

FERC ICA OIL TARIFF

ETC NGL TRANSPORT, LLC

(Operated by Energy Transfer Company)

LOCAL TARIFF

CONTAINING RATES, RULES, AND REGULATIONS
GOVERNING THE TRANSPORTATION

OF

NATURAL GAS LIQUIDS

BY PIPELINE

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

Filed in compliance with 18 C.F.R. § [W] ~~342.3 (Indexing) 341.6 (Adoption of tariff by a successor). Effective January 1, 2018, PennTex North Louisiana Operating 3, LLC conveyed certain assets to ETC NGL Transport, LLC. This tariff adopts and brings forward unchanged, except as noted herein, the rules, rates, and routing of PennTex North Louisiana Operating 3, LLC F.E.R.C. No.1.0.0.~~

Request for Special Permission

[W] ~~Issued less than one (1) day's notice under authority of 18 C.F.R. § 341.14. This tariff publication is subject to refund pending a 30-day review period.~~

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SECTION I
 TABLE OF RATES

[N] [I] Increased. All rates are increased unless otherwise noted.

Uncommitted Rates

From [Note 1]	To [Note 2]	Uncommitted Rate in Dollars per Barrel of 42 U.S. Gallons [Note 3]
Lincoln Parish, Louisiana	Interconnection near Ada, Bienville Parish, Louisiana	\$1.90
Lincoln Parish, Louisiana	Any operable truck loading facilities at or adjacent to the Lincoln Parish Plant	\$1.90

Dedicated Rates [Note 4]

From [Note 1]	To [Note 2]	Dedicated Rate in Dollars per Barrel of 42 U.S. Gallons
Lincoln Parish, Louisiana	Interconnection near Ada, Bienville Parish, Louisiana	\$1.72
Lincoln Parish, Louisiana	Any operable truck loading facilities at or adjacent to the Lincoln Parish Plant	\$1.72

Incentive Rates [Note 5]

From [Note 1]	To [Note 2]	Monthly Volume in Barrels Per Day	Incentive Rate in Dollars per Barrel of 42 U.S. Gallons
Lincoln Parish, Louisiana	Interconnection near Ada, Bienville Parish, Louisiana	0 – 2,500	\$1.72
		2,501 or greater	\$1.51
Lincoln Parish, Louisiana	Any operable truck loading facilities at or adjacent to the Lincoln Parish Plant	0 – 2,500	\$1.72
		2,501 or greater	\$1.51

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Note 1: The receipt points are the ETC NGL Transport, LLC processing plants located near Arcadia, Lincoln Parish, Louisiana (the "Lincoln Parish Plant") and Ruston, Lincoln Parish, Louisiana (the "Mt. Olive Plant").

Note 2: The delivery points are the interconnection with Black Lake Pipeline Company near Ada, Bienville Parish, Louisiana and any operable truck loading facilities at or adjacent to the Lincoln Parish Plant owned and operated by Carrier or its affiliate. Upon completion of Black Lake Pipeline Company's delivery point measurement facilities at the Ada interconnect with Carrier's System, Carrier may amend the Tariff to delete such operable truck loading facilities as a Delivery Point.

Note 3: Uncommitted Rates are subject to change each July 1, in accordance with the mechanism set forth in FERC's regulations, 18 C.F.R. § 342.3.

Note 4: Dedicated Rates are applicable to a Dedicated Shipper as provided for in Item 21 of this Tariff.

Note 5: Incentive Rates are applicable to an Incentive Shipper as provided for in Item 22 of this Tariff.

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SECTION II
RULES AND REGULATIONS

1. DEFINITIONS:

“Barrel” means a barrel of forty-two (42) gallons, United States measurement at sixty (60) degrees Fahrenheit and zero (0) pounds per square inch gauge pressure.

“Business Day” means Monday through Friday of each week, excluding banking holidays.

“Carrier” means ETC NGL Transport, LLC, a Delaware limited liability company.

“Committed Volume” means the volume of Product that an Incentive Shipper has committed to be transported on the System, or make a deficiency payment in connection therewith, for a number of years as mutually agreed upon in the Incentive Shipper’s TSA.

“Common Stream(s)” means Product moved through the System that is commingled or intermixed with other Product in the System.

“Consignee” means the party to whom a Shipper has ordered the delivery of Product.

