

(Issued in lieu of F.E.R.C. No. 1.8.0)

Cancels F.E.R.C. No. 1.7.0

# GRAY OAK PIPELINE, LLC

## PIPELINE TARIFF Containing Rules and Regulations Governing the Interstate Transportation of Crude Petroleum By Pipeline

The Rules and Regulations published herein apply only under tariffs making specific reference to this tariff; such reference will include supplements hereto and successive issues hereof. Specific Rules and Regulations published in individual tariffs will take precedence over Rules and Regulations published herein

Issued in compliance with 18 C.F.R. § 341.3 (Form of tariff)

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

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## RULES AND REGULATIONS

Carrier will receive, transport, and deliver Crude Petroleum through its facilities only as provided in these Rules and Regulations, 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.

### 1. Definitions

“**Adjusted Nominations**” means the valid and binding Nominations that are received by Carrier from Shippers, as may be modified by Carrier pursuant to Carrier’s Proration Policy if Shippers have been notified that a specific Pipeline segment has been prorated.

“**Barrel**” means a volume of forty-two (42) United States Gallons at sixty degrees (60°) Fahrenheit and zero (“0”) gauge pressure if the vapor pressure of the petroleum is at or below atmospheric pressure, or at equilibrium vapor pressure if the vapor pressure of the petroleum is greater than atmospheric pressure.

“**Carrier**” means Gray Oak Pipeline, LLC.

“**Committed Shipper**” means a Shipper that has committed to ship, or pay a deficiency payment for failure to ship, certain minimum volumes of Crude Petroleum pursuant to a TSA and/or a Shipper that has dedicated Crude Petroleum to Carrier pursuant to a TSA, in each case on specified segments of the Pipeline, as provided in such Shipper’s TSA.

“**Consignee**” means the party, including a connecting pipeline system or connecting terminal, to whom Shipper has ordered Delivery of Crude Petroleum.

“**Crude Petroleum**” means the direct product of oil wells or a mixture of the indirect products transportable like the direct products and containing not more than two percent (2%) of sediment, water, and other impurities.

“**Destination Point**” means a destination point provided in Carrier’s tariffs.

“**Delivery**” means the transfer from Carrier at destination to Shipper or Shipper’s Consignee.

“**Nomination**” means a request by a Shipper to Carrier to transport a stated quantity of Crude Petroleum on the Pipeline for the account of such Shipper in any month.

“**Origin Point**” means an origin point provided in Carrier’s tariffs.

“**Pipeline**” means the pipeline system of Gray Oak Pipeline, LLC.

“**Receipt**” means the transfer from Shipper at an Origin Point to Carrier for transportation.

“**Request for Available Capacity Discount**” has the meaning provided in Item No. 70.

“**Required Inventory**” means the volume of Crude Petroleum, by grade, required by Carrier for line fill, working stock and storage receptacle bottoms.

“**Shipper**” means the party who contracts with Carrier for the transportation of Crude Petroleum under the terms of Carrier’s tariffs.

“**Shipper’s Inventory**” means total Receipts of Crude Petroleum, by grade, from a single Shipper less Deliveries to that Shipper's Consignees.

“**Specified Grade**” means Crude Petroleum meeting certain specifications designated by Carrier for such grade of Crude Petroleum.

“**Tender**” means to physically deliver, or cause to be delivered, Crude Petroleum, by or on behalf of a Shipper to Carrier for transportation from an Origin Point to the Destination Point, in accordance with Carrier’s confirmed Nominations schedule for Crude Petroleum Receipts and tariffs, to the custody transfer point for Receipt into the Pipeline at the Origin Point.

“**TSA**” means a Transportation Service Agreement executed pursuant to an open season of Carrier.

## **5. Quality Specifications; Restrictions**

Carrier will receive Crude Petroleum only through its facilities at an Origin Point. Carrier reserves the absolute right to reject on a not unduly discriminatory basis (without limitation), and Shipper shall not deliver to Carrier without Carrier’s written consent, any or all of the following:

- (1) Crude Petroleum that is not readily susceptible to transportation through Carrier’s existing facilities;
- (2) Crude Petroleum having a true vapor pressure in excess of 11.0 pounds per square inch absolute (psia) at 100°F, using ASTM D6377 methodology, or that would result in Carrier’s non-compliance with any federal, state, or local requirements regarding hydrocarbon emissions;
- (3) Crude Petroleum with a Reid Vapor Pressure in excess of 9.5 psia;
- (4) Crude Petroleum having an API (American Petroleum Institute) gravity in excess of 78.9°;
- (5) Crude Petroleum having an API gravity less than 36°;
- (6) Crude Petroleum having a sulfur content weight % greater than 0.50%;
- (7) Crude Petroleum exceeding 10 ppm hydrogen sulfide (H<sub>2</sub>S), using ASTM D5705-15 methodology;
- (8) Crude Petroleum having basic sediment, water and other impurities of greater than one (1) percent, with a maximum of three tenths (0.3) percent free water;  
and
- (9) Crude Petroleum that does not meet the specifications of the connecting carriers.

Carrier reserves the right to reject any Crude Petroleum offered for transportation other than good and merchantable Crude Petroleum of acceptable character or that, when measured and tested by Carrier or Carrier’s representative at the Origin Point, meets all of the qualifications set forth in this tariff. The presence of contaminants in Crude Petroleum, including but not limited to chemicals such as chlorinated and/or oxygenated hydrocarbons and/or lead or iron shall be reason for Carrier to reject any Crude Petroleum. Crude Petroleum containing such contaminants shall be deemed to be unmerchantable, and a Shipper who offers contaminated Crude Petroleum shall be deemed to have breached the warranty and representations set forth in Item 70 herein.

Carrier will from time to time give notice to Shippers establishing categories of Crude Petroleum and Specified Grade(s) therein that it will regularly transport as a common stream between each Origin Point and each Destination Point.

For the avoidance of doubt, if a Specified Grade has crude quality specifications more restrictive than those generally applicable to Crude Petroleum in this Item 5, then Carrier shall apply the more restrictive crude quality specifications for the Specified Grade to Barrels in the common stream for such Specified Grade, as well as the other crude quality specifications generally applicable to Crude Petroleum in this Item 5.

The Shipper shall, at the request of the Carrier, make such Specified Grade(s) available in such quantities and at such times as may be necessary to permit such common stream movements. Carrier may from time to time, after reasonable notice to Shippers who have shipped a category of Crude Petroleum or a Specified Grade therein in the prior 3 months, cease to transport such category of Crude Petroleum or Specified Grade as a common stream or change the specifications of a particular category of Crude Petroleum or a Specified Grade transported as a common stream.

At the request of a Shipper, and subject to other provisions of the Rules and Regulations, Carrier will accept for shipment the following Specified Grade(s), to be transported as a common stream of Crude Petroleum from the Origin Point to the Destination Point.

	<b>WTI<sup>1</sup></b>	<b>WTI Light<sup>1</sup></b>	<b>WTI Light - 48<sup>1</sup></b>	<b>Condensate<sup>1, 2</sup></b>
API Gravity Range, ° API	>37°, <=44°	>44°, <=50°	>44°, <=48°	> 48°, <=52°
Sulfur Content, Weight %	<=0.45	<=0.20	<=0.20	<=0.20
Max True Vapor Pressure, psi	11.0	11.0	11.0	11.0
Max Reid Vapor Pressure	9.5	9.5	9.5	9.5
BS&W	<=1.0%	<=1.0%	<=1.0%	<=1.0%
Mercaptan Sulfur, ppm	75.0	75.0	75.0	75.0

1 Applicable to Carrier's operational tankage at its Mentone Station, Wink Station, Crane Station, Central Junction Station and Taft Station for aggregation of this Specified Grade.

2 Carrier will only accept Condensate for shipments from Zena to Mentone until further notice.

The specifications for any Specified Grades are, without limitation, subject to modification from time to time in the event upstream connecting carriers modify their specifications for similar grades of Crude Petroleum.

At the request of a Shipper, and subject to other provisions of these Rules and Regulations, Carrier may agree to accept for shipment other categories of Crude Petroleum or Specified Grades to be transported as a common stream pursuant to a rates tariff, subject to the operating conditions of the facilities. Such request must specify (1) a vapor pressure using ASTM D6377 methodology and/or an API (American Petroleum Institute) gravity range; and (2) a sulfur content weight % limitation. Crude Petroleum Tendered for transportation which differs in grade and general characteristics from that usually transported by Carrier will, at the Carrier's option, be transported only under terms agreed upon, in writing, by Shipper and Carrier. Shipper shall provide adequate storage and other facilities for measuring, testing, collecting, and Tendering sufficient Crude Petroleum for aggregation of minimum batch volumes for Tender to Carrier at the mainline hourly throughput rates of the segment to which Customer's volumes are to be Tendered. Carrier does not have facilities for rendering, nor does it offer, storage services, except as otherwise specified on a specific rate tariff. Carrier will determine and advise shippers of the facilities to be provided to meet the operating conditions of Carrier's facilities. Carrier will not accept Crude Petroleum for transportation, unless such facilities have been provided.

