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# **EPIC Y-GRADE PIPELINE, LP**

Pipeline Operator: EPIC Consolidated Operations, LLC: (P-5 No. 253113)

LOCAL TARIFF  
CONTAINING:

## **RATES, RULES & REGULATIONS**

APPLYING TO THE TRANSPORTATION OF

**Ethane**

BY PIPELINE  
WITHIN THE STATE OF TEXAS

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The Tariff published herein applies only to transportation that both originates in Texas and has a final destination in Texas and only under tariffs making reference by number to this tariff, including supplements hereto and reissues hereof. No transportation in interstate or foreign commerce will be accepted under this tariff.

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P-5 No. 253113  
T-4 No. 09869

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## SECTION I – Rules and Regulations

### Rule 1: Definitions

Affiliate	Means any Person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with another Person. The term “control” (including its derivatives and similar terms) means possessing the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. Without limiting the foregoing, any Person shall be deemed to be an Affiliate of any specified Person if such Person owns more than fifty percent (50%) of the voting securities of the specified Person, or if the specified Person owns more than fifty percent (50%) of the voting securities of such Person, or if more than fifty percent (50%) of the voting securities of the specified Person and such Person are under common control.
ASTM	Means the American Society for Testing Materials.
Barrel	Means Forty-two (42) Gallons measured at sixty degrees (60°) Fahrenheit and at the vapor pressure of the liquid being measured.
Business Day	Means any Day other than a Saturday or Sunday that commercial banks in Houston, Texas are open or permitted to be open for business with the public.
Capacity	Means the quantity of Product the Pipeline Segment at issue is capable of transporting under the current operating conditions.
Carrier	EPIC Y-Grade Pipeline, LP, which is the economic operator and owner of the Pipeline.
Commercially Reasonable Efforts	Means, with respect to the efforts to be expended by a Person with respect to any objective under this Tariff, reasonable, diligent, good faith efforts to accomplish such objective as such Person would normally use to accomplish a similar objective as expeditiously as reasonably possible under similar circumstances exercising reasonable business judgment, it being understood and agreed that such efforts will include the exertion of efforts and utilization of resources that would be used by such Person in support of one of its own wholly-owned businesses.
Committed Shipper	Means a Primary Committed Shipper and/or Secondary Committed Shipper, as applicable.
Common Stream	Means Product moved through the Pipeline and Pipeline facilities which is commingled or intermixed with Product of like quality and characteristics as may be determined by Carrier based on Product samples and other pertinent analytical data.

Connecting Carrier	A connecting pipeline company as named or referred to herein.
Consignee	Means the Party to whom a Shipper has ordered the delivery of Product.
Contract Operator	Means an operator of Carrier's owned or leased facilities used in rendering transportation services pursuant to this Tariff.
Day(s)	Means a period of twenty-four (24) consecutive hours, commencing at 7:00 a.m., Central Standard Time, on a calendar day and ending at 7:00 a.m., Central Standard Time, on the next succeeding calendar day.
Delivery Point(s)	Means a point named in the Tariff where Carrier will deliver Product to Shipper or its Consignee after transportation from an Origin Point(s).
Emergency Condition	Means a condition or situation that presents an imminent threat of physical harm to life, health or material property, or that requires suspension of transportation services or a partial or whole shutdown of the Pipeline.
FM Available Capacity	Has the meaning set forth in Rule 21(e).
Force Majeure	Means any cause not reasonably within the control of the Party claiming suspension. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, including but not limited to lightning, earthquakes, fires, explosions, tornadoes, hurricanes, storm warnings, landslides, or other weather events that cause disruption, breakage or damage to, or necessitate the precautionary shut-down or operating reduction of, wells, plants, pipelines, gathering systems, loading facilities, refineries, terminals, ports or any portion thereof, or other related facilities; (ii) brine handling constraints; (iii) weather related events affecting an entire geographic region or causing the evacuation thereof, such as low temperatures that cause freezing or failure of wells, lines of pipe, or processing facilities; (iv) interruption, allocation, and/or curtailment of Carrier services, including maritime perils, collisions and other similar events; (v) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; (vi) governmental actions such as necessary for compliance with any court order, law, statute, ordinance, regulation or policy having the effect of law promulgated by a Governmental Authority having jurisdiction and (vii) a declared Force Majeure or Emergency Condition by a downstream entity. Notwithstanding the foregoing, an event of Force Majeure will not include: (A) economic hardship, (B) the non-availability of financing or (C) fluctuations in market prices. A Party claiming Force Majeure shall make Commercially Reasonable Efforts to mitigate or avoid the adverse impacts of Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

Force Majeure Event	Means an event caused by Force Majeure.
Gallon	Means a standard U.S. Gallon, which is equal to 231 cubic inches measured at sixty degrees (60°) Fahrenheit and at the vapor pressure of the liquid being measured.
Governmental Authority	Means any federal, state or local government, municipality, city, town or township, commonwealth or any other political subdivision thereof, or any entity exercising any executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, or any other authority, agency, department, board, commission or instrumentality of the United States, any state of the United States, or any political subdivision thereof, or any court, tribunal or arbitrator(s) of competent jurisdiction, or any governmental or quasi-governmental regulatory organization, body, agency or authority.
Incentive Rate	Means the rate paid by a Committed Shipper as set forth in Section II of this Tariff, which shall apply to all Committed Shipper volumes transported on the Pipeline.
Law(s)	Means any federal, state, tribal or local law, statute, regulation, code, ordinance, license, permit, compliance requirement, order, writ, injunction, decision, directive, judgment, policy or decree of any Governmental Authority, and any judicial or administrative interpretations thereof, or any agreement, concession or arrangement with any Governmental Authority applicable to either Party or either Party's performance under this Agreement, and any amendments or modifications to the foregoing.
Line Fill	Has the meaning set forth in Rule 11.
Losses	Means any actual loss, cost, expense, liability, sanction, fine, penalty, assessment, damage (including personal injury or property damage claims) or demand, including those that arise from suits, claims, cause of actions, court or arbitration judgments, orders or awards, audits, settlements or liens, and all court costs and litigation expenses related thereto, including reasonable attorneys' fees, as such may be awarded by a court.
Maximum Daily Quantity	Means, as to a given Committed Shipper, a volume which Carrier will hold open for such Committed Shipper for Nominations, subject to Rule 21 and the Shipper's Shipper Agreement.
Month	Means a period of time beginning at 7:00 a.m., Central Standard Time, on the first Day of the calendar month and ending at 7:00 a.m., Central Standard Time, on the first Day of the next succeeding calendar month.
Nomination	Means a notice from Shipper to Carrier requesting that Carrier transport for Shipper in a given Month a stated volume of Shipper's Product from the Origin Point(s) to the Delivery Point(s) as provided in this Tariff.