“Dedicated Product” means Product that a Dedicated Shipper has dedicated to be transported on the System but as to which Shipper has no obligation to make a deficiency payment, as mutually agreed upon in the Dedicated Shipper’s TSA.

“Dedicated Rates” means the rates set out in Section I of this Tariff paid by a Dedicated Shipper pursuant to a TSA that has Dedicated Product.

“Dedicated Shipper” has the meaning set out in Item No. 21 of this Tariff.

“Delivery Point” means points on the System where Product is delivered to Shipper or its Consignee, as such points are specified by Carrier from time to time in this Tariff.

“FERC Index” shall mean the “Multiplier to Use” as published by the Federal Energy Regulatory Commission under the title “Oil Pipeline Index,” and is currently published in the month of July of each year and is currently published on the Internet at <http://www.ferc.gov/industries/oil/gen-info/pipeline-index.asp>.

“Financial Assurance” has the meaning set out in Item 16(F) of this Tariff.

“Incentive Rates” means the rates set out in Section I of this Tariff paid by an Incentive Shipper pursuant to a TSA that has a Committed Volume.

“Incentive Shipper” has the meaning set out in Item No. 22 of this Tariff.

“Nomination” or “Nominate” means a written offer (in form and context specified by Carrier) made by a Shipper or its designee to Carrier of a stated quantity of Product for transportation from a specified Receipt Point to a specified Delivery Point in accordance with this Tariff.

“Product(s)” means a demethanized mixture of natural gas liquids comprised primarily of ethane, propane, iso-butane, normal butane, iso-pentane, normal pentane, hexanes and heavier hydrocarbons, incidental volumes of methane, as well as other non-hydrocarbon compounds.

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“Receipt Point” means points where Product is received into the System, as such points are specified by Carrier from time to time in this Tariff.

“Shipper” means the party that contracts with Carrier for transportation of Products on the System in accordance with this Tariff.

“System” means Carrier’s pipeline system and all related facilities necessary for Carrier to provide transportation service from the Receipt Points to the Delivery Points.

“Tariff” means Carrier’s F.E.R.C. Tariff No. 1.0.0 or subsequent reissues thereof.

“Tender” or “Tendered” means an offer of delivery by a Shipper to Carrier of a stated quantity of Products for transportation from a specified Receipt Point to a specified Delivery Point in accordance with this Tariff.

“TSA” means a Transportation Services Agreement executed by Carrier and a Shipper for transportation on the System.

“Uncommitted Rate” means the rate set out in Section I of this Tariff paid by a Shipper that is not an Incentive Shipper or a Dedicated Shipper.

2. COMMODITY:

Carrier is engaged in the transportation of Product as defined herein and therefore will not accept any other commodity for transportation under this Tariff.

3. PRODUCT SPECIFICATIONS:

- A. Shipper shall not Tender Product for transportation on the System unless the Product will be readily susceptible to transportation through the System, such Product will not adversely damage the Common Stream or the System, and such Product otherwise conforms to the specifications set forth in this Item No. 3.
- B. As a prerequisite to transportation on the System, Shipper’s Product received at any Receipt Point that is not a gas processing plant owned or operated by PennTex North Louisiana or one of its affiliates must also conform to the quality specifications of the connecting carrier or facility at the Nominated Delivery Point.
- C. Shipper shall perform applicable tests to ensure that the Product it Tenders to Carrier for delivery on the System conforms to the specifications set forth in this Item No. 3. Should spot samples, analyses, or any other test (including tests performed by Carrier) indicate that the Product Tendered or to be Tendered does not meet the specifications required by Carrier, Shipper agrees to stop delivery of such off-specification Product to Carrier until such time as it is determined by additional testing that the Product meets the definition of Product issued by Carrier.

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D. The specifications set forth in this Item No. 3 shall apply to each Barrel of Shipper's Tender and shall not be limited to the composite sample of the Tender.