If Carrier determines that a Shipper has delivered to Carrier's facilities Crude Petroleum that does not comply with the quality specifications of Carriers tariffs, such Shipper will be excluded from further entry into applicable segments of the pipeline system until such time as the quality of the Crude Petroleum is to the satisfaction of Carrier.

Carrier is not responsible for monitoring receipts or deliveries for contaminants. Further, Carrier reserves the right to dispose of any contaminated Crude Petroleum contained within its pipeline system. Disposal thereof may be made in any reasonable manner, including but not limited to commercial sales, and any liability associated with the contamination or disposal of any Crude Petroleum shall be borne by the Shipper that introduced the contaminated Crude Petroleum into Carrier's system. Shipper liability includes, but is not limited to, claims from other shippers, carriers, or users of the contaminated Crude Petroleum and the costs of any regulatory or judicial proceeding associated with the contamination or disposal of such Crude Petroleum.

#### **10. Destination Arrangements Required**

Carrier will receive Crude Petroleum for transportation only (a) when Crude Petroleum is to be received into Carrier's facilities at an Origin Point and Shipper or Consignee has made arrangements for further transportation beyond the Destination Point or (b) when Shipper or Consignee has provided the necessary facilities for receiving Crude Petroleum promptly on arrival at destination.

#### **15. Gauging, Metering, Testing, Volume Corrections and Deductions**

All shipments Tendered to Carrier for transportation shall be gauged or metered and tested by a representative of Carrier or by automatic equipment approved by Carrier prior to, or at the same time as, Receipt from the Shipper. But the Shipper or Consignee shall have the privilege of being present or represented during the gauging or metering and testing. Shipper will grant access to Shipper's facility to Carrier's representative for witnessing meter or gauge readings or meter proving and for any other required inspection incidental to measurement and transportation of Crude Petroleum.

Quantities gauged or metered shall be corrected from observed temperatures to sixty degrees (60°) Fahrenheit using applicable Standard Petroleum Measurement Tables adopted jointly by the American Petroleum Institute (API Standard 2540) and the American Society for Testing Materials (ASTM Standard D 1250). The full percentage of water or other impurities as ascertained by a centrifuge machine or other tests will be deducted from the correct volume.

Net of Carrier's adjustment for basic sediment, water, and other impurities, except as otherwise specified on a specific rate tariff, all Tenders of Crude Petroleum shall also be subject to an adjustment (positive or negative) to account for inherent gains or losses, including but not limited to shrinkage, evaporation, interface gains or losses and normal "over and short" gains or losses, with such adjustment determined by Carrier on the basis of total quantities transported for the applicable crude segregation(s) or batched movement(s), based on actual historical experience. For the avoidance of doubt, all Tenders of Committed Shippers for Upstream Segmented Nominations and for Downstream Segmented Nominations, in each case as defined in a Committed Shipper's TSA, shall be considered separate Tenders for purposes of the adjustment referred to above.

#### **20. Required Inventory**

Each Shipper shall supply its share of Required Inventory by types and volumes as determined from time to time by Carrier. During the term of their TSAs, Committed Shippers shall be required to maintain a share of Required Inventory as set forth in their respective TSAs whether or not such Committed Shippers Nominate for shipments on the Pipeline. Such Required Inventory may be withdrawn from Carrier's system at any time within ninety (90) days subsequent to: (1) Shipper having ceased Tendering shipments and notified Carrier in writing that it will no longer Tender shipments to Carrier; (2) Shipper balances having been reconciled between Shipper and Carrier; and (3) Shipper having paid Carrier for all services.

**[U] All Rates Remain Unchanged****25. Mixing in Transit**

Crude Petroleum will be accepted for transportation only on condition that it shall be subject to normal changes in general characteristics while in transit as may result from the mixture of such Crude Petroleum with other Crude Petroleum in the Pipeline and/or tanks of Carrier.

