

TX No. 27.7
(Cancels TX No. 27.6)

Filed on:

11:14 am, Jul 19, 2024

Gas Services Department
Railroad Commission of Texas

SUNOCO PIPELINE L.P.
TEXAS LOCAL TARIFF
CONTAINING
RULES AND REGULATIONS
GOVERNING THE INTRASTATE TRANSPORTATION OF
PETROLEUM PRODUCTS

The rates named in this tariff apply to the intrastate transportation of Petroleum Products by pipeline. The general rules and regulations published herein apply only under tariffs making specific reference to this tariff; such reference will include supplements thereto and successive reissues thereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

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

EFFECTIVE: AUGUST 1, 2024

Issued by:
RB Herrscher
EVP – NGL & Refined Products
International Business Development
Energy Transfer Operations GP LLC, the General
Partner of Sunoco Pipeline L.P.
3807 West Chester Pike
Newtown Square, PA 19073

Compiled by:
Diane A. Daniels
on behalf of
Sunoco Pipeline L.P.
1300 Main Street
Houston, TX 77002
(713) 989-7425
tariffs@energytransfer.com

Operated under Sunoco Pipeline L.P.'s T-4 Permit No. 00582 and P5 ID 829627

TABLE OF CONTENTS

Subject	Item No.	Page No.
Definitions	5	3
Tenders	10	3
Specifications Required as to Quality	15	4
Acceptance Free from Liens and Charges	20	4
Measurement, Testing, Volume Corrections and Deductions	25	4
Facilities Required at Origin and Destination	30	4
Origin Facilities Required for Automatic Custody Transfer	35	5
Application of Rates and Charges	40	5
Notice of Arrival, Delivery at Destination	45	5
Proration of Pipeline Capacity	50	5
Payment of Transportation and Other Charges; Finance Charges; Lien, Set-Off	55	5
Warranties	60	6
Liability	65	6
Pipeline Contracts Required	70	7
Claims and Times for Filing	75	7
Duty of Carrier	80	7
Application of Rates from and to Intermediate Points	85	7
Intrasystem Transfers	90	7
Corrosion Inhibitors	95	8
Connection Requirements	100	8
Commodity	105	8
Charges for Spill Compensation Acts and Regulations	110	8
Product Interface (Transmix) Adjustment	115	8
Allowance for Pumping Service Furnished by Shippers	120	9
Line Fill and Tank Bottom Inventory	125	9
Identity of Petroleum Products	130	9
Transfer of Shipment History	135	9

GENERAL APPLICATION

Carrier will receive, transport, and deliver Petroleum Products through its facilities only as provided in this "Rules and Regulations" tariff, except that specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein or in succeeding reissues of these Rules and Regulations.

Item 5 Definitions

"Applicable Law" as herein used means and refers to all applicable local, state and federal constitutions, laws (including common law), treaties, statutes, orders, decrees, rules, regulations, codes, and ordinances issued by any Governmental Authority, and including judicial or administrative orders, consents, decrees, and judgments, and determinations by, or interpretations of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question and binding on a given Party or its respective assets.

"Barrels" as herein used will consist of forty-two (42) U.S. gallons at sixty degrees Fahrenheit (60° F).

"Carrier" as herein used means and refers to the owner/operator of the pipeline system noted on the front page of this tariff and other common carrier pipelines participating herein.

"Governmental Authority" as used herein means and refers to any governmental, administrative or regulatory entity, authority, commission, board, agency, instrumentality, bureau or political subdivision, and any court, tribunal or judicial or arbitral body (whether national, federal, state or local or, in the case of an arbitral body, whether governmental, public or private), having jurisdiction over Shipper and/or Carrier.

"Nomination" as herein used means a written designation by a Shipper to Carrier of an approximate quantity of Petroleum Products for transportation from a specified origin point or points of Carrier to a specified destination point or points of Carrier over a period of one Operating Month in accordance with these Rules and Regulations.

