

SEAHORSE PIPELINE, LLC

LOCAL PIPELINE TARIFF
Containing

RULES AND REGULATIONS

Governing the Transportation of
CRUDE PETROLEUM
By Pipeline

The rules and regulations published herein apply under tariffs making reference to this Tariff; such reference will include successive issues hereof.

This filing is made pursuant to 18 CFR § 341.8.

~~[C] Issued on 2 days' notice under authority of 18 CFR § 341.14. This tariff publication is conditionally accepted subject to refund pending a 30-day review period.~~

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

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GENERAL APPLICATION

Petroleum will be transported through Carrier's System only as provided in this Tariff, except that specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

RULES AND REGULATIONS

Item No. 5: General Definitions

(applicable to the specified terms below and various forms thereof)

"Accepted Nomination" as herein used means valid Nominations that Carrier has accepted pursuant to Item No. 45(a) and (b).

"API" as herein used means the American Petroleum Institute.

"Asset Management Services" as herein used refers to the services provided by an Asset Manager for and on behalf of a Contract Shipper, which may include fulfilling the Contract Shipper's obligations in Items No. 19 and 75 herein, Nominating and Tendering all or part of the minimum volume commitment of a Committed Shipper pursuant to its TDA or the dedicated volumes of a Rate Incentive Shipper pursuant to its Rate Incentive Agreement, in accordance with Item No. 45 herein, processing invoices issued by Carrier in accordance with Item No. 50 herein, and/or incidental services thereto.

"Asset Manager" as herein used refers to a Rate Incentive Asset Manager or a TDA Asset Manager.

"Asset Manager Pipeline Agreement" as herein used means an Asset Manager transportation services agreement, Asset Manager throughput and deficiency agreement, Asset Manager dedication performance agreement or similar agreement entered into by an Asset Manager with Carrier in which Carrier and such Asset Manager agree to certain terms and conditions with respect to the Pipeline and this Tariff.

"Barrel" as herein used means forty-two (42) United States gallons at sixty degrees (60°) Fahrenheit.

"Carrier" as herein used means Seahorse Pipeline, LLC.

“Carrier’s System” as herein used means any facilities owned or leased by Carrier to perform services under these Rules and Regulations.

“Carrier’s Website” as herein used means the internet website at the following URL address: <http://pipeline.tallgrassenergylp.com>.

“Connecting Carrier” as herein used means an upstream pipeline connected to Carrier’s System.

“Consignee” as herein used means the party to whom a Shipper has ordered delivery of Petroleum.

“Committed Shipper” as herein used means a shipper who has entered into a Throughput and Deficiency Agreement with the Carrier pursuant to an open season for Carrier’s System.

“Committed Volume” as herein used means the minimum volume commitment (barrels per Month) made by a Committed Shipper in its Throughput and Deficiency Agreement with Carrier.

“Contract Shipper” as herein used means a Committed Shipper or Rate Incentive Shipper, as applicable.

“Deeprock Facilities” as herein used means the storage and terminal facilities, known as Deeprock South and Deeprock North, leased by Carrier in Cushing, Oklahoma to enable delivery of transported Petroleum to Destinations located in Cushing, Oklahoma.

“Destination(s)” as herein used means custody transfer delivery point(s) on Carrier’s System, as described in Carrier’s published tariff(s), at which Shipper’s Petroleum, after being transported by Carrier, is delivered into the custody of a downstream party pursuant to Shipper’s confirmed Nomination.

“Financial Assurances” as herein used means the Financial Assurances provided by or on behalf of Shippers and accepted by Carrier in accordance with Item No. 75 herein.

“Intermediate Storage” as herein used means off-system storage that a Shipper may access at the Intermediate Storage Point.

“Intermediate Storage Point” as herein used means Sterling, Colorado.

“Month” or “Monthly” as herein used means a calendar month consisting of 28, 29, 30 or 31 days as applicable to the particular calendar month.