Origin Point (s)	Means a point named in the Tariff where Carrier will accept Product for transportation subject to the terms of this Tariff.
Oversubscription	Means, where total Nominations exceed the Pipeline's baseline Capacity in a given Month, and any Force Majeure Event where the Pipeline's Capacity is diminished as a result thereof shall not be deemed an "Oversubscription" event.
Party	Means that Shipper and Carrier are sometimes be referred to herein individually as "Party," and collectively as the "Parties."
Person	Means any individual, firm, corporation, trust, partnership, limited partnership, master limited partnership, limited liability company, association, joint venture, unincorporated organization or any other legal entity.
Pipeline	Means Carrier's pipeline extending from the Origin Points to the Delivery Points, including owned and leased pipeline facilities.
Pipeline Loss Allowance or PLA	Means the actual volume of Product lost on the Pipeline among all Shippers due to evaporation, measurement, or other losses in transit.
Pipeline Segment	A portion of the Pipeline defined by an Origin Point and Delivery Point pairing.
Primary Committed Shipper	Means a Shipper who has executed a Shipper Agreement with Carrier granting such Shipper primary committed shipper status on the Pipeline.
Product	Means fractionated purity ethane conforming to Carrier's Specifications as set forth in Exhibit A.
Proration Policy	Means the rules and procedures set forth in Rule 12, as such may be amended from time-to-time.
Rate	Means the Incentive or Uncommitted Rate, as applicable.
Reid Vapor Pressure	Means the absolute vapor pressure exerted by a liquid at 100° F (37.8°C), as determined by the test method ASTM-D-323.
Rules and Regulations	Means the rules and regulations governing transportation of Shipper's Product as set forth in Section I of this Tariff.
Scheduled Maintenance	Means any routine or schedule maintenance, expansion of the capacity on the Pipeline, testing, inspections or repairs, for which Carrier shall exercise Commercially Reasonable Efforts to provide Shipper with at least thirty (30) Days advances notice, but in no event less than ten (10) Days advance notice.
Secondary Committed Shipper	Means a Shipper who has executed a Shipper Agreement with Carrier granting such Shipper secondary committed shipper status on the Pipeline.
Segment	Means a section of Carrier's Pipeline, the limits of which are defined by two geographically identifiable points, that, because of the way that

	section of Carrier’s Pipeline is designed and operated, must be treated as a unit for purposes of determining Capacity.
Shipper	Means a Person meeting the requirements of this Tariff to Tender Product on the Pipeline for transportation service, who Tenders such Product for a given Month subject to the terms of this Tariff.
Shipper Agreement	Means a Throughput & Deficiency Agreement or Transportation Services Agreement, as applicable, between Carrier and a Committed Shipper related to transportation service on the Pipeline.
Shipper History	Has the meaning set forth in Rule 21(g).
Specifications	Means Carrier’s Product Specifications set forth in <u>Exhibit A</u> hereunder.
Tariff(s)	Means this E.Y.P.L. No. 5.0.0. tariff as may be amended and superseded from time to time. In the event of irreconcilable conflict between an applicable Shipper Agreement and this Tariff, the applicable provision of such Shipper Agreement shall govern.
Tender	Means delivery by a Shipper to Carrier of a stated quantity and grade of Product, under a Nomination accepted by Carrier, for transportation in accordance with this Tariff.
Uncommitted Rate	Means the “Uncommitted Rate” set forth in Section II of this Tariff, which shall apply to all Uncommitted Shipper volumes transported on the Pipeline.
Uncommitted Shipper	Means a Shipper who executed a shipper agreement with Carrier governing transportation service on the Pipeline.

**Rule 2: Acceptance of Product**

(a) Carrier reserves the right to refuse to accept any quantity of Product for transportation service which does not conform to Carrier’s Product Specifications (as such Specifications are listed on Exhibit A).

(b) Shipper may be required to furnish Carrier with a certificate setting forth the Specifications of each shipment of Product to be transported in Carrier’s facilities and Shipper shall be liable for any contamination or damage to other liquids in Carrier’s custody or to the Pipeline or other facilities caused by failure of the Product Tendered to meet the Specifications stated in Shipper’s certificate. Carrier reserves the right to sample and/or test any such shipment prior to acceptance or during receipt, and if there is a variance between Shipper’s certificate and Carrier’s test, the latter shall prevail.

(c) Carrier may waive the requirements set forth in Sections (a) and (b) of this Rule 2 on a non-discriminatory basis. If Carrier agrees in writing to accept Product that do not meet the applicable Product Specifications in this Rule 2, then, as to such Product (but only as to the Specifications waived), Shipper shall be deemed to be in compliance with this Rule 2 but only until such time as Carrier may withdraw any such agreement or waiver. Carrier will actively monitor deliveries of all of Shippers’ Product into the

Pipeline, and it will work with all Shippers to bring such off-Specification Product into conformance with the Specifications. If such cooperative efforts between any such Shipper and Carrier do not result in on-Specification deliveries occurring within a mutually-agreed, reasonable period of time, Carrier will have the right to reject such Shipper's continuing off-specification deliveries.

(d) If Product received by Carrier does not conform to the Product Specifications, Carrier reserves the right to bill and Shipper shall pay (i) the costs and expenses incurred to treat or otherwise dispose of all such contaminated Product including without limitation any penalties or charges incurred by Carrier as a result of such contamination, and (ii) a \$1.00 per Barrel additional payment assessable on all Product delivered by Shipper for transportation service under this Tariff.