"Operating Month" for Shipper or Transferor as herein used means any month in which Carrier either transports Petroleum Products or recognizes and records a change in the ownership of Petroleum Products for the account of such party. For purpose hereof, the month shall be deemed to begin on the first day of such month at 0001 hours until the first day of the succeeding month at 2400 hours Eastern Standard or Eastern Daylight Savings Time, whichever is in effect on the date specified.

"Petroleum Products" as herein used refers to the grade or grades of petroleum products derived from refining crude oil, which are specified in Item No. 15.

"Shipment Transfer" as herein used means the physical transfer of a stated quantity of Petroleum Products in custody of Carrier from a Shipper to another Shipper.

"Rules and Regulations" as herein used is defined above.

"Shipper" as herein used means the consignor of a Tender.

"Tender" or "Tendering" as herein used means an offer of delivery by a Shipper to Carrier of a stated quantity of Petroleum Products for transportation from a specified origin point or points of Carrier to a specified destination point or points of Carrier in accordance with these Rules and Regulations.

"Title Transfer" as herein used means transfer of ownership reported in the records of Carrier of a stated quantity of Petroleum Products in the custody of Carrier from one entity to another.

Item 10 Tenders

All Shippers tendering Petroleum Products to Carrier will promptly provide Carrier with all Nomination information required by Carrier to schedule the shipment of Petroleum Products which Shipper desires to be made to satisfy Carrier that Tenders are in good faith and can be transported in conformance with Carrier's tariffs. Carrier may refuse to accept Petroleum Products for transportation until Shipper has provided Carrier with such information.

Carrier will not be obligated to accept a Tender for any Operating Month unless the Shipper submits its Nomination to the Carrier on or before the fifteenth (15th) day of the preceding calendar month.

Carrier can require Tenders for the same kind and quality of Petroleum Products in minimum of twenty-five thousand (25,000) barrel shipments consigned to the same destination point. Tenders shall become operative in the order in which they are received and accepted by Carrier. Carrier at its option and for its convenience may transport such Petroleum Products by intermittent pumpings.

Item 15 Specification Required as to Quality

To avoid contamination, Petroleum Products will be received for transportation only when the specifications therefor conform with Petroleum Products being then transported by Carrier and no Petroleum Products will be received or transported which do not meet the specifications provided herein. Carrier shall not be responsible for discoloration or contamination of Petroleum Products transported by it unless such discoloration or contamination was caused by the negligence of Carrier.

Petroleum Products will be received for transportation only when the shipment acceptance terms in the *ET Refined Products Pipeline Product Codes and Specifications* effective [W] ~~May 1, 2024~~ July 17, 2024 are satisfied. The *ET Refined Products Pipeline Product Codes and Specifications* effective [W] ~~May 1, 2024~~ July 17, 2024 will be provided upon request by the person listed as "Compiler" on the title page of this tariff or online at www.energytransfer.com/tariffs and may be updated at any time to comply with applicable law or as may be necessary to comply with upstream or downstream connecting carrier requirements or Carrier's own operational requirements.

Item 20 Acceptance Free from Liens and Charges

Carrier may decline to accept for transportation Petroleum Products which are involved in litigation or which is not free from liens or charges.

Item 25 Measurement, Testing, Volume Corrections and Deductions

All Petroleum Products tendered to the Carrier for transportation will be measured and tested in tanks by a representative of Carrier or by automatic equipment approved by Carrier. All measurements will be made in Barrels. When tanks are gauged, all Petroleum Products will be measured, sampled and tested prior to receipt or delivery. When automatic metering and sampling equipment is used, all Petroleum Products will be measured and sampled during receipt or delivery, and the quantity determined and tested after such receipt or delivery. Shipper or its Consignee may be present or represented at any measuring and testing.

Where Carrier uses a tank or meter of Shipper or its Consignee, Carrier reserves the right to request restrapping or check-strapping of the tank and proving or check-proving of the meter.

Except for arithmetic errors, all measurement and testing by a representative of Carrier will be conclusive evidence of the quantity as adjusted herein if a representative of Shipper or its Consignee was not present during such measuring and testing.