“Nominate(s)” or “Nomination(s)” as herein used means a Shipper’s or its Asset Manager’s binding offer to Carrier to ratably Tender a specified quantity and quality of Petroleum for transportation by Carrier from a specified Origin to a specified Destination, or to or from the Intermediate Storage Point.

“Nomination Month” as herein used means the Month preceding the Month in which Shipper wishes to transport the volumes.

“Origin(s)” as herein used means custody transfer receipt point(s) connected to Carrier’s System, as described in Carrier’s published tariff(s), at which Petroleum is received into Carrier’s custody pursuant to a confirmed Nomination.

“Petroleum” as herein used means: (1) Any crude petroleum adapted for refining or fuel purposes which by A.S.T.M. (American Society for Testing Materials) methods substantially distills below seven hundred degrees (700°) Fahrenheit; or (2) any petroleum product which by A.S.T.M. methods substantially distills below four hundred degrees (400°) Fahrenheit and which when mixed in or for transit with other petroleum has a resultant vapor pressure not exceeding thirteen (13) pounds Reid at one hundred degrees (100°) Fahrenheit.

“Pipeline Loss Allowance” or “PLA” as herein used means that portion of Petroleum provided by or on behalf of each Shipper, at no cost to Carrier, and retained by Carrier in recognition of loss and shrinkage on Carrier’s System. The PLA under joint tariff movements will be as published in the applicable tariff(s). For deliveries using the Deeprock Facilities an additional loss and shrinkage allowance will be charged and provided by each Shipper, at no cost to Carrier, transporting to such Destinations for the actual loss and shrinkage in the Deeprock Facilities.

“Rate Incentive Program” as herein used means a program offered through an open season or the rate tariff whereby (a) a Rate Incentive Shipper commits to Carrier to ship Petroleum from a specified amount of acreage or production or makes a volume commitment to Carrier, for a specified term, (b) the Rate Incentive Shipper (or its Asset Manager) will be entitled to tariff rate discounts on shipments of Petroleum on Carrier’s System, and (c) such Rate Incentive Shipper or its Rate Incentive Asset Manager will not receive priority service,

deemed history or other prorationing rights that are preferential to those of a Regular Shipper (that is not a Committed Shipper).

“Rate Incentive Asset Manager” as herein used means an asset manager appointed by a Rate Incentive Shipper to perform certain Asset Management Services on behalf of such Rate Incentive Shipper.

“Rate Incentive Shipper” as herein used means a Shipper that has entered into a Rate Incentive Agreement with Carrier pursuant to the Rate Incentive Program.

“Rate Incentive Agreement” as herein used means an acreage dedication agreement, production dedication agreement, throughput and deficiency agreement or similar agreement executed by Carrier and a Rate Incentive Shipper pursuant to a Rate Incentive Program.

“Ship” or “Shipped” or “Shipment” as herein used means the ratable Tender of Petroleum at the Nominated Origin, transportation of such Petroleum on the Pipelines, and delivery of such Petroleum at the Nominated Destination.

“Shipper” as herein used means a party for whom transportation services are provided by Carrier subject to and in accordance with this Tariff and subject to the rate provided in the applicable rate tariff.

“Special Damages” means, collectively, any indirect, consequential (including loss of revenue or loss of profit), incidental, punitive or exemplary damages.

“TDA Asset Manager” as herein used means an asset manager appointed by a Committed Shipper to perform certain Asset Management Services on behalf of such Committed Shipper.

“Tender” as herein used means the presentation for delivery by a Shipper or its Asset Manager to Carrier, or by a Connecting Carrier to Carrier on behalf of a Shipper or its Asset Manager, of a quantity of Petroleum for transportation from a specified Origin(s) on Carrier’s System or from a Connecting Carrier providing joint transportation services with Carrier, to a specified Destination(s) or the Intermediate Storage Point on Carrier’s System in accordance with these rules and regulations.

“Transferor” as herein used means the party who requests Carrier to recognize and record a

change in ownership of petroleum from his or its account to a designated Transferee's account.