### **Rule 3: Additives**

Product shall be free of any additives and inhibitors, including drag reducing agents, unless expressly approved by Carrier on a non-discriminatory basis.

### **Rules 4: Storage**

Carrier does not furnish any terminalling, tankage, or any other form of storage at the Origin or Delivery Points, or any other location within Carrier's facilities. Shipper is solely responsible for obtaining non-operational storage at the applicable Origin or Delivery Point, as may be required to deliver or receive its Product into or out of the Pipeline.

### **Rule 5: Receipt Facilities Required**

All Product will be shipped in accordance with the requirements of this Tariff. Carrier shall have no obligation to provide the storage facilities necessary to ship Product at any Origin Point. Carrier shall accept Product subject to Shipper providing evidence it possesses, or has rights to access, the requisite equipment and facilities, including storage facilities, necessary for Tendering Product into Carrier's facilities at pressures and pumping rates required by Carrier.

### **Rule 6: Destination Facilities Required**

Carrier may refuse to accept Product for transportation unless documentary evidence is furnished that the Shipper or Consignee has provided the necessary facilities for the prompt receipt of Product at pressures and pumping rates required by Carrier at the applicable Delivery Point(s). Carrier may require evidence showing that Shipper possesses, or has rights to access, the necessary facilities required for delivering shipments to Shipper at the Delivery Point before any obligation to furnish transportation service shall arise. If the Shipper or Consignee is unable or refuses to receive the applicable Product as it arrives at a Delivery Point, Carrier reserves the right to make arrangements for disposing such Product as it deems appropriate (including sale of same, pursuant to the procedures set forth in Rule 16(e), in order to clear Carrier's Pipeline). Any additional expenses incurred by Carrier in making such arrangements shall be borne by Shipper or Consignee.



In addition to any remedy available to Carrier, including remedies under Rule 16(e), Carrier reserves the right to charge Shipper a daily demurrage charge if Shipper fails to timely remove its Product from Carrier's facilities. The daily demurrage charge will be calculated by multiplying Shipper's applicable Rate times the daily average of Shipper's previous Month's deliveries for which Shipper failed to timely remove its Product from Carrier's facilities.

**Rule 7: Rejection of Product Subject to Dispute, Liens, or Charges; Warranty of Title**

Carrier may reject any Product which, when nominated for transportation, may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by lien or charge of any kind unless the Shipper provides documentary evidence of the Shipper's unencumbered title or satisfactory indemnity bond to protect Carrier, subject to approval in Carrier's discretion. By nominating Product, the Shipper warrants and guarantees that it owns or controls, has the right to deliver or have delivered for its account, such Product, and agrees to defend, indemnify, and hold Carrier harmless for any and all loss, cost, liability, damage, and/or expense resulting from failure of ownership or control thereto, provided that acceptance for transportation by Carrier shall not be deemed: (a) a representation by Carrier as to ownership or control or (b) a waiver of Carrier's rights hereunder.

**Rule 8: Measurement**

Product Tendered to Carrier for transportation shall be measured by mutually accepted custody transfer facilities. Shipper and Consignee shall have the privilege of being present or represented during measuring and testing of shipments by Carrier. Measurement by the Carrier is final, regardless of whether Shipper or Consignee is present. The method of measurement under this Rule 8 is to be in Carrier's sole discretion.

Corrections will be made for temperature from observed degrees Fahrenheit to 60 degrees Fahrenheit.

**Rule 9: Evidence of Receipts and Deliveries**

Product received from Shipper and Product delivered to Shipper or Consignee shall, in each instance, be evidenced by custody transfer meter containing data essential to the determination of quantity.

**Rule 10: Duty of Carrier**

Carrier shall not be required to transport Product except with reasonable diligence, considering the quality of the Product, the distance of transportation, and other material elements, and will not accept Product to be transported in time for any particular market. Carrier will not be required to deliver the identical Product received. Carrier reserves the right to commingle Shipper's Product with other Product in the Pipeline and shall have no obligation to deliver identical Product at a Delivery Point, as that received at an Origin Point.

Carrier may suspend transportation services on the Pipeline in order to comply with applicable Laws of any Governmental Authority, to perform Scheduled Maintenance, to prevent

an Emergency Condition, or harm to the environment, without incurring any obligation for any liability.

### **Rule 11: Line Fill Requirements; Third Party Access Agreements**

Shipper shall supply its *pro rata* share of Product necessary for pipeline fill to ensure efficient operation of the pipeline system prior to delivery (“Line Fill”). Product provided by a Shipper for this purpose may be withdrawn only after: (1) shipments have ceased and the Shipper has notified Carrier in writing to discontinue shipments in Carrier’s system; and (2) the Shipper’s balances have been reconciled between all Shippers and Carrier; or alternatively, subject to both conditions precedent being met, Carrier may, at a mutually agreeable price, purchase Shipper’s Product in the pipeline system which shall constitute Line Fill. Carrier, in its reasonable discretion, may require advance payment of transportation charges on the volumes to be cleared from Carrier’s system, and any unpaid accounts receivable, before final delivery will be made. In the event a Shipper is more than ninety (90) Days deficient on making any payment owed hereunder, Carrier may sell any Line Fill belonging to such Shipper and apply the proceeds of such sale towards such owed amounts and remit the excess of any proceeds (if any) to Shipper. Unless Shipper has not made any required payment, or unless otherwise prevented by Force Majeure or actions of the Shipper, Carrier shall have a reasonable period of time, not to exceed 60 Days, from the receipt of the Shipper’ written notice to Carrier, to complete administrative and operational requirements incidental to Shipper’s withdrawal.

Carrier will provide a Monthly statement to Shipper of Shipper’s Product held as Line Fill. If Shipper’s inventory balance drops below its pro rata portion of the volume of Product necessary for the efficient operation of the Pipeline (including operational storage), Carrier will require Shipper to provide the necessary volume to meet its pro rata portion of such volume of Product. If Shipper’s inventory balance exceeds its pro rata portion of the volume of Product necessary for the efficient operation of Carrier’s Pipeline system (including operational storage), Carrier will return the excess volume of Product to Shipper within a period of time not to exceed sixty (60) Days.