Carrier will not be liable for variations of gravity or quality of Crude Petroleum occurring while in its custody and is under no obligation to deliver the identical Crude Petroleum as received or Crude Petroleum of the same quality specifications; provided that if Crude Petroleum is designated by a Shipper as a Specified Grade to be shipped in a common stream and is received by Carrier as Crude Petroleum meeting such Specified Grade specifications, Carrier shall endeavor to deliver the same grade specifications of such Specified Grade as results, from time to time, from the volumes of the Specified Grade received from all Shippers transporting in the common stream of such Specified Grade.

**30. Clear Title Required**

Carrier shall have the right to reject any Crude Petroleum on a non-discriminatory basis when Tendered for transportation, which is involved in litigation, or the title of which is in dispute, or which is encumbered by lien or charge of any kind, and it may require of the Shipper satisfactory evidence of its perfect and unencumbered title or a satisfactory indemnity bond to protect the Carrier.

**35. Common Stream Petroleum Connecting Carriers**

When both Receipts from and/or Deliveries to a connecting carrier of substantially the same category of Crude Petroleum or Specified Grade are scheduled at the same interconnection, Carrier reserves the right, with cooperation of the connecting carrier, to offset like volumes of such common stream Crude Petroleum. When this right is exercised, Carrier will make deliveries for the Shipper involved from its substantially similar common stream Crude Petroleum.

**40. Deliveries and Demurrage**

Carrier will transport Crude Petroleum with reasonable diligence, considering the quality of the Crude Petroleum, the distance of transportation, and other material elements, but may at any time, after Receipt of a consignment of Crude Petroleum, Tender Crude Petroleum conformable to specifications herein, for Delivery from its common stock at the Destination Point. If Shipper or its Consignee is unable to accept Delivery of a scheduled shipment of Shipper's Crude Petroleum, Carrier may assess a demurrage charge on all Crude Petroleum remaining undelivered one (1) hour after Carrier's scheduled time for Delivery of such shipment, at the following rate: [U] four and one-half cents (4.5¢) per Barrel per hour following such scheduled delivery time. Carrier's liability for loss, damage or delay with respect to Crude Petroleum offered for delivery but not taken by Shipper or Consignee shall be that of a warehouseman only. If the Shipper or Consignee is unable or refuses to receive said Crude Petroleum when it is ready to be Delivered at the specified destination, Carrier reserves the right to make arrangements, at Shipper's sole cost and expense, for disposition of the Crude Petroleum, including proceed to sell such Crude Petroleum, in accordance with the applicable provisions of state law; provided that the proceeds from any such sale of Crude Petroleum, net of the associated costs and expenses for the arrangements made by Carrier, shall be for Shipper's account.

**45. Payment of Transportation and Other Charges**

A Shipper shall pay all charges and costs as provided for in this tariff or otherwise lawfully due to the Carrier relating to the transportation of the Shipper's Crude Petroleum by the Carrier. The Shipper shall pay such charges and costs based on Receipts into the Pipeline, or before acceptance by the Carrier of the Shipper's Crude Petroleum at the Origin Point. Shipper shall be responsible for transportation and all other charges applicable to the particular shipment, and, if required, shall prepay all charges or furnish guaranty of payment satisfactory to Carrier. Payment of all charges is due by the later of (i) 10 days after Shipper's receipt of the applicable invoice, or (ii) the twentieth (20th) day of the month in which Shipper receives the applicable invoice. Carrier shall have a security interest in all Crude Petroleum accepted from Shipper under this tariff. This security interest shall secure: (1) all transportation and any other charges due or to become due from Shipper under the terms of this tariff; (2) all deficiency payments or other obligations due from a Committed Shipper; and (3) 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. At Carrier's request, Shipper shall execute all such agreements and do all such things as Carrier shall reasonably request in connection with the creation or perfection of such security interest. The security interest provided herein shall be in addition to any lien provided by statute or common law.

In the event Shipper fails to satisfy when due any obligation to Carrier, Carrier shall have all of the rights and remedies accorded to a secured party under applicable state law and in addition may take any or all of the following actions: (1) refuse to deliver Crude Petroleum in its custody until all such obligations have been paid; (2) proceed to sell such Crude Petroleum, in accordance with the applicable provisions of state law, and apply the proceeds to such obligations, (3) store such Crude Petroleum or contract for storage of such products pending sale or other disposition; or (4) take any other action it deems necessary for the proper protection and sale of such Crude Petroleum. Carrier may agree, at its sole discretion, to waive its security interest in the Crude Petroleum if Shipper or Consignee provides sufficient security satisfactory to Carrier.