If two or more Carriers are involved with tendered volumes, tests are to be performed by the particular Carrier as agreed between Carriers.

The net balance at sixty degrees Fahrenheit (60° F) less sediment and water will be the quantity received or delivered by Carrier.

Item 30 Facilities Required at Origin and Destination

Petroleum Products will be received for transportation only when Shipper has provided facilities satisfactory to originating and delivering carriers for delivering Petroleum Products to the pipeline at terminal of receipt and for receiving said Petroleum Products as they arrive at the destination.

In the event Shipper fails to provide adequate facilities for receipt at destination or has not ascertained from Carrier that it has facilities available for receipt at destination, or in the event the Shipper or its Consignee refuses to accept the Petroleum Products at the destination point, Carrier shall have the right to reduce Shipper's transportation volumes to the volume for which facilities are available at destination, divert Shipper's transportation volumes, or reconsign

Shipper's transportation volumes, subject to the rates, rules and regulations applicable from point of origin to actual final destination, or make whatever arrangements for disposition as are deemed appropriate to deliver the Petroleum Products from Carrier's facilities, including the right of public or private sale in a commercially reasonable manner. The Carrier may be a purchaser at such sale. Out of the proceeds of said sale, the Carrier shall pay itself all transportation and all other applicable lawful charges and necessary expenses of the sale and the expense of caring for and maintaining the Petroleum Products until disposed of and the balance shall be held for whosoever may be lawfully entitled thereto.

Item 35 Origin Facilities Required for Automatic Custody Transfer

When Shipper or its Consignee elects to deliver Petroleum Products to Carrier at point of origin through automatic custody transfer facilities (in lieu of tankage), Shipper or its Consignee will furnish the required automatic measuring and sampling facilities. The design, construction, and calibration of such facilities must be approved by Carrier and any appropriate regulatory body.

In the event automatic custody transfer is made by a metering facility, Shipper or its Consignee will also furnish whatever pumping service is required to ensure that the Petroleum Products being delivered through the meter is at a pressure in excess of the true vapor pressure of the liquid.

Item 40 Application of Rates and Charges

Petroleum Products accepted for transportation shall be subject to the rates and charges in effect on the date of receipt of such Petroleum Products by Carrier. Transportation and all other lawful charges will be collected on the basis of net quantities of Petroleum Products delivered at destination. All net quantities will be determined in the manner provided in Item No. 25.

Item 45 Notice of Arrival, Delivery at Destination

The obligation of Carrier is to deliver at the nominated destination the Tendered quantity of Petroleum Products, and such delivery may be made upon twenty-four (24) hours' notice to the Shipper or Consignee with all possible dispatch into the tanks or facilities to be provided by the Shipper or its Consignee.

Item 50 Proration of Pipeline Capacity

If, during any period, the total volume of Petroleum Products nominated over any segment of Carrier's pipeline is in excess of the capacity of said segment, Carrier shall allocate transportation capacity in accordance with the *Sunoco Pipeline L.P. Proration Policy Texas Refined Products Pipelines* effective September 1, 2022. The *Sunoco Pipeline L.P. Proration Policy Texas Refined Products Pipelines* effective September 1, 2022 will be provided upon request by the person listed as "Compiler" on the title page of this tariff or online at www.energytransfer.com/tariffs and may be updated at any time to comply with applicable law or as may be necessary to comply with upstream or downstream connecting carrier requirements or its own operational requirements.

Item 55 Payment of Transportation and Other Charges; Finance Charges; Lien; Set-Off

The transportation and all other charges accruing on all Petroleum Products accepted for shipment, based on the rate applicable to the destination at which delivery is made, shall be paid in accordance with invoice terms and these Rules and Regulations.