Carrier will have the contractual right to require (or, in its reasonable judgment, waive the requirement for) Shipper or its representative to execute an interconnect agreement or access agreement to any of Carrier’s facilities of and from any person, including Shipper’s contractors, or other designees.

### **Rule 12: Prorating of Pipeline Capacity**

When a quantity of Product is nominated by Shippers to Carrier which exceeds the Capacity of any Pipeline Segment from an Origin to Delivery Point, Product nominated by each Shipper for transportation from such Origin to Delivery Point will be transported in such quantity and at such time to the limit of Carrier’s Capacity in a manner determined in accordance with the following rules (“Proration Policy”). Except as provided in Rule 21(c)-(e) and Rule 12(b)(v), Carrier will not prorate Capacity to Committed Shippers:

- (a) Definitions.

(i) “Base Period” is the 12-calendar-Month period just preceding the Calculation Month.

(ii) “Base Shipment” for each Regular Shipper is the total deliveries of Product to all Delivery Point(s) on the Pipeline Segment to be prorated for a Regular Shipper during the Base Period.

(iii) “Base Shipment Percentage” for each Regular Shipper shall be a percentage equal to such Regular Shipper’s Base Shipment divided by all Regular Shippers’ Base Shipments.

(iv) “Calculation Month” is the calendar month immediately preceding the month for which Capacity is being prorated.

(v) “Current Nomination Basis” means that the portion of Capacity available (pursuant to Section (b)(ii) of this Rule) to New Shippers to be allocated among all New Shippers in proportion to the volumes of Product nominated by each New Shipper for the Month in which volumes are to be prorated.

(vi) “Good Faith Nomination” is defined in Rule 12(b)(vii).

(vii) “New Shipper” means a Shipper that, with respect to the volumes in question, is not a Committed Shipper, as defined in Rule 1, and has not had Product transported to any Delivery Point on the Pipeline Segment to be prorated, during each Month of the Base Period.

(viii) “Regular Shipper” means a Shipper that has had Product transported to any Delivery Point on the Pipeline Segment to be prorated during each Month of the Base Period.

(b) Prorating Capacity.

(i) When Capacity will be Prorated. Subject to Rule 21, Carrier will allocate Capacity among all Shippers for any Month for which the Carrier determines, in its reasonable discretion, that the aggregate volume of Product that all Shippers have nominated to all Delivery Point(s) in a Pipeline Segment exceeds Capacity. Prorating will be applied separately to each Pipeline Segment where a need for prorating shall arise.

(ii) Availability and Allocation of Capacity to New Shippers. Up to five percent (5%) of Capacity shall be made available to New Shippers and will be prorated among them on a Current Nomination Basis.

(iii) Availability of Capacity to Regular Shippers. After the allocation of the portion of Capacity to New Shippers that is required by Section (b)(ii) of this Rule, the remaining portion of Capacity for that Month, after application of Rule 21, shall be available to Regular Shippers who have nominated volumes for that Month.

(iv) Allocation to each Regular Shipper. Such remaining portion of Capacity shall be allocated among Regular Shippers in proportion to their respective Base Shipment Percentages. In the event that the volume of Product that would be allocated to a Shipper on the basis of its Base Shipment Percentage is greater than the volume it nominates, the difference between its volume calculated on the basis of its Base Shipment Percentage and its volume Nominated will be reallocated among all other Regular Shippers in proportion to their respective Base Shipment Percentages. Any remaining prorated allocation of Capacity, available after this reallocation among all Regular Shippers in proportion to their Base Shipment Percentages, shall be made available to New Shippers (if and to the extent New Shippers' volumes were prorated) and will be prorated among them on a Current Nomination Basis.

(v) Allocation of Capacity to New Shippers and Regular Shippers during Force Majeure Event. During a Force Majeure Event, Rules 12(b)(ii), 12(b)(iii), and 12(b)(iv) will be replaced with this Rule 12(b)(v). After application of Rule 21, any remaining FM Available Capacity (as defined in Rule 21) shall be made available to both New Shippers and Regular Shippers, and shall be allocated based upon the percentage that each such Shipper's most recent Nominated Monthly volume (preceding the Event) bears to the total of the most recent nominated Monthly volumes for all New Shippers and Regular Shippers.

(vi) Basis of Allocation; Notification. When prorating is in effect, Capacity shall be allocated among eligible Shippers on a Monthly basis. If prorating is expected to extend to the next calendar Month, Carrier shall use Commercially Reasonable Efforts to notify each Shipper entitled to an allocation of a portion of Capacity of the amount of its allocation no later than the 25<sup>th</sup> (twenty-fifth) Day of the Month proceeding the Month for which the allocation is made.

(vii) Good Faith Nominations. 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, in Carrier's reasonable discretion, the non-contingent ability and willingness of Shipper to deliver to Carrier at the Origin Point(s) specified in the Nomination all of the Barrels to be Tendered during the Month for which the Nomination is made.

(viii) Failure to Use Allocated Portion of Capacity. Notwithstanding the foregoing provisions of this Rule, if a New Shipper making a Good Faith Nomination fails to deliver, at the Origin Point(s) specified by it in its Nomination, Product sufficient to fill the portion of Capacity allocated to it and such failure has not been caused by Force Majeure, as substantiated in a manner satisfactory to the Carrier, Carrier will reduce such Shipper's allocation for the next prorating period (after the end of the Month during which such failure occurred) for which such Shipper nominates Product, by the allocated portion of Capacity not utilized. In addition, if a New or Regular Shipper Tenders a volume greater than or equal to ninety-five percent (95%) of its binding Nomination, then such Shipper will be invoiced based on its delivered volumes. If a New or Regular Shipper Tenders less

than ninety-five percent (95%) of its binding Nomination, then such Shipper shall be invoiced for its delivered volumes that Month, plus the product of the applicable tariff and volume equal to the difference between the actual volume Tendered and a volume equal to ninety-five percent (95%) of such Shipper's binding Nomination or such Shipper's prorated binding Nomination, as adjusted by further prorating or operational factors.