PRODUCT SPECIFICATIONS	MAXIMUM	TEST METHOD
1. <u>Composition:</u> Predominantly Ethane, Propane, Butanes & Natural Gasoline (C5 Plus)		ASTM D-2163
Methane	1.5% of Ethane ¹	ASTM D-2163
Total Olefins	None	ASTM D-2163
Total Fluorides	None	UOP 619
2. <u>Vapor Pressure:</u> At 100°F. PSIG	600	ASTM D-1267
3. <u>Corrosiveness:</u> Copper Strip at 100°F	1-b	ASTM D-1838
4. <u>Total Sulfur:</u> PPM by Weight in Liquid	150	ASTM D-3246
5. <u>Carbon Dioxide:</u> PPM by Weight	1000	GPA 2177
6. <u>Distillation:</u> End Point, °F	375	ASTM D-216
7. <u>Dryness:</u> Free Water	None	Visual
8. <u>Color:</u> Saybolt Number	Plus 25 (Minimum)	ASTM D-156

E. Carrier reserves the right to reject all Tenders or any part thereof and refuse transportation for such Tender, if Carrier determines, in its discretion, reasonably exercised, that Shipper has delivered Product that (i) does not conform to the quality specifications set forth in this Item No. 3, (ii) is not merchantable, (iii) is not readily acceptable for transportation through the System, (iv) would otherwise adversely affect the System or other Products on the System, and/or (v) would, in Carrier's sole judgment, expose employees of Carrier or the System to an undue risk of harm or property damage. Any Product extracted at the ETC NGL Transport, LLC gas processing plants and received at the Receipt Points shall be deemed to conform to the quality specifications herein.

F. In the event Shipper delivers Product to the System that does not meet, individually and collectively, the quality specifications set forth in this Item No. 3, Carrier may exclude such Shipper from further entry into applicable segments of

¹ Methane in excess of limits stated herein, as measured on each Shipper's individual plant stream, shall be considered as contaminant and product so contaminated will not be received by Carrier. However, it is recognized that product so contaminated may be received by Carrier without Carrier's knowledge. During any period in which Shipper's product exceeds the specification, at Carrier's option, Carrier shall have the right to deduct the methane content in excess of the specification from Shipper's desired volume, but Shipper will nevertheless be required to pay the tariff rate on total volume of methane shipped.

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the System until such time as the Shipper returns the quality of its Product to a level satisfactory to Carrier.

- G. Carrier is not responsible for monitoring receipts or deliveries for contaminants. Further, Carrier reserves the right to dispose of any contaminated Product on the System. Disposal thereof may be made in any reasonable manner including but not limited to commercial sales. Any liability associated with the contamination or disposal of any Products shall be borne by Shipper introducing the contaminated Products into the System. Shipper liability includes, but is not limited to, claims from other Shippers, carriers, or users of the contaminated Products and the costs of any regulatory or judicial proceeding.
- H. If Product received by Carrier does not meet the quality specifications set forth in this Item No. 3, Carrier reserves the right to charge the Shipper the greater of (i) the actual costs and expenses incurred by Carrier to treat, handle, or otherwise dispose of all such contaminated Product, or (ii) a one-hundred (100) cents per Barrel charge for the volume of contaminated Product transported by Shipper ("Off-Spec Penalty"). If a composite sample, spot sample, or the results of any other test demonstrates that a Shipper's Product delivered to Carrier fails to meet the quality specifications set forth in this Item No. 3, the total penalty will be assessed by multiplying the Off-Spec Penalty by the total volume of Shipper's Product (in barrels) received by Carrier during the ticket period when Carrier received the contaminated Product.

4. IDENTITY OF PRODUCTS:

- A. Carrier shall not be liable to Shipper for changes in gravity or quality of Shipper's Products that may occur from commingling or intermixing Shipper's Products with other Products in the same Common Stream while in transit. Carrier is not obligated to deliver to Shipper the identical Product nominated by Shipper; Carrier will deliver the Product it is regularly transporting as a Common Stream, provided that such Common Stream shall conform to the quality specifications herein.
- B. Carrier shall have no responsibility in, or for, any revaluation or settlements that may be deemed appropriate by Shippers and/or Consignees because of mixing or commingling of Products between the receipt and delivery of such shipments by Carrier within the same Common Stream.
- C. 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. Carrier cannot commit to delivering Product to a particular destination, at a particular time.

5. NOMINATIONS AND SCHEDULING:

- A. Product for shipment through the System will be received only on a properly executed Nomination from Shipper or its designee showing the Receipt Point at which the Product is to be received, the Delivery Point of the shipment, Consignee (if any), and the amount of Product to be transported. Carrier may refuse to accept Product for transportation unless satisfactory evidence is furnished that Shipper or Consignee has made provision for prompt receipt thereof at the Delivery Point. Carrier shall not be obligated to accept Product for transportation during any calendar month, unless Shipper or its designee makes such Nomination to Carrier in writing on or before 9:00 a.m., prevailing Central Time of the tenth (10th) Business Day immediately preceding the first day of the month during which the transportation under the Nomination is to begin.