Each Shipper shall provide information to Carrier that will allow Carrier to determine the Shipper's ability to pay any financial obligations that could arise from the transportation of the Shipper's Petroleum Products under the terms these Rules and Regulations. Shipper shall at all times meet Carrier's credit requirements, which Carrier shall apply in a non-discriminatory manner. If at any time Carrier determines that Shipper fails to meet Carrier's credit requirements, Carrier may require Shipper to provide financial assurances to Carrier, in a form and amount satisfactory to Carrier, in Carrier's sole discretion. Such assurances include, but are not limited to, requiring Shipper to pay all such charges and fees in advance, or to provide an irrevocable letter of credit satisfactory to Carrier. For Petroleum Products not released due to failure of Shipper to pay or left in Carrier's custody after the scheduled delivery has expired, Carrier may assess reasonable storage charges and other reasonable charges (including any reasonable attorney fees and court costs) incurred with the preservation or sale of the Petroleum Products.

If such charges are not paid by the due date stated on the invoice, Carrier shall have the right to assess finance charges on the entire past due balance (including principal and accumulated but unpaid finance charges) until paid in full at

the rate equal to one-hundred twenty-five percent (125%) of the prime rate of interest charged by Citibank N.A., New York, New York as of the due date or the maximum finance charge rate allowed by law, whichever is less.

Petroleum Products accepted for transportation shall be subject to a general lien and security interest in favor of Carrier. This lien and security interest shall secure: (1) all transportation and any other charges or amounts due or to become due, owed, or otherwise payable from Shipper under the terms of these Rules and Regulations, and (2) all costs and expenses of Carrier in exercising any of its rights detailed below, including, but not limited to, reasonable attorney fees, storage charges, and settlement of conflicting liens. Shipper irrevocably authorizes Carrier at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements deemed necessary or desirable by Carrier to establish or maintain the validity, perfection and priority of the lien and security interests granted herein, and Shipper ratifies any such filings made by Carrier prior to the date hereof. The lien and security interest provided herein shall be in addition to any lien provided by statute or common law. If the Petroleum Products remain in Carrier's custody more than thirty (30) days after the tender of delivery by Carrier, Carrier shall have the right to sell the Petroleum Products at a public or private sale in a commercially reasonable manner to collect such charges.

Carrier reserves the right to set-off any such charges against any monies owed to Shipper by Carrier or any Petroleum Products of Shipper in Carrier's custody.

Item 60 Warranties

Shipper warrants that the Petroleum Products tendered to Carrier will conform with the Specifications stated in Item No. 15, and they will be merchantable and will not be contaminated. Shipper will be liable to Carrier, other Shippers or Consignees for any damage, including special, incidental, and consequential, arising from a breach of this warranty. The transportation of the Petroleum Products may be refused or canceled if Carrier determines or is advised that the Petroleum Products do not meet the requirements of these Rules and Regulations. In addition, if Carrier samples the Petroleum Products prior to or after tendered by Shipper and if contracted laboratory test results determine that the Petroleum Products are nonmerchantable, Shipper will be liable to Carrier for the cost of such tests for nonmerchantable or contaminated Petroleum Products.

CARRIER DOES NOT MAKE ANY WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, FITNESS FOR A PARTICULAR PURPOSE AND MERCHANTABILITY, CONCERNING THE QUALITY OF THE PETROLEUM PRODUCTS.

Item 65 Liability**A. Carrier Liability**

Carrier will not be liable for any loss of Petroleum Products or damage thereto or delay caused by an act of God, fire, explosion, storm, flood, electrical malfunction, war, rebellion, insurrection, terrorist activity or threat thereof, strike, breakage or accident to machinery or equipment, difference with workmen, acts of the public enemy, sabotage, diminishment or failure of power, telecommunications, data systems, or networks, quarantine, good faith compliance with any regulation, direction, or request, whether valid or invalid, made by any Governmental Authority or Person purporting to act therefor, riots, the inability to obtain or delay in obtaining material, equipment, right of way, easements, or permits, the act of default of Shipper or owner, or from any cause not due to fault or negligence or any cause reasonably beyond the control of Carrier. In such cases, the loss allocated to Shipper shall be the quantity equal to the amount of its Tenders for the month in which such loss occurs bears to the whole amount of the line fill and tankage in the system of Carrier during the month of such loss, and Shipper shall be entitled to receive only such portion of its Tenders as remains after deducting its due proportion of the loss. Carrier's custody of the Tenders shall end when Petroleum Products have been delivered into Shipper's or its consignee's facilities.

