebtedness secured hereby. Carrier will account to Shipper for any surplus, and Shipper is liable to Carrier for any deficiency.

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## ITEM 90 - Liability of Carrier

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A) Carrier will assume no liability when operational scheduling and other problems encountered in pipeline operations prevent its ability to maintain schedules or comply with Shippers' withdrawal requirements.

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### **ITEM 90 - Liability of Carrier (continued)**

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B) Carrier, while in the possession of any Propane, will not be liable for any loss thereof, or damage thereto, or delay, caused by acts of God, the public enemy, quarantine, the authority of law, or of public authority, strikes, riots, insurrection, fire, flood, inherent nature of the goods, or the act or default of Shipper. Any such losses of Propane will be charged proportionately to each Shipper in the ratio that his Propane, received an undelivered at the time the loss occurs, bears to the total of all Propane then in the custody of Carrier, and Carrier will be obligated to deliver only that portion of such Propane remaining after deducting Shipper's proportion of such loss determined as aforesaid. Transportation charges will be assessed only on the quantity delivered.

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### **ITEM 95 - Title**

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A tender of Propane shall be deemed a warranty of title by the party tendering, but acceptance shall not be deemed a representation by Carrier as to title. Carrier may, in the absence of adequate security, decline to receive any Propane which is in litigation, or as to which a dispute over title may exist, or which is encumbered by any lien of which Carrier has notice.

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### **ITEM 100 - Time Limitation on Claims**

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As a condition precedent to recovery for any loss or damage, claims must be filed in writing with Carrier within nine (9) months and one (1) day after delivery of property, or in the case of failure to make delivery then within nine (9) months and one (1) day after reasonable time for delivery, based on Carrier's normal operations, has elapsed; and suits shall be instituted against Carrier only within two (2) years 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 are not lifted or suits are not instituted thereon in accordance with the foregoing provisions, such claims will not be paid, and Carrier will not be liable.

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### **ITEM 105 - Quantity Deliverable**

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Carrier will account to Shippers for all quantities received from Shippers at origin less a tender reduction allowance established and adjusted from time to time to equal as nearly as practical Shipper's pro rata share of (a) normal and expected Carrier operational losses including product consumed in operations and (b) losses, if any, of the type covered by Item 90 for which Carrier is not liable and, will deliver to Shippers at destination the quantities received as reduced by such tentative tender reduction allowances. Initially one-half of one percent ( $\frac{1}{2}$  of 1%) of the quantities received, as the tentative tender reduction allowance, will be withheld from deliveries to cover anticipated actual total losses. At the end of each twelve-month period (ending December 1 of each year) the excess, if any, of the total tentative tender reduction withheld during such period over actual losses will be added pro rata, based on shipments during the previous twelve-month period, to the next subsequent receipts from Shippers. If such actual total losses during the previous twelve month period exceed the total tentative tender reduction allowances withheld, the amount of such excess shall be deducted pro rata from Shippers' in transit balances at the most easterly point of origin. The tentative tender reduction allowance may be adjusted from time to time to more accurately approximate Carrier's actual loss experience. If any Shipper elects to withdraw its in-transit balance volume at any time during any twelve-month period in accordance with Item 60, an adjustment will be made in the amount to reflect the difference between such Shipper's share of the total tentative tender reduction allowances taken to the date of Shipper's notice of its desire to withdraw and Carrier's actual loss experience during the period to date.

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### **ITEM 110 - Pipeage Contracts**

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Separate pipeage contracts in accord with this tariff and those regulations covering further details may be required by Carrier before any duty for transportation shall arise.

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## EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS

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ABBREVIATION OR REFERENCE MARK	EXPLANATION
A.S.T.M.	American Society for Testing Materials
°	Degree
F	Fahrenheit
[I]	Increase
[U]	Unchanged Rate

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