"Transferee" as herein used means the party accepting volumes pursuant to an intra-system transfer of title to Petroleum.

"Throughput and Deficiency Agreement" or "TDA" as herein used means an effective throughput and deficiency agreement, transportation services agreement, throughput agreement, transport agreement or equivalent agreement in each case executed by Carrier and a Shipper, pursuant to which a Committed Shipper commits to ship a certain volume of barrels on Carrier's System each month or pay a deficiency payment to Carrier, and the Committed Shipper will receive priority service, deemed history or other prorating rights that are preferential to those of a Regular Shipper (that is not a Committed Shipper) in a segment or segments of the system.

"Uncommitted Rate" as herein used means the rate(s) filed by Carrier with FERC applicable to transportation services performed for an Uncommitted Shipper.

"Uncommitted Shipper" as herein used means (a) a Shipper that is not a Contract Shipper (excluding an Asset Manager to the extent of any Barrels Nominated to Carrier's System by such entity in its capacity as Asset Manager for a Contract Shipper), (b) a Committed Shipper to the extent of any Nomination in excess of its minimum volume commitment, or (c) an Asset Manager to the extent of any Nominations for its own account for which such Asset Manager is not itself a Contract Shipper.

"Unweathered Petroleum" as herein used means Petroleum above the allowed RVP specification and which has not been static for 24 hours.

Item No. 10: Commodity

Carrier will transport Petroleum, which satisfies the requirements in Items No. 5 and No. 15, exclusively and will not accept any other commodity for transportation.

Item No. 15: Specifications as to Quality Received

ELIGIBLE COMMON STREAMS

Product	Short Name	API Gravity¹	Sulfur Limit²	Viscosity Limit (cSt)³	Basic Sediment and Water Limit	Origin	Destination
Bakken Light Sweet	BLS	40-46	0.20	15	0.50%, no more than 0.30% of which is water	Guernsey & Buckingham	Cushing
Niobrara	NIO	34-42	0.42	15	0.50%, no more than 0.30% of which is water	Guernsey & Buckingham	Cushing
DJ/PRB Light Sweet	PXL	43-53	0.20	15	0.50%, no more than 0.30% of which is water	All	Cushing
[N]Mixed Sweet	[N]MXS	[N]30-38	[N]0.50	[N]30	[N]0.50%, no more than 0.30% of which is water	[N]Guernsey	[N]All

¹ A.S.T.M. method D5002

² A.S.T.M. method D4294

³ A.S.T.M. method D7042 at 60° F

SEGREGATED BATCH

API Gravity¹	Sulfur Limit²	Viscosity Limit (cSt)³	Basic Sediment and Water Limit	Origin
34-53	0.42	15	0.50%, no more than 0.30% of which is water	All, subject to Item 22

¹ A.S.T.M. method D5002

² A.S.T.M. method D4294

³ A.S.T.M. method D7042 at 60° F

All Petroleum Tendered for transportation shall have a gravity, viscosity and other characteristics that make it readily susceptible to transportation through Carrier's System, will not materially affect the quality of other shipments or cause disadvantage or damage to other shippers and/or Carrier and/or Carrier's System. No Petroleum shall be Tendered to Carrier for transportation having 10 parts per million or more of hydrogen sulfide. All Petroleum Tendered to Carrier for transportation shall have a temperature not greater than one hundred degrees Fahrenheit (100° F). No Petroleum shall be Tendered to Carrier for transportation that contains contaminants, including but not limited to chemicals such as chlorinated and/or oxygenated hydrocarbons, and/or lead.

Any additives including but not limited to corrosion inhibitors, viscosity depressants, pour point depressants, drag reducing additives, or other such additives in the Petroleum to be delivered to Carrier shall require written approval by Carrier thirty (30) days prior to Tender and acceptance into Carrier's System of such Petroleum by Carrier.