Except in force majeure situations, the correction of a nonconformity, the payment of the difference between the reference price for similar Petroleum Products in the area of origin and the value of the degraded Petroleum Products, or the replacement of the Petroleum Products, at Carrier's option, will constitute fulfillment of all liabilities of Carrier whether the liabilities are based on contract, negligence or otherwise. Carrier will not be liable for special, punitive, consequential, loss of profit, indirect, or incidental damages.

The reference prices for each type of Petroleum Product and the methodology for calculating the value of any overage or shortage periodically will be provided to Shipper in a letter from Carrier in advance of the effective date of any revision in the reference prices or methodology.

B. Shipper Liability

As a condition to Carrier's acceptance of Petroleum Products for transportation on Carrier's system, each Shipper agrees to protect and indemnify Carrier against claims or actions for injury and/or death of any and all Persons whomever and for damage to property of or any other loss sustained by Carrier, Shipper, Consignor, Consignee and/or any third party, to the extent resulting from or arising out of (i) any breach of or failure to adhere to any provision of Carrier's tariff(s) by such Shipper or any of its agents, employees or representatives, (ii) the negligent act(s) or failure(s) to act of such Shipper or any of its Consignors, Consignees, or any of their agents, employees or representatives in connection with delivery or receipt of Petroleum Products, and/or (iii) Shipper's violation of Applicable Law.

Item 70 Pipeage Contracts Required

Separate pipeage contracts in accordance with this tariff and these Rules and Regulations covering further details may be required of a Shipper before any duty to transport will arise.

Item 75 Claims and Times for Filing

As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with Carrier within nine (9) months after delivery of the Petroleum Products or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed. Suits arising out of such claims must be instituted against Carrier only within two (2) years from the time when the Carrier delivers, or tenders delivery of the Petroleum Products or, in case of failure to make or tender delivery, then within two (2) years after a reasonable time for delivery has elapsed. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable and such claims will not be paid.

Item 80 Duty of Carrier

Carrier shall not be required to transport Petroleum Products except with reasonable diligence, considering the quantity of Petroleum Products, the distance of transportation, the safety of operation, and other material factors.

Item 85 Application of Rates from and to Intermediate Points

Carrier will receive Petroleum Products for pipeline transportation only from and to established origin and delivery stations or terminals.

Petroleum Products received from an established origin station, on Carrier's lines, which is not named in tariff making reference hereto, but which is intermediate to a point from which rates are published in said tariff, through such unnamed point, will be assessed the rate in effect from the next more distant point published in the tariff.

Petroleum Products delivered to an established delivery station or terminal, on Carrier's lines, which is not named in tariff making reference hereto, but which is intermediate to a point to which rates are published in said tariff, through such unnamed point, will be assessed the rate in effect to the next more distant point published in the tariff.

Item 90 Intrasystem Transfers

Carrier will allow a Shipper Transfer of one shipper to another, and Title Transfers from one ownership to another for Petroleum Products in custody of Carrier. A charge of one-half cent (0.5¢) per barrel with a fifty-dollar (\$50.00) minimum will be made to each party directing such transfers, except for the first Title Transfer.

Only one Shipper Transfer will be allowed per movement and party accepting volumes on a Shipper Transfer shall become the Shipper of record. Shipper Transfer must be made at point of origin.

Title Transfers may not be accepted after the twenty-fifth (25th) day of the preceding calendar month.

A transfer request, if accepted, must be confirmed in writing or by facsimile by both the Transferor and the Transferee within forty-eight (48) hours after the transfer request. Such transfer request will indicate the party to which the transfer is to be made, the amount of Petroleum Products to be transferred, and the Petroleum Products' location and grade.