In the event Carrier determines that (1) the Shipper or prospective Shipper's financial condition is or has become impaired or unsatisfactory, (2) any Financial Assurances previously provided by Shipper no longer provides adequate security for the performance of such Shipper's obligations, or (3) Carrier otherwise determines that it is necessary to obtain additional Financial Assurances from Shipper; then Carrier, upon notice to Shipper, may require one or more of the following ("Financial Assurances") for the payment of obligations, to be provided at the expense of Shipper: (a) prepayment (which will be held by Carrier without interest accruing thereon) in an amount and in a form satisfactory to Carrier, (b) a standby irrevocable letter of credit in favor of Carrier in an amount and in a form satisfactory to Carrier and issued by a financial institution acceptable to Carrier, or (c) a guaranty in an amount and in a form satisfactory to Carrier and provided by a guarantor acceptable to Carrier, or other enforceable collateral security or credit support, in a form and substance acceptable to Carrier.

Shipper shall provide Financial Assurances for the payment of the charges, fees and costs as provided in this tariff or otherwise lawfully due to Carrier relating to the transportation of Shipper's Crude Petroleum by Carrier. For purposes of this tariff, and without limiting generality of the charges, fees and costs lawfully due to Carrier under this tariff, those charges shall include, but are not limited to, transportation charges, fees, costs and negative Shipper's balance positions.



**50. Proration of Pipeline Capacity**

If, during any period, the total volume of Crude Petroleum nominated over any segment of the Pipeline is in excess of the normal operational capacity of said segment, Carrier shall allocate transportation capacity in accordance with the “Proration Policy,” dated April 1, 2023. The proration policy will be provided upon request by the person listed as compiler on the title page of this tariff or can be viewed on the Operator’s website at: <https://www.enbridge.com/Projects-and-Infrastructure/For-Shippers/Tariffs/Enbridge-Holdings-Gray-Oak-LLC-Tariffs/>

**55. Liabilities of Parties**

As a condition to Carrier's acceptance of Crude Petroleum under this tariff, 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, Consignee and/or any third party resulting from or arising out of 1) any breach of or failure to adhere to any provision of this tariff by Shipper, Consignee, their agents, employees or representatives and/or 2) the negligent act(s) or failure(s) to act of Shipper, Consignee, their agents, employees or representatives in connection with Delivery or Receipt of Crude Petroleum.

The Carrier, while in possession of Crude Petroleum herein described, shall not be liable for any loss of Crude Petroleum, damages in connection therewith, or delay because of any act of God, the public enemy, civil disorder, quarantine, the authority of laws, strikes, riots, fire, floods or the acts of default of Shipper or Consignee, or from any other causes not due to the negligence, gross negligence, or willful misconduct of Carrier. In case of loss or damage from causes other than the negligence, gross negligence, or willful misconduct of Carrier, such loss or damage shall be charged proportionately to each shipment in the ratio that such shipment, or portion thereof, received and undelivered at the time the loss or damage occurs, bears to the total of all shipments or portions thereof, then in custody of Carrier for shipment via the lines or other facilities in which the loss or damage occur. Consignee shall be entitled to receive only that portion of a Shipper's shipment remaining after deducting its proportion of such loss or damage, determined as aforesaid, and Shipper shall be required to pay transportation charges only on the quantity delivered. CARRIER WILL NOT BE LIABLE FOR SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, EXCEPT AS OTHERWISE PROVIDED HEREIN. FOR THE AVOIDANCE OF DOUBT, DEFICIENCY PAYMENTS AND ANY OTHER PAYMENTS UNDER SECTION 4 OF A TSA SHALL BE DEEMED DIRECT DAMAGES AND NOT EXCLUDED BY THIS ITEM 55.

**60. Notice of Claims**

As a condition precedent to recovery, claims must be filed in writing with Carrier within nine (9) months after Delivery of Crude Petroleum, or, in case of failure to make Delivery, then within nine (9) months after a reasonable time for Delivery has elapsed; and suits shall be instituted against Carrier only within two (2) years and one (1) day from the day when notice in writing is given by Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof.

**[U] All rates remain unchanged****65. Change in Ownership - Product Transfer Orders (“PTOs”)**

Intrasystem transfers will not be recognized by Carrier for Crude Petroleum in Carrier's custody, except for transfers resulting from application of Item 45 or this Item 65 herein.