(ix) Transfer of Base Shipment Percentage or Allocated Portion of Capacity; Use of Affiliates. Subject to Rule 21, neither a Shipper's Base Shipment Percentage nor volumes allocated to it during a period when prorating is in effect shall be assigned, conveyed, loaned, transferred to, or used in any manner by, another Shipper, and any such attempt to make such an assignment shall be void. However, a Shipper's Base Shipment Percentage or its allocation may be transferred as an incident of the bona fide assignment of a Shipper Agreement or a material portion of the assets of a Shipper relating to a Shipper Agreement or to a successor to the Shipper's business by the operation of Law, such as an executor or trustee in bankruptcy. A Shipper may not use an affiliated or cooperating entity to increase its Base Shipment Percentage or its allocated portion of Capacity.

(x) Enhancement of Allocation. In no event will an allocation to a Shipper be used in such a manner that will enhance the allocation of another Shipper beyond the allocation that such Shipper would be entitled to under this policy. Carrier may require written assurances from a responsible officer of Shipper regarding its use of its allocated portion of Capacity stating that Shipper has not violated this policy. Notwithstanding the foregoing provisions of this Rule, in the event any Shipper shall, by any device, scheme, or arrangement whatsoever, attempt to transfer all or any part of its allocated portion of Capacity to any other Shipper in violation of this policy, or in the event any Shipper shall attempt to receive and use such portion of Capacity, the portion of Capacity allocated to such Shipper will be reduced, in the next Month that is subject to prorating after the date that the violation is discovered, by a volume equal to such attempted transfer.

**Rule 13: Nominations; Minimum Quantity**

Product will be transported by Carrier only under a Nomination accepted by Carrier. Any Shipper desiring to tender Product for transportation shall make or cause to make such Nomination to Carrier in writing on or before 4:15 PM Central Standard Time, the last Business Day prior to the 15<sup>th</sup> Day of the Month preceding the Month during which the transportation under the Nomination is to begin; except that, if space is available for current movement and at the reasonable discretion of Carrier, a Shipper may submit a Nomination after such 4:15 PM Central Standard Time deadline.

Nominations for the transportation of Product for which Carrier has facilities will be accepted under the Tariff in quantities of not less than the following:

Type of	Minimum Aggregate
---------	-------------------

Nomination:	Nomination:
Product	2,000 Barrels per Day

from one Shipper to one Consignee, and Delivery Point as operations permit, and provided such Product is of similar quality and characteristics as is being transported from Origin Point(s) to Delivery Point(s).

Before Carrier will accept a Nomination from a new Shipper, such Shipper must: (i) comply with Rule 16(a); (ii) demonstrate to Carrier the adequacy of such Shipper's arrangements and facilities as referenced in Rules 4, 5, and 6; and (iii) provide any other information reasonably requested by Carrier.

**Rule 14: Application of Rates**

Product accepted for transportation shall be subject to the Rates in effect on the date of Tender under this Tariff.

**Rule 15: Legality of Shipments**

Carrier will reject Product where the Shipper or Consignee have failed to comply with any applicable Laws, rules, and regulations made by any Governmental Authority regulating shipments of Product, unless this Rule 15 is waived by Carrier on a non-discriminatory basis.

**Rule 16: Payment of Carrier Charges; Adequate Assurance**

(a) In the event Shipper has a credit rating of at least BBB- by S&P or Baa3 by Moody's, then the following terms of this Rule 16(a) shall not apply. If Carrier has reasonable grounds for insecurity regarding the ability of Shipper to provide indemnities or perform other obligations or Shipper's creditworthiness is or becomes unsatisfactory to Carrier, or if Shipper's title to any Shipper's Product is disputed, Carrier may require Shipper to provide adequate assurance of performance. As adequate assurance, Carrier, at its option, may require Shipper to provide: (i) an irrevocable stand-by letter of credit from a bank reasonably acceptable to Carrier, with terms reasonably acceptable to Carrier, and in an amount reasonably acceptable to Carrier; (ii) a parent guaranty with terms reasonably acceptable to Carrier; or (iii) prepayment at least ten (10) calendar Days prior to the first Day of each Month of an amount of money reasonably calculated by Carrier to cover all charges or liabilities likely to be incurred by Shipper during such Month. If Carrier requires Shipper to provide adequate assurance, Carrier will provide Shipper with written notice. If Shipper fails to provide the required adequate assurance within five (5) Business Days of its receipt of such notice from Carrier, then Carrier may terminate the applicable Shipper Agreement, without liability to Shipper, upon notice to Shipper and Carrier may declare any applicable deficiency payment(s) under the Shipper Agreement, if applicable, which are deemed to be considered actual damages, due for all remaining Months of the then-current Shipper Agreement term following the Month in which Shipper fails to provide the required adequate assurance. Notwithstanding the foregoing,



Committed Shippers will be subjected to higher creditworthiness requirements than those set out in this Rule 16(a) as further described in the applicable Shipper Agreement.

(b) Shipper shall pay all transportation and other fees and lawful charges accruing on Product delivered to and accepted by Carrier for shipment as measured at the Origin Points by the due date stated in Carrier's invoice.

(c) No later than the fifteenth (15th) Day of each Month, Carrier shall deliver to Shipper a statement for transportation services in the preceding Month setting forth (i) the volumes of Shipper's Product (in Barrels) received at the Origin Point(s), (ii) the Rate, for that Month, (iii) any adjustments for prior periods, and (iv) all other amounts due by Shipper hereunder. Carrier's invoices shall include information reasonably sufficient to explain and support any estimates and charges reflected therein, the reconciliation of any estimates made in a prior Month to any actual measurements, and any adjustments to prior period volumes and quantities. Shipper shall remit to Carrier amounts due by wire transfer by the later of (i) ten (10) Days after Shipper's receipt of the statement referenced above and (ii) the twentieth (20th) Day of each Month, to the bank account specified by Carrier. If such due date is not a Business Day, payment is due on the next Business Day following such date.

