

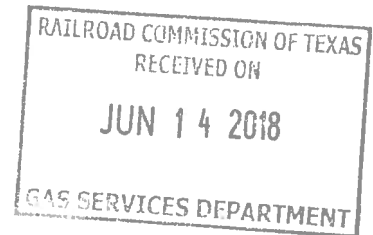
Centurion Tariff No. 20.14.0  
(Cancels Centurion Tariff No. 20.13.0)

# **CENTURION PIPELINE L.P.**

TEXAS LOCAL PROPORTIONAL TARIFF

CONTAINING RATES  
APPLYING ON TRANSPORTATION OF  
**CRUDE PETROLEUM**

FROM AND TO  
**POINTS IN TEXAS**



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Governed, except as otherwise provided, by the Rules and Regulations published in Centurion Pipeline L.P.'s Tariff No. 1, supplements thereto or reissues thereof.

Operated by Centurion Pipeline L.P. under P-5 Operator No. 141655 and T-4 Permit No. 06776 & 07432

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**EFFECTIVE: July 1, 2018**

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## SECTION I

TABLE 1 - LOCAL RATES

FROM	TO	RATES IN DOLLARS PER BARREL OF 42 U.S. GALLONS	
		Daily Volume	Trunk Line Rate
Midland Tank Farm, Midland County, Texas	Big Spring Refinery, Howard County, Texas	1,000 to 23,000 Barrels	[I] <u>0.4824</u>

## TERMS APPLICABLE TO TABLE 1 – LOCAL RATES:

- 1) The term "Daily Volume" is defined as volume from any one Shipper received at the reception point per day averaged over the Calendar Month.
- 2) Rates named in this Table 1 are applicable only to Crude Petroleum delivered to Carrier at point of origin and are for trunk line transportation. Terminating service will be performed under this tariff only for the receipt of Shipper's Tender.
- 3) Effective Date of Service. Service under this Table 1 of Centurion Tariff No. 20 shall be available to Shippers only after (1) the facilities necessary to provide the service hereunder have been constructed and placed in service and (2) Carrier receives an aggregate volume commitment from all Shippers of at least 11,500 barrels per day for fifteen (15) years. Carrier shall be entitled to withdraw this tariff at anytime before the conditions listed above occur.

TABLE 2 – VOLUME INCENTIVE RATES

FROM	TO	RATES IN DOLLARS PER BARREL OF 42 U.S. GALLONS	
		Daily Volume	Trunk Line Rate
Midland Tank Farm, Midland County, Texas	Big Spring Refinery, Howard County, Texas	11,500 Barrels Minimum	[I] <u>0.2813</u>

## TERMS APPLICABLE TO TABLE 2 - VOLUME INCENTIVE RATES:

- 1) The term "Daily Volume" is defined as volume from any one Shipper received at the reception point per day averaged over the Calendar Month.
- 2) Volume Incentive Rates set forth in this Table 2 will apply to shipments of any Shipper agreeing in writing to deliver a minimum of 4,197,500 barrels per Contract Year based on an average rate of 11,500 barrels per day to Big Spring, Texas from Midland, Texas during the Contract Period. "Contract Period" is defined as fifteen (15) years beginning with the effective date specified in the written agreement and ending the last day of the fifteen (15) year period. Carrier shall invoice Shipper monthly at each of the applicable, then-current Volume Incentive Rate(s) reflected on this tariff, including any current supplements thereto and successive issues thereof. "Contract Year" is

defined to mean the twelve-month period beginning on the effective date of the Contract Period and each successive twelve-month period thereafter as agreed upon in writing by Carrier and such affected Shipper.

- 3) The "Minimum Annual Throughput Obligation" shall be 4,197,500 barrels. If Shipper fails to satisfy the Minimum Annual Throughput Obligation for any Contract Year during the Contract Period, then Shipper shall pay to Carrier a deficiency payment (the "Deficiency Payment") which is equal to the difference between (x) the total amount payable by Shipper to Carrier for shipments of Crude Petroleum on the Pipelines from Midland, Texas to Big Spring, Texas during such Contract Year and (y) the gross revenue (calculated by multiplying the Minimum Annual Throughput Obligation by the then-current Volume Incentive Rate set forth in this tariff) that would have been payable by Shipper to Carrier during such Contract Year had Shipper delivered the Minimum Annual Throughput Obligation to Big Spring, Texas from Midland, Texas during such Contract Year within ten (10) days after both (a) the completion of any Crude Petroleum throughput reconciliation process for such Contract Year that has been agreed upon in writing by and between Carrier and such Shipper, and (b) the receipt of an invoice from Carrier for same. Any Deficiency Payments made by Shipper to Carrier under this provision shall be treated as advance payments of the Carrier tariff then in effect for transportation of Crude Petroleum by Shipper from the point of origin listed herein to the reception point herein for volumes in excess of the Minimum Annual throughput Obligation for the Contract Year following the contract Year for which such Deficiency Payment was assessed (the "Following Contract Year"). Notwithstanding the foregoing, such credit shall be applied only with respect to such transportation in the Following Contract Year. Any Deficiency Payment amounts that are not credited in accordance with the above shall be retained by Carrier and shall not be refunded to Shipper or applied as a credit to payment for such transportation in any subsequent Contract Year. If, at the expiration of the Contract Period, Carrier holds any Deficiency Payment amounts that have not been applied as a credit to payment for transportation as provided herein, Carrier shall be under no obligation to refund such Deficiency Payment amounts to Shipper.
- 4) Carrier during the Contract Period may adjust the Volume Incentive Rates contained in this Table 2, including any current supplements thereto and successive issues thereof, yearly at the annual FERC adjustment for crude oil pipelines which is set forth in Title 18, Code of Federal Regulations, Section 342.3, as such regulation may be amended, supplemented, or otherwise modified from time to time. Said adjustment will be effective each July 1. Notwithstanding the foregoing, the charges will not decrease below the initial charges. If such FERC adjustment is no longer published, Carrier may apply a new adjustment that is comparable to the same FERC method of adjustment and may increase the charges accordingly. In addition to such adjustment, Carrier may adjust the charges in amounts that would withstand applicable regulatory scrutiny (each an "Additional Adjustment"). Carrier shall provide Shippers no less than sixty (60) days advance written notice of any such Additional Adjustment.
- 5) Effective Date of Service. Service under this Table 2 of Centurion Tariff No. 20 shall be available to Shippers only after (1) the facilities necessary to provide the service hereunder have been constructed and placed in service and (2) Carrier receives an aggregate volume commitment from all Shippers of at least 11,500 barrels per day for fifteen (15) years. Carrier shall be entitled to withdraw this tariff at anytime before the conditions listed above occur.
- 6) Rates named in this tariff are applicable only to Crude Petroleum delivered to Carrier at its point of origin, and are for trunk line transportation. Terminating service will be performed under this tariff only for the receipt of Shipper's Tender.

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**GATHERING CHARGE**

Rates published herein are for trunk line transportation only. For applicable rates on gathering services performed by Centurion Pipeline L.P. into points of origin listed above, see Centurion Pipeline L.P.'s Texas Local Gathering Tariff No. 17, supplements thereto or reissues thereof.

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**EXPLANATION OF REFERENCE MARKS**

**[I]** Increase.