Carrier will incur no liability for any losses or damage incurred by any Shipper or owner involved in any intrasystem transfer.

Item 95 Corrosion Inhibitors

Carrier reserves the right to inject or approve the injection of corrosion inhibitors in the Petroleum Products to be transported.

Item 100 Connection Requirements

All proposed receiving or delivery connections must meet tender, tankage, hourly flow rate conditions, and metering requirements as they exist at the time of requested connection and must also have provisions which will allow for increases to maximum line flow rate and pressure conditions. All proposed connection designs must be approved by Carrier, and all costs of connections shall be paid by the connecting party.

Item 105 Commodity

Carrier is engaged exclusively in the transportation of Petroleum Products specified and described in Item No. 15, as such may be updated from time to time in Carrier's sole discretion, and, therefore, will not accept any other commodities for transportation. No Petroleum Products will be received for shipment except good merchantable Petroleum Products of substantially the same kind and quality as that being currently transported through the same facilities for other shippers. Petroleum Products of substantially different grade or quality will be received for transportation only in such quantities and upon such terms and conditions as Carrier and Shipper may agree.

Item 110 Charges for Spill Compensation Acts and Regulations

In addition to the transportation charges and all other charges accruing on Petroleum Products accepted for transportation, a per barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against Carrier in connection with such Petroleum Products pursuant to any federal, state, or local act or regulation which levies a tax, fee or other charge on the receipt, delivery, transfer, or transportation of such Petroleum Products within its jurisdiction for the purpose of creating a fund for the prevention, containment, clean up, and/or removal of spills and/or the reimbursement of persons sustaining a loss therefrom.

Item 115 Product Interface (Transmix) Adjustment

Transmix is created at the interface of dissimilar products during shipment within Carrier's pipeline system. In most instances, the total inventory of transmix shall be held in Carrier's custody for disposal for the account of the Shippers. The allocation of transmix shall be determined by discrete pipeline segment, as stated by the Carrier in the *Sunoco Pipeline L.P.– Texas Accounting Policies and Procedures* effective July 3, 2024. The *Sunoco Pipeline L.P.– Texas Accounting Policies and Procedures* effective July 3, 2024 will be provided upon request by the person listed as "Compiler" on the title page of this tariff or online at www.energytransfer.com/tariffs and may be updated at any time to comply with applicable law or as may be necessary to comply with upstream or downstream connecting carrier requirements or its own operational requirements.

Generally, for pipeline segments carrying fungible batches from multiple Shippers to multiple destinations, the allocation to each Shipper shall be proportionate to the total volume shipped by a Shipper on that pipeline segment to the total barrels shipped that month on that pipeline segment. For pipeline segments for which the generation of the transmix can be readily attributed to specific batches from a Shipper, or which can be readily attributable to discrete actions taken by a Shipper, the Carrier will allocate the transmix generated by those discrete actions directly to that Shipper.

After the transmix has been allocated to each Shipper, the transmix will be sold on a bid or contractual basis by the Carrier for the account of Shippers, with each Shipper being credited with the sale proceeds corresponding to the transmix settlement price for the relevant pipeline segment(s).

For those pipeline segments where transmix is being physically allocated to the Shippers, the Shippers retain all responsibility for the handling and disposal of their transmix.

Financial settlement with the Shippers of pipeline gains/losses shall be determined only after the allocation of transmix has been completed. More information on the transmix allocation for specific pipeline segments will be provided upon request by the person listed as “compiler” on the title page of this tariff.

Item 120 Allowance for Pumping Service Furnished by Shippers

Where a Shipper of Petroleum Products to be transported pumps such Petroleum Products through the Carrier’s line, Carrier shall reimburse Shipper on the basis of sixty-three one-hundredths of a cent (.0063¢) per barrel for such service.

Item 125 Line Fill and Tank Bottom Inventory

Either prior to or after the acceptance of Petroleum Products for transportation, Carrier will require each Shipper to provide a pro rata part of the volume of Petroleum Products necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for efficient operation.