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- B. Carrier may refuse to accept Product for transportation where Shipper or Consignee is not in compliance with other provisions of this Tariff or where Shipper or Consignee has failed to comply with all applicable laws, rules and regulations made by any governmental authorities regulating shipments of Products.
- C. Carrier reserves the right to control in its discretion the component distribution in the Product tendered by Shipper or its designee, in order to achieve maximum operating efficiency of Carrier's facilities and optimum utilization of total transportation capacity. Carrier shall use reasonable judgment in exercising that discretion, provided that such Product delivered to Shipper shall conform to the quality specifications herein.
- D. The rate at which Product is delivered to Carrier and redelivered from Carrier will be determined by Carrier's transportation and redelivery obligations to its shippers and by the necessity of economical use and efficient operation of Carrier's facilities, which shall be determined by Carrier in the exercise of its reasonable judgment. Carrier will assume no liability for its inability to maintain schedules or comply with Shipper's redelivery requests when caused by operational or scheduling problems, excess demand, delays and other problems encountered in pipeline operations.

6. NOMINATIONS IN EXCESS OF CAPACITY:

When there is offered to Carrier quantities of Product greater than can be transported on the System, Carrier shall allocate the available transportation capacity on the System ("Available Capacity"). Allocation will be given as a daily or monthly volume, at Carrier's discretion, and will be calculated for the calendar month.

New Shippers will have access to a minimum of ten percent (10%) of the Available Capacity and Historical Shippers will have access to a maximum of ninety percent (90%) of the Available Capacity.

Carrier shall allocate up to ninety percent (90%) of the Available Capacity on a non-discriminatory historical basis to all Historical Shippers. Each individual Historical Shipper's entitlement will be based on (i) the average monthly volumes of the Historical Shipper's Representative Period, based on the greater of the volumes transported or paid for during each month of the Representative Period or (ii) for an Incentive Shipper, based on the Incentive Shipper's Committed Volume on a yearly basis.

The remaining ten percent (10%) of the Available Capacity shall be allocated on a pro rata basis to New Shippers. Carrier is not required to allocate more than two percent (2%) of the Available Capacity to any individual New Shipper.

The Carrier will repeat this allocation process until all of the Available Capacity has been allocated.

Allocation will not be transferred. With agreement of the Shippers concerned, historical volume will be transferred under the following conditions:

- o No commercial transaction occurs between the participating shippers with regard to historical volumes.
- o The transfer is irrevocable.
- o The request to transfer must be the result of an unusual situation as may be reasonably determined by Carrier.

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For the purposes of this Item No. 6:

- “New Shipper” means a Shipper that is not a Historical Shipper.
- “Historical Shipper” means a Shipper that has shipped, or paid for the shipment of, Product on the System during the Representative Period.
- “Representative Period” means a consecutive twelve (12) month period, beginning thirteen (13) months prior to the month being allocated and excluding the month preceding the month of allocation.

7. MINIMUM TENDER:

Products of the required specifications shall be Tendered for transportation in quantities of not less than 2,500 Barrels of the same specification, except that Carrier may, in its sole discretion, accept any quantity of Product if such quantity can be consolidated with other Product such that Carrier can make a single delivery of not less than 2,500 Barrels. The term “single delivery” as used herein means a delivery of Product in one continuous operation to one or more Consignees into a single facility, furnished by such Consignee or Consignees, to which Carrier is connected.