- (a) Notice of change in ownership of Crude Petroleum shall be recognized and recorded only when such Crude Petroleum is being transported on the Carrier’s system and only on a monthly basis. Change in ownership of Crude Petroleum shall only be available for Crude Petroleum with an Active PTO Location. Statements denoting ownership transactions shall be provided to the applicable transferors and transferees. The Carrier shall not provide any information as to the quality of the Crude Petroleum subject to changes in ownership except for the Specified Grade on current Receipts when requested. Each transferor and transferee shall be charged a Delivery PTO Fee or a Receipt PTO Fee, respectively, for recognizing and recording the change in ownership and, if required shall pay said charge prior to the recognizing and recording of such change. The transferor and transferee, at the Carrier’s option, may be required to provide Financial Assurances satisfactory to the Carrier prior to such recognizing and recording, subject to Item 45. The recognition by the Carrier of a change in ownership of Crude Petroleum requires the recording thereof, and the Carrier is entitled to a lien for all such charges and fees associated with the change in ownership. Any failure to pay said charge shall be subject to Item 45.

<b>Active PTO Location</b>	<b>Delivery PTO Fee</b>	<b>Receipt PTO Fee</b>
Crane, Crane County, TX	[U] \$0.005 per Barrel	[U] \$0.005 per Barrel
Central Junction, Live Oak County, TX	[U] \$0.005 per Barrel	[U] \$0.005 per Barrel
Wink, Winkler County, TX	[U] \$0.005 per Barrel	[U] \$0.005 per Barrel
<b>[R – FERC No. 1.7.0]</b> High Lonesome, Upton County, TX	<b>[R – FERC No. 1.7.0]</b> \$0.005 per Barrel	<b>[R – FERC No. 1.7.0]</b> \$0.005 per Barrel

- (b) The Carrier shall not be obligated to recognize and record changes in ownership of Crude Petroleum during any operating month unless the transferor and transferee requesting the carrier to recognize and record the change in ownership shall each provide notice to the Carrier containing like data relative to the crude oil grade, quantity, location transferor and transferee, the Origin Point to the Active PTO Location, and the Delivery Point from the Active PTO Location of the Crude Petroleum, subject to Item 70.
- (c) When the quantity of the Crude Petroleum received during the operating month is not equivalent to the quantity of Crude Petroleum subject to the notice of change in ownership, the Carrier shall not be required to recognize and record the change in ownership beyond the extent of the quantity received.
- (d) A notice of change in ownership of Crude Petroleum shall be deemed: (1) a warranty that the transferor has unencumbered title to the Crude Petroleum identified in its notice at the time of change in ownership, and (2) a representation that the change in ownership is effective as of 7:00 a.m. (Central Clock Time) on the first day of the operating month.
- (e) The Carrier may, in the absence of adequate security, decline to recognize and record any change in ownership of Crude Petroleum.
- (f) A transfer of a Shipper’s rights and obligations under this Item 65 respecting its Crude Petroleum will not be binding or effective on the Carrier until the Carrier has provided a notice of acceptance to the transferor and transferee. The Carrier will not provide a notice of acceptance of a transfer until such

time as the transferee has satisfied the Carrier of its capacity to undertake the transferor's obligations as set forth in this tariff.

## **70. Nominations and Tenders**

Shippers desiring to nominate Crude Petroleum for transportation by the Carrier shall provide Carrier with written notice of the type and quantity of its Nomination ("Notice of Intent to Ship"). Shippers also shall promptly provide Carrier with other information requested by Carrier to confirm that the Nominations and the proposed shipment will comply in all respects with this tariff. Each monthly Notice of Intent to Ship shall contain a warranty in favor of Carrier that the Crude Petroleum identified in the Nomination meets Carrier's specifications as set forth in Item 5 herein. Notices of Intent to Ship must be received by Carrier via email or facsimile transmission equipment acceptable to Carrier on or before 4:15 P.M. central time, the last working day [N] on or prior to the 15th day of the month preceding the month during which shipment is requested. A "working day" shall be a Monday, Tuesday, Wednesday, Thursday or Friday of a calendar week, except when a Federal holiday falls on such day of the week. Carrier will confirm the Nomination (or the Adjusted Nomination, as defined in the Proration Policy) and the capacity allocation to each Shipper who submits a timely Notice of Intent to Ship in conformity with the foregoing requirements by the close of business on the last working day [N] on or prior to the 18th day of the month or three (3) working days following the 15th day of the month preceding the month during which shipment is requested.