Petroleum Products provided by a Shipper for this purpose may be withdrawn after reasonable written notice of Shipper’s intention to discontinue shipment in the system pursuant to Carrier’s applicable tariff or tariffs. Carrier may require advance payment of final transportation charges and settlement of any unpaid accounts receivable, before final delivery will be made.

In the event a Shipper’s inventory balance drops below its pro rata part of the volume of Petroleum Products necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for the efficient operation of the system, then Carrier will require such Shipper to provide the necessary volume to meet its pro rata part of such volume of Petroleum Products.

In the event that Shipper maintains an inventory balance after Shipper ceases movements on the system or Shipper gives written notice of its intent to cease movements over the system and such Shipper is unable to schedule appropriate shipments to clear the inactive inventory balance, Shipper will be required to settle the inactive inventory balance through Carrier. In the event no such Shipper notice is given, then Carrier may require either an adjustment in Shipper’s inventory balance in accordance with the Line Fill and Tank Bottom Inventory provision or settlement of the Shipper’s inventory balance at any time after Shipper has ceased making movements over the system for a period of six months. Such settlement will be based upon the fair market value of the Petroleum Products, as published by Platts, at the time Shipper informs Carrier in writing of its intention to discontinue shipments on the system pursuant to Carrier’s applicable tariff or tariffs or if no such written notice is given, then at such time as Carrier calls for the settlement of the Shipper’s inventory balance.

Item 130 Identity of Petroleum Products

Petroleum Products will be accepted for transportation only on condition same will be subject to changes in gravity, color, quality or characteristics while in transit or as may result from unavoidable contamination, and Carrier will not be obligated to make delivery of the identical Petroleum Products received for transportation. Carrier may, therefor, make delivery of Petroleum Products out of common stocks of similar Petroleum Products on hand at the destination.

Item 135 Transfer of Shipment History

Except as provided in this Item 135, a Shipper’s shipment history with regard to a particular segment of Carrier’s pipeline, as calculated pursuant to the currently effective proration policy (identified in Item 50 above) (“Shipment History”), may not be assigned, conveyed, loaned, transferred to, or used in any manner by another Shipper. Upon fifteen (15) days’ notice to Carrier, a Shipper’s full Shipment History may be transferred to a successor in interest to substantially all of the Shipper’s business, provided that:

- i. Carrier consents to the proposed transfer, which consent will not be unreasonably withheld. Such consent may be conditioned upon, without limitation, the transferee satisfying Carrier’s creditworthiness requirements, Shipper’s affiliation, or lack thereof, with the Shipment History transferee, whether the proposed transfer satisfies in all respects all other contractual arrangements between Carrier and Shipper, and the frequency with which a Shipper’s Shipment History has been transferred.
- ii. The proposed transfer is for the entirety of a Shipper’s Shipment History; partial transfers will not be permitted.

- iii. Shipper provides Carrier with a letter or letters signed by authorized individuals in the Shipper's organization and the transferee's organization agreeing to the proposed transfer. Such letter shall be in a form reasonably acceptable to Carrier and must contain the following information: (1) Shipper's Shipment History to be transferred to the transferee's account, (2) information required for Carrier to assess the transferee's creditworthiness pursuant to Item 55 above, and (3) the effective date of the transfer of such Shipment History. Such date shall be as of the beginning of an Operating Month and cannot be done retroactively and shall not be less than fifteen (15) days after Carrier receives notice of the proposed transfer.

Carrier, after receipt of such information, will confirm in writing whether Carrier consents to such transfer with the Shipper and the transferee. Carrier shall be entitled to fully rely on, and conform its records to, the requested transfer. Carrier shall not be obligated to confirm any requested transfer of Shipment History unless the transferee is also a Shipper on Carrier's system. Any transfer of Shipment History approved by Carrier shall be irrevocable.

Explanation of Reference Marks

[W] Change in Wording Only