8. MEASUREMENT AND EVIDENCE OF RECEIPTS AND DELIVERIES:

- A. Carrier or its representative will measure and test all Product Tendered for transportation prior to its receipt and may measure and test such Product at any time thereafter. Shipper or Consignee may be present or represented at the gauging and testing. Quantities shall be determined in accordance with applicable A.P.I. Manual of Petroleum Measurement Standards and applicable Gas Processors Association procedures.
- B. Any overage or shortage not due to the negligence of Carrier, including losses resulting from shrinkage, evaporation, other physical Product loss and interface mixture in any calendar month, will be allocated on a monthly accrual basis among Shippers in the proportion that the total number of Barrels delivered from the entire System for each Shipper bears to the total number of Barrels delivered from the entire System for all Shippers.
- C. Carrier may require Shipper to furnish a certificate setting forth in detail the specification of each shipment of Product offered for transportation hereunder, and Shipper shall be liable for any contamination or damage to other Product in Carrier’s custody or to the System or other Carrier facilities caused by failure of the Product Tendered to meet the specifications stated in Shipper’s certification. Carrier may, but shall not be required to, sample and/or test any shipment prior to acceptance or during receipt of shipment, and, in the event of variance between the specifications contained in said certificate and the specifications indicated by Carrier’s test, Carrier’s test result shall prevail and be used to determine whether the shipment meets Carrier’s specifications. Shipper or Consignee may be present or represented at such measuring and testing.
- D. A representative of Carrier shall have the right to enter upon the premises where Shipper’s Product is received or delivered and have access to any and all storage receptacles or meters for the purposes of measuring and testing and to make any examination, inspection, measurement or test required.

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- E. All measurements and tests performed by Carrier shall be deemed final and determinative unless Shipper presents appropriate documentation to contest such measurements and/or tests within forty-five (45) days of receipt.

9. ORINATION FACILITIES:

With respect to the Receipt Point, and any additional Receipt Points (if Carrier determines that it will offer connections beyond those contemplated in this Tariff): (1) Products will be received only from pipelines or plant facilities that are provided by Shipper or Shipper's designee, or a connecting carrier; (2) Carrier will determine and advise Shippers of the size and capacity of pipelines and tanks to be provided at the Receipt Point to meet the operating conditions of Carrier's facilities at such point; (3) Carrier will not accept Products for transportation unless such facilities have been provided and conform to the operating requirements of Carrier in Carrier's sole discretion; and (4) The cost of such facilities shall be provided at the sole cost of Shipper seeking access to the System.

10. STORAGE OF PRODUCTS IN TRANSIT:

Carrier is under no obligation to provide storage.

11. DESTINATION FACILITIES:

Carrier will accept Products for transportation to a Nominated Delivery Point only if the facilities necessary to take delivery of such Products as they arrive at such Delivery Point exist. Carrier will not accept Product for transportation unless such facilities have been provided and conform to the operating requirements of Carrier in Carrier's sole discretion.

12. NOTICE OF ARRIVAL, DELIVERY AT DESTINATION:

After a shipment has had time to arrive at destination, Carrier may begin delivery of such shipment from its common stock to Shipper or Consignee at Carrier's current rate of pumping. Shipper shall timely remove Product, or cause Product to be removed, from the System following transportation to a Nominated Delivery Point. If Shipper or Consignee is unable or refuses to receive said shipment, a demurrage charge of one dollar (\$1.00) per Barrel per twenty-four (24) hours shall accrue from the time said notice expires on that part of such shipment which is not received by Shipper or Consignee. In addition to such demurrage charge, Carrier shall have the right to make such disposition of unremoved Product as is necessary for the efficient operation of the System, and Shipper shall pay Carrier all charges associated with such disposition the same as if Shipper had authorized such, together with any associated additional costs and damages borne or incurred by Carrier. Shipper shall indemnify Carrier for all losses associated with unremoved Product and Carrier's disposition of unremoved Product. Carrier shall have no liability to Shipper associated with Shipper's unremoved Product or Carrier's disposition of unremoved Product.

13. TITLE:

Carrier may require of Shipper satisfactory evidence of its perfected and unencumbered title of any Product Tendered for shipment on the System. Carrier shall have the right to reject any Product, when Tendered for transportation, that may be involved in litigation, the title of which may be in dispute, or which may be encumbered by a lien or charge of any kind (other than the lien created hereunder in favor of Carrier, any statutory liens and any liens, encumbrances or claims under credit facilities or other credit arrangements in respect of borrowed money).

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At the time of Nomination, Shipper shall inform Carrier if any Product Nominated and/or to be Tendered to Carrier for transportation (i) may be involved in litigation, (ii) may be subject to a title dispute, or (iii) may be encumbered by a lien or charge of any kind (other than the lien created hereunder in favor of Carrier, any statutory liens and any liens, encumbrances or claims under credit facilities or other credit arrangements in respect of borrowed money) ("Encumbered Product"). In the event Carrier receives such Shipper notice of Encumbered Product or otherwise learns that Shipper has or will Nominate or Tender Encumbered Product, Carrier may require Shipper to provide a satisfactory indemnity bond, pre-payment of transportation charges, or a subordination agreement from the applicable lienholder, all to be determined in Carrier's sole discretion. Shipper agrees to hold Carrier harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto; provided that acceptance for transportation shall not be deemed a representation by Carrier as to title.