In the event any Petroleum is Tendered to Carrier by a Shipper, or by a third party or Connecting Carrier on behalf of a Shipper, that does not meet the quality specifications stated in this Tariff, such Shipper shall release, indemnify and hold Carrier harmless from any and all claims, suits, expenses, costs, or damages that may be incurred by Carrier or for any damage to Carrier's System and/or any other Shipper's Shipment and/or a connected receiving pipeline, connected terminal, or connected refining facility if the damage is determined to be a result of the nonconforming character or contents of any Petroleum, product, or other substance Tendered by Shipper or on behalf of Shipper.

In addition to other available remedies, Carrier shall have the right, but not the obligation, to reject any Petroleum Tendered by or on behalf of a Shipper that does not comply with the provisions of this Tariff, including the quality specifications. Carrier's acceptance of, or failure to reject, Petroleum Tendered for transportation on Carrier's System shall not be deemed to be a waiver by Carrier of Shipper's obligations or liability regarding compliance with the provisions of this Tariff.

Notwithstanding anything to the contrary in this Tariff, Carrier reserves the right, at its discretion, to accept any Petroleum Tendered by or on behalf of a Shipper that does not comply with the quality specifications of this Tariff in the event that Carrier determines, in its sole discretion, that the acceptance of such Petroleum is operationally feasible and will not materially affect the quality of other shipments or cause disadvantage or damage to other Shippers, the Carrier, or the Carrier's System ("Specialty Batch"). The specific terms of the Specialty Batches that will be accepted by the Carrier will be posted on Carrier's

website.

Item No. 19: Line Fill Requirement

Line fill will be required from each Committed Shipper on a pro rata basis per Carrier instructions no sooner than ninety days before the expected in-service date, subsequent initiation of service under a joint tariff agreement(s) or expansion of Carrier's System for the efficient operation of Carrier's System. After the in-service date, initiation of service under a joint tariff agreement(s) or expansion of Carrier's System, Carrier will require each Shipper, which has shipped on Carrier's System in the last three (3) Months, to supply a pro rata share of Petroleum for line fill necessary for the efficient operation of Carrier's System. Line fill requirements for each Shipper shall be subject to adjustment from time-to-time as determined by Carrier.

Unless otherwise agreed to by Carrier, line fill Petroleum may be withdrawn from Carrier's System only after ninety (90) days and subsequent to Shipper (and its Asset Manager, if applicable) having ceased Tendering shipments and notified Carrier in writing that Shipper (and such Asset Manager) would no longer Tender shipments to Carrier provided that Shipper (and such Asset Manager) have fully performed all of its obligations to Carrier, including payment obligations, pursuant to applicable Tariffs, TDAs, and Rate Incentive Agreements. Such withdrawals of line fill may be accomplished by Shipper by submitting a nomination acceptable to Carrier for transportation in accordance with, and subject to, these Rules and Regulations, including payment of applicable transportation rate(s) and charges set forth in Carrier's Local Pipeline Tariff.

Any required line fill inventory adjustments determined by Carrier shall, as soon as possible, but in no event more than 30 days after Carrier's written directive to Shipper, be accomplished by Shipper by submitting a nomination acceptable to Carrier for transportation in accordance with, and subject to, these Rules and Regulations, including payment of applicable transportation rate(s) and charges set forth in Carrier's Local Pipeline Tariff.

Nominations by Shipper for return transportation of line fill to a designated Destination will not require designation of an Origin or a common grade quality. Line fill will be returned to Shipper from a common stream that Carrier has available at the time of return to Shipper. The remedies in Item No. 35 regarding Shipper failure to perform shall apply to any Shipper failure to perform in accordance with this Item No. 19.

Item No. 22: Responsibility for Quality Delivered

Carrier is a multiple fungible common stream carrier, and Petroleum will be accepted for transportation only on condition that it shall be subject to such changes in gravity, quality or characteristics while in transit as may result from its mixture with other Petroleum in Carrier's System. Subject to the foregoing, Carrier will