(d) All undisputed amounts owed to Carrier, which are not timely paid to Carrier, shall bear interest from the date due until paid. Such interest will be assessed at a rate equal to: (i) one and one-half percent (1.5%) per Month, or (ii) the highest rate permitted by Law, whichever is less, for any invoice or portion of an invoice not paid pursuant to the terms of this Tariff. If any amount is disputed, interest will accrue from the date due until the date paid but will only be due after the dispute is resolved and based on the amount found or agreed to be due. If Shipper disputes any portion of an invoice, Shipper shall promptly notify Carrier in writing (no later than the payment due date) and give reasons, with reasonable detail, for the disputed matters. Carrier and Shipper shall then endeavor to resolve the disputed amount with reasonable commercial efforts. Any payment due resulting from such dispute resolution shall be due within five (5) Business Days following the receipt by Shipper of an amended invoice relating to such resolution. In the event that dispute resolution fails, Carrier and Shipper shall each have the right to pursue claims against the other in a court of competent jurisdiction.

(e) Carrier shall have the right to withhold an amount of Product belonging to Shipper from delivery that would be sufficient to cover all unpaid charges due to Carrier from Shipper until all such unpaid charges have been paid. Furthermore, Carrier shall retain a perfected possessory lien under the Texas Bus. & Comm. Code, Title 1, Chapter 9 (section 9.101, *et seq.*), as applicable, on an amount of a Shipper's Product in Carrier's possession sufficient to secure payment of any and all amounts owed by such Shipper to Carrier. Carrier reserves the right to set-off any such charges against any monies owed to Shipper by Carrier on any Product of Shipper in Carrier's custody. If said charges remain unpaid five (5) Days after the due date therefor, Carrier shall have the right, through an agent, to sell such Product at public auction, on any Day not a legal holiday, in not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town or city where the sale is to be held,

stating the time, place of sale, and the quantity and location of Product to be sold. At said sale, Carrier shall have the right to bid, and if the highest bidder, to become the purchaser. From the proceeds of said sale, Carrier will pay itself the transportation and all other lawful charges, including expenses incident to said sale, and the balance remaining, if any, shall be paid to Shipper.

(f) In addition to the Rates and fees payable under this Rule 16, Shipper will be responsible for providing its pro rata share of, or for reimbursing Carrier for its pro rata share of reasonable third party charges or other reasonable out-of-pocket costs incurred by Carrier for, utilities or utility services required to operate the Pipeline each Month, based on actual volumes shipped each Month by Shipper (as compared to the total volumes shipped in such Month on the Pipeline). In the event that third party utility services are not available at any location where power is required, Carrier shall notify Shipper and provide a budget for the estimated costs for Carrier to install and operate power generation equipment at such location for Shipper's review and approval, which Shipper shall not unreasonably withhold, delay or condition. Such costs may include, without limitation, reasonable third party charges for rental of generating equipment leased by Carrier, charges for servicing generating equipment owned, leased or operated by Carrier and the cost of fuel for such generating equipment (including, without limitation, diesel and natural gas), all of which shall be without mark-up by Carrier. Charges for such equipment, fuel or services provided by Carrier or any of its affiliates shall not exceed market rates charged by unaffiliated third parties. If Shipper does not approve such budget, it shall timely and promptly provide (or cause to be provided) to Carrier, at no cost to Carrier, Shipper's pro rata share of power required to operate the Pipeline each Month, based on actual volumes shipped each Month by Shipper (as compared to the total volumes shipped in such Month on the Pipeline). In each Monthly invoice, Carrier will include an itemization of the utilities used and third party charges or other power related costs permitted as set forth above incurred by Carrier in the Month covered by the invoice and the allocation of the utilities charges and costs between Shipper and other shippers using the Pipeline.

(g) In addition to the Rates and fees payable under this Rule 16, Shipper shall convey to Carrier each Month, free of charge, Shipper's allocated share of PLA, as determined by Carrier.

**Rule 17: Limitation of Liability/Damages; and Indemnity by Parties**

(a) Limitation of Liability. NEITHER PARTY WILL BE LIABLE OR OTHERWISE RESPONSIBLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING LOST PROFIT AND LOSS OF BUSINESS OPPORTUNITY, IN CONTRACT OR TORT (INCLUDING NEGLIGENCE, JOINT OR SEVERAL, OR STRICT LIABILITY), ARISING OUT OF THIS TARIFF, PROVIDED THAT NOTHING IN THIS RULE 17(A) SHALL BE CONSTRUED AS LIMITING ANY OBLIGATION OF EITHER PARTY TO INDEMNIFY THE OTHER PARTY AGAINST TORT CLAIMS ASSERTED BY THIRD PARTIES, INCLUDING CLAIMS



OF SUCH THIRD PARTIES FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES.

(b) Indemnification for Quality. Notwithstanding anything to the contrary herein, Shipper shall release, defend, indemnify, reimburse, and hold the Carrier, its parents and Affiliates, and its and their respective members, managers, partners, officers, directors, employees, and agents, including the operator and its parents and Affiliates, and its and their respective partners, officers, directors, employees, and agents harmless from and against any and all penalties, treating, or blending fees, or Losses of any kind or nature (including reasonable attorney's fees and court costs associated therewith) arising out of or related to Shipper's delivery to Carrier of Product not meeting the then applicable Product Specifications pursuant to the Tariff.

(c) Indemnification by Shipper. Subject to Rule 17(a), Shipper agrees that it will release, defend, indemnify, and hold harmless Carrier, its Affiliates, and its and their respective directors, officers, and employees, customers, contractors, and other representatives from and against all Losses resulting from Shipper's negligence, willful misconduct or gross negligence.

(d) Indemnification by Carrier. Subject to Rule 17(a), Carrier agrees that it will release, defend, indemnify, and hold harmless Shipper, its Affiliates, and its and their respective directors, officers, and employees, customers, contractors, and other representatives from and against all Losses resulting from Carrier's negligence, willful misconduct or gross negligence.

(e) Joint Liability. Under the foregoing indemnities, where the personal injury to or death of any Person or Loss or damage to property is the result of the joint or concurrent negligence, gross negligence, or willful acts or omissions of Shipper and Carrier, each Party's duty of indemnification will be in proportion to its share of such joint or concurrent negligence, gross negligence, or willful misconduct.