14. RATES APPLICABLE:

Product accepted for transportation shall be subject to the rates in effect on the date of receipt by Carrier, irrespective of the date of the Nomination.

15. RATES APPLICABLE FROM INTERMEDIATE POINTS:

For shipments accepted for transportation from any point not named in this Tariff making reference hereto which is intermediate to a point from which rates are published in said tariffs, through such unnamed point, the rate published therein from the next more distant Receipt Point specified in the tariff will apply from such unnamed point. For shipments accepted for transportation to any point not named in tariffs making reference hereto which is intermediate to a point to which rates are published in said tariffs, through such unnamed point, the rate published therein to the next more distant Delivery Point specified in the tariff will apply. Continuous use of intermediate point rate application for more than thirty (30) days requires establishment of a rate for the transportation service.

16. PAYMENT OF TRANSPORTATION CHARGES:

- A. Shipper or Consignee shall pay, as provided below, all applicable transportation and other charges (including any deficiency payments set out in a TSA) accruing on Products handled by Carrier.
- B. All payments are due on the later of: (1) within fifteen (15) days of receipt of the invoice; (2) the twenty-seventh (27th) of the month following receipt of the invoice, or; (3) if the twenty-seventh (27th) of the month following receipt of the invoice is not a Business Day, on the next Business Day thereafter. If Shipper, in good faith, disputes the amount of any such invoice or any part thereof, Shipper shall pay such amount as it concedes to be correct. If Shipper disputes the amount due, it must provide prompt written notice of such dispute and, as soon as reasonably practicable, provide documentation to support the amount disputed.
- C. If any charge (not disputed in good faith by Shipper) remains unpaid after the due date, then such amount due may bear interest from the day after the due date until paid, calculated at a rate equivalent to the lesser of (1) one percent (1%) per month or (2) the maximum rate allowed by law. In addition, Shipper shall pay all documented costs incurred by Carrier to collect any unpaid amounts, including reasonable attorney fees and costs incurred by Carrier.
- D. In the event Shipper fails to pay any such undisputed charges when due, Carrier shall not be obligated to provide Shipper access to the System or provide services

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pursuant to this Tariff until such time as payment is received by Carrier and Shipper meets the requirements of the following paragraph. In addition, in the event Shipper fails to pay any such undisputed charges when due, Carrier shall have the right to set off such amounts owed and future amounts owed against any amounts Carrier owes Shipper.

- E. All prospective shippers shall, twenty-five (25) days prior to making their first Nomination, provide information to Carrier that will allow Carrier to determine such shipper's capacity to perform any financial obligations that could arise from the transportation of that shipper's Product under the terms of this Tariff, including the payment of transportation charges, equalization obligations, the value of any loss allowance, and any negative balance positions.
- F. If any charge (not disputed in good faith by Shipper) remains unpaid after the due date, Carrier shall have the right to request and receive from Shipper adequate assurance of performance ("Financial Assurance") which shall mean credit support in a form reasonably acceptable to Carrier and in an amount and for the term reasonably acceptable to Carrier. Any of the following shall be an acceptable form of credit support:
 - i. An irrevocable standby letter of credit from a bank satisfactory to Carrier;
 - ii. Provide a prepayment or a deposit in advance of the Month in which Services hereunder are to be provided; or
 - iii. A performance bond issued by a Person satisfactory to Carrier.

If the credit of Shipper's guarantor is satisfactory in Carrier's opinion, a demand for Financial Assurance can be satisfied with a guarantee issued on behalf of Shipper in a form acceptable to Carrier, but only for as long as the credit of Shipper's guarantor continues to be acceptable to Carriers.