Following the deadline for initial Notices of Intent to Ship in accordance with the above paragraph, Shippers still desiring to request transportation of Crude Petroleum by Carrier (whether or not any such Shipper submitted an initial Notice of Intent to Ship for the applicable month) shall provide Carrier with a request with respect to any remaining available transportation capacity for any of the routes for which an "Available Capacity Discount" is provided in Carrier's applicable rates tariff at or before 4:15 P.M. central time on the later of the 18th day of the month-or-three (3) working days following the 15th day of the month preceding the month during which shipment is requested (each a "Request for Available Capacity Discount"). If available, such capacity shall be allocated as provided in Carrier's Proration Policy. Requests for Available Capacity Discount will only be accepted for Origin Point / Destination Point combinations for which Carrier has established an applicable transportation rate discount under an applicable rates tariff. If capacity is available after the initial nominations, Carrier will confirm the Request for Available Capacity Discount (in accordance with the Proration Policy) and the capacity allocation to each Shipper who submits a timely Request for Available Capacity Discount by the close of business on the last working day prior to the later of the 20th day of the month or two (2) working days following the 18th day of the month preceding the month during which shipment is requested.

No Committed Shipper shall receive any allocation of capacity for a Request for Available Capacity Discount unless it has submitted a Notice of Intent to Ship for volumes equal to or greater than its aggregate minimum volume commitment under its TSAs with Carrier in the initial round of Nominations.

Crude Petroleum will be accepted for transportation under this tariff in shipments not less than 30,000 Barrels from one Shipper at origin stations at or upstream of Carrier's Wink Station and 50,000 Barrels downstream of Carrier's Wink Station. Carrier shall have the option to accept smaller batches. No Tender shall be considered beyond the amount which the party requesting shipment has readily accessible for shipment.

**75. Parked Barrels**

Subject to Item 10 and the other terms and conditions of Carrier's tariffs, Committed Shipper will be permitted, by notice to Carrier given with its Nomination, to park the number of Barrels specified in such notice (but in shipments not less than the minimum shipment volume under Item 70) at the Phillips 66 Destination for temporary (not exceeding six (6) months) storage in transit (which storage must be separately provided by such Committed Shipper or its Consignee, unless otherwise agreed upon in writing between such Committed Shipper and Carrier), provided that in any given month the aggregate volume of such Barrels to be parked under such Nomination(s) shall not exceed the Committed Shipper's monthly minimum volume commitment for such month for the applicable path. Following not more than six (6) months of storage in transit, and subject to Item 45 and the other terms and conditions of Carrier's tariffs, such Committed Shipper shall be permitted, as part of its committed tariff rate, to re-enter the parked Barrels (but in shipments not less than the minimum shipment volume under Item 70) at the Phillips 66 Destination for shipment to a downstream Delivery Point, subject to receipt by the Carrier of a re-entry notice from such Committed Shipper within the time permitted in the Carrier's monthly nomination schedule.

**80. On-System Storage**

- (a) Subject to this Item, Carrier will offer to Shippers, on a non-discriminatory basis, on-system storage for Crude Petroleum that is on Carrier's system. Shipper shall designate a Destination Point(s) for such Crude Petroleum to be utilized upon withdrawal from on-system storage.
- (b) Carrier reserves the right to physically store any Crude Petroleum that is designated by Shipper for on-system storage at any point(s) on its system and may in its sole discretion relocate such Crude Petroleum at any time. Shipper will be assessed the applicable transportation rate from the Origin Point(s) to the applicable Destination Point(s) regardless of where the barrels were stored or for how long, in addition to any applicable fee for such on-system service under a separate agreement with Carrier.
- (c) Product gains and losses will be assessed in accordance with the other applicable provisions of this tariff as if such barrels had not been in on-system storage.
- (d) Any Shipper desiring to use on-system storage on Carrier's system shall be required to execute a binding agreement with Carrier for that purpose, which agreements Carrier shall enter into on a non-discriminatory basis.

**Explanation of Abbreviations and Reference Marks**

[C] Cancel

[N] New

[R] Reissued Item from FERC No. 1.7.0 effective December 1, 2023 (Docket IS24-20)

[U] Unchanged rate