(f) Taxes. Shipper shall pay any and all taxes levied on Shipper's Product including property taxes on Shipper's Product in the Pipeline. Carrier shall pay any and all taxes levied on the Pipeline. Shipper shall not be liable for any taxes assessed against Carrier based on Carrier's income, revenues, gross receipts, or ownership of the Pipeline, and all state franchise, license, and similar taxes required for the maintenance of Carrier's corporate existence.

(g) Removal. If Shipper fails to make arrangements for the removal of its Product from Carrier's facilities upon delivery and a disruption of Carrier's operations or the operation of downstream facilities results, Shipper shall be liable for any actual damages incurred by Carrier as a result of such disruption.

(h) Shipper's Product Loss or Damage from Force Majeure. Carrier shall not bear any risk for, or be liable for any damage, contamination, degradation, or Loss of Shipper's Product resulting from an event of Force Majeure. If contamination, damage, degradation, or Loss of Product from such causes occurs after Shipper's Product has been

received by Carrier for transportation and before it has been delivered to Shipper, Shipper shall bear a Loss in such proportion as the amount of Shipper's shipment is to all of the Product held in transportation by the Carrier at the time of such Loss, damage, contamination, or degradation, and the Shipper shall be entitled to have delivered only such portion of Shipper's shipment as may remain after a deduction of Shipper's proportion of such Loss, damage, contamination, or degradation. Carrier operates under this tariff solely as a common carrier and not as an owner, manufacturer, or seller of the Product transported hereunder, and Carrier expressly disclaims any liability for any express or implied warranty for Product transported hereunder including any warranty of merchantability or fitness for intended use.

#### **Rule 18: Scheduling of Delivery**

When Shippers request delivery from the Pipeline at a Delivery Point of a volume of Product greater than can be immediately delivered, Carrier shall schedule delivery. Carrier shall not be liable for any delay in delivery of any such volume resulting from such scheduling of delivery.

#### **Rule 19: Pipeage or Other Contracts**

Separate pipeage and other contracts, in accordance with this Tariff and these regulations covering further details, may be required by Carrier before any duty for transportation shall arise.

#### **Rule 20: Connections Policy**

Connections to Carrier's system will only be considered if made by formal written application to Carrier. Acceptance of any request for connection will be subject to compliance with governmental regulations and approval of Carrier in its discretion.

#### **Rule 21: Volume Commitment Incentive Program**

Volume Commitment Incentive Program Rates ("Incentive Rates") listed in Section II of this Tariff, are subject to the following conditions:

(a) Eligibility. Only Primary and Secondary Committed Shippers shall be eligible for service under the Incentive Rates set forth in Section II of this Tariff, and any subsequent reissues thereof.

(b) No Prorating of Capacity for Oversubscription for Primary Committed Shippers. Notwithstanding Rule 12, a Tender of Product to Carrier by a Primary Committed Shipper that does not exceed such Primary Committed Shipper's Maximum Daily Quantity shall not be subject to prorating pursuant to Carrier's Proration Policy except (1) when an event of Force Majeure triggers the application of Subsection (e) below or as otherwise required by the Primary Committed Shipper's Shipper Agreement.

(c) Limited Prorating of Capacity for Oversubscription for Secondary Committed Shippers. After allocation of capacity to Primary Committed Shippers up to the Maximum Daily Quantity of such Primary Shippers, a Nomination of Product to

Carrier by a Secondary Committed Shipper that does not exceed such Secondary Committed Shipper's Maximum Daily Quantity shall not be subject to prorating pursuant to Carrier's Prorating policy except when a Force Majeure Event triggers the application of Section (e) below or as otherwise required by the Secondary Committed Shipper's Shipper Agreement.

(d) Prorating on Volume in excess of Maximum Daily Quantity. Subject to Rule 21(b), any volume Nominated by either a Primary Committed Shipper or a Secondary Committed Shipper in excess of such Shipper's Maximum Daily Quantity may be subject to prorating in accordance with Rule 12.

(e) Effect of Force Majeure. If Carrier is unable to transport all of Shipper's Daily volumes, due to a Force Majeure Event, the total Capacity of the Pipeline Segment that remains available or usable to transport Product during the continuation of the Force Majeure Event, net of the five percent (5%) of such remaining Capacity reserved for New Shippers ("FM Available Capacity") shall be allocated in the following order of priority:

(i) The FM Available Capacity shall first be allocated towards the Primary Committed Shippers. If the FM Available Capacity is insufficient to cover such allocated volumes, then each Primary Committed Shipper will be allocated a percentage of the FM Available Capacity equal to:  $[\text{Primary Committed Shipper's Monthly Volume Commitment (for such Pipeline Segment)}] \div [\text{the aggregate of the Monthly Volume Commitment for all Primary Committed Shippers (for such Pipeline Segment)}]$

(ii) In the event all Primary Committed Shippers' Nominations are able to be scheduled, the remaining FM Available Capacity, if any, shall be allocated towards the Secondary Committed Shippers. If the remaining FM Available Capacity is insufficient to cover such allocated volumes, then each Secondary Committed Shipper will be allocated a percentage of the remaining FM Available Capacity, if any, equal to:  $[\text{Secondary Committed Shipper's Monthly Volume Commitment (for such Pipeline Segment)}] \div [\text{the aggregate of the Monthly Volume Commitment for all Secondary Committed Shippers (for such Pipeline Segment)}]$

(iii) In the event all Primary Committed Shippers' Nominations and all Secondary Committed Shippers' Nominations are able to be scheduled, the remaining FM Available Capacity, if any, shall be allocated in accordance with Carrier's Prorating Policy, as stated in Rule 12.

(f) Purpose and Revisions. The Volume Commitment Incentive Program is an incentive program to encourage volume commitments necessary in order for the Pipeline to be built. Carrier may, in its discretion, add Origin Points or Delivery Points to the Volume Commitment Incentive Program.