- G. Should Shipper or its guarantor fail to provide Financial Assurance within ten (10) business days after receipt of written demand for such assurance, then Carrier shall have the right to suspend performance under this Tariff until such time as Shipper furnishes Financial Assurance. For the avoidance of doubt, such suspension of performance by Carrier shall not relieve Shipper of its obligation to make payments of amounts due hereunder, including, without limitation, payment of fees due hereunder.
- H. Carrier shall have a self-executing lien on all Products delivered to Carrier to secure the payment of any and all charges that are owed to Carrier. Such lien shall survive delivery of Products to Shipper. Such lien shall extend to all Products in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier. The lien provided herein shall be in addition to any lien or security interest provided by this Tariff, statute or applicable law. Carrier may withhold delivery to Shipper of any of Shipper's Products in its possession and exercise any other rights and remedies granted under the applicable tariffs or existing under applicable law until all such charges have been paid as provided above.
- I. If Shipper fails to pay an invoice by the due date, Carrier will notify Shipper of the failure, and if Shipper has not remedied the failure within thirty (30) days following receipt of notice from Carrier, in addition to any other remedies under this Tariff or under applicable law, Carrier shall have the right, either directly or through an

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agent, to sell any Products of such Shipper in Carrier's custody at public auction, on any day not a legal holiday, 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, city, or general area where the sale is to be held, stating the time and place of sale and the quantity and location of the Products to be sold. At said sale, Carrier shall have the right to bid, and, if it is the highest bidder, to become the purchaser. The proceeds of any sale shall be applied in the following order: (1) To the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by law, reasonable attorney's fees and legal expenses incurred by Carrier; and (2) To the satisfaction of Shipper's indebtedness including interest herein provided from the date payment is due. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto. Carrier will have a claim for and against Shipper with respect to any deficiency arising from the debt due to Carrier from Shipper and the proceeds of any sale after reduction as set forth above.

17. LIABILITY OF CARRIER:

Carrier shall not be liable for, and Shipper hereby waives any claims against Carrier for, any loss or damage to Products prior to the delivery of Products at the Receipt Point(s) and after delivery of Products at the Delivery Point(s).

18. CLAIMS, SUITS, AND TIME FOR FILING:

As a condition precedent to recovery by Shipper for loss, damage, or delay in receipt or delivery of Shipper's Products for which Carrier may be responsible, Shipper's claim must be filed in writing with Carrier within nine (9) months after delivery of the affected Products, or, in case of Carrier's failure to make delivery of Shipper's Products, 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 Shipper that Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted by Shipper on such claims in accordance with the foregoing provisions, such claims will not be paid and Carrier will not be liable.

19. CONNECTION POLICY:

If Carrier determines that it will offer connection service, this Item No. 19 shall apply. In that event, (1) Carrier will only consider connections to the System that are made by formal written application to Carrier, in accordance with Carrier's connection policy; (2) All connections will be subject to design requirements necessary to protect the safety, security, integrity and efficient operation of the System in accordance with generally accepted industry standards; and (3) Acceptance of any request for connection will be within the sole discretion of Carrier and will be subject to compliance with governmental regulations.

20. COMMON STREAM – CONNECTING CARRIERS:

A. When receipts from and/or deliveries to a connecting carrier of substantially the same grade of Product are scheduled at the same interconnection or at interconnections along the same pipeline system, Carrier reserves the right, with cooperation of the connecting carrier, to offset like volumes of such Common Stream Product in order to avoid capacity constraints or the unnecessary use of energy which would be required to physically pump the offsetting volumes. When

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this right is exercised, Carrier will make the further deliveries for Shipper involved from its Common Stream Product.

- B. Sediment, water and quality limitations of a connecting carrier may be imposed upon Carrier. When such limitations of the connecting carrier vary from that of Carrier, the limitations of the connecting carrier will be enforced.

21. DEDICATED RATES

A shipper who has executed a TSA that has Dedicated Product shall be referred to herein as a "Dedicated Shipper." As provided in its TSA, a Dedicated Shipper shall be entitled to the applicable Dedicated Rate set out in Section I of this Tariff. A Shipper that is not an Incentive Shipper or Dedicated Shipper shall pay the applicable Uncommitted Rate set out in Section I of this Tariff.

22. INCENTIVE RATES

A shipper who has executed a TSA that has a Committed Volume shall be referred to herein as an "Incentive Shipper." As provided in its TSA, an Incentive Shipper shall be entitled to the applicable Incentive Rate set out in Section I of this Tariff. A Shipper that is not an Incentive Shipper or Dedicated Shipper shall pay the applicable Uncommitted Rate set out in Section I of this Tariff.

EXPLANATION OF REFERENCE MARKS:

[N] New.

[I] Increased.

[W] Change in wording only.