(g) Shipper History. A Committed Shipper shall be entitled to include volumes shipped under the Volume Commitment Incentive Program, as well as any volumes

shipped that exceed such shipper's Volume Commitment ("Shipper History") in establishing Regular Shipper eligibility and Base Period Percentages during any Month following the expiration of a qualified Shipper Agreement. Shipper, as the primary obligor pursuant to the Volume Commitment Incentive Program, shall be credited with all Shipper History on the Pipeline attributable to the Product, whether shipped by Shipper or a designated Third Party Shipper. In the event that Shipper assigns the rights and obligations under the Volume Commitment Incentive Program, or a material portion of the assets of Shipper relating to this Program, to another person (and consent from Carrier is obtained, if required), Shipper may assign its Shipper History on the Pipeline to such person (Assignee Shipper). Carrier shall be given notice of such assignment in writing by the Shipper. For any purpose under this Tariff for which Shipper History is relevant, the assigned Shipper History shall apply to the Assignee Shipper as though it had been earned by the Assignee Shipper itself.

(h) Term; Primary Committed Shippers; Secondary Committed Shippers. Each Shipper who executes an Amended and Restated Purity Products Throughput and Deficiency Agreement with Carrier on or prior to July 31, 2020 containing an initial term of ten (10) years is referred to herein as a "Primary Committed Shipper" and shall be entitled to the rights and benefits of Carrier's Volume Commitment Incentive Program which are granted to a Primary Committed Shipper as set forth in this Rule 21. Each Shipper who executes a Purity Products Transportation Service Agreement with Carrier on or prior to July 31, 2020 containing an initial term of ten (10) years is referred to herein as a "Secondary Committed Shipper" and shall be entitled to the rights and benefits of Carrier's Volume Commitment Incentive Program which are granted to a Secondary Committed Shipper as set forth in this Rule 21.

## EXHIBIT A

### Ethane Specifications:

COMPONENT	TEST METHODS	SPECIFICATIONS
Methane	ASTM D-2177	1.5 Liq. Vol. % max.
Ethane	ASTM D-2163	95.0 Liq. Vol. % min.
Ethylene	ASTM D-2163	1.0 Liq. Vol. % max.
Copper Strip @ 100°F	ASTM D-1838	No. 1
Propane & Heavier	ASTM D-2163	3.5 Liq. Vol. % max.
Total Sulfur	GPA-2199 ASTM D-5504 <sup>(1)</sup>	30 ppm wt. max.
Water Content	Visual	No Free Water
Carbon Dioxide	ASTM D-2504	1000 ppm wt. in Liq. Max.

#### NOTE ON TEST METHODS:

Method numbers listed above, beginning with the letter "D", are American Society for Testing and Materials ("*ASTM*"), Standard Test Procedures. The most recent year's revision for the procedures will be used.

1. ASTM D5504 – 08 Standard Test Method for Determination of Sulfur Compounds in Natural Gas and Gaseous Fuels by Gas Chromatography and Chemiluminescence may be used.

Contaminants – The specification defines only a basic purity for this product. This product is to be free of any contamination that might render the product unusable for its commonly used applications. Specific contaminants include (but are not limited to) dirt, rust, scale, and all other types of solid contaminants, caustics, chlorides, heavy metals, and oxygenates.

## SECTION II – Rates

The Rates set forth in this Section II apply to the intrastate transportation of Product from established Origin Point facilities to established Delivery Point facilities named below. Rates published in this Tariff are for transportation on the Pipeline within the State of Texas subject to Carrier's Rules and Regulations and to all applicable rules, regulations, and orders of the Railroad Commission of Texas and other Governmental Authorities having jurisdiction. All capitalized terms not defined herein shall have meaning set forth in Section I of this Tariff.

<b>VOLUME COMMITMENT INCENTIVE PROGRAM RATES</b> <b>(“INCENTIVE RATES”)</b> (Rates in Dollars per Gallon)		
<b>ORIGIN POINT</b>	<b>DELIVERY POINT</b>	<b>RATE</b>
EPIC Y-Grade Logistics, LP owned fractionation complex near Robstown, Texas	Dow storage cavern facility in Brazoria County, Texas Or Markham storage cavern facility in Matagorda County, Texas Or GCGV plant interconnection in San Patricio County, Texas Or Formosa plant interconnection near Calhoun County, Texas	\$0.005 (1)

### NOTE

(1) The Incentive Rates shown above are subject to adjustment annually to reflect inflation adjustments promulgated annually by the Federal Energy Regulatory Commission (“FERC”) for oil pipelines under 18 C.F.R. § 342.3 (or any statute or regulation replacing or supplementing said section); provided however that in no event shall such Incentive Rates be required to be reduced to reflect a negative inflation adjustment. If the FERC’s indexing methodology is discontinued, the Incentive Rate shall continue pursuant to be escalated annually based on the annual percentage change in the Producer Price index for “Finished Goods” published by the United States Bureau of Labor Statistics (“PPI”). Interest will be due on payments not made when due, as provided in Rule 16 of the Rules and Regulations.

<b>UNCOMMITTED RATE</b> (Rates in Dollars per Gallon)		
<b>ORIGIN POINT</b>	<b>DELIVERY POINT</b>	<b>RATE</b>
EPIC Y-Grade Logistics, LP owned fractionation complex near Robstown, Texas	Dow storage cavern facility in Brazoria County, Texas Or Markham storage cavern facility in Matagorda County, Texas Or GCGV plant interconnection in San Patricio County, Texas Or Formosa plant interconnection near Calhoun County, Texas	\$0.040 (1)

**NOTE**

(1) The Uncommitted Rates shown above are subject to adjustment annually to reflect inflation adjustments promulgated annually by the Federal Energy Regulatory Commission (“FERC”) for oil pipelines under 18 C.F.R. § 342.3 (or any statute or regulation replacing or supplementing said section); provided however that in no event shall such Uncommitted Rates be required to be reduced to reflect a negative inflation adjustment. If the FERC’s indexing methodology is discontinued, the Uncommitted Rates shall continue pursuant to be escalated annually based on the annual percentage change in the Producer Price index for “Finished Goods” published by the United States Bureau of Labor Statistics (“PPI”). Interest will be due on payments not made when due, as provided in Rule 16 of the Rules and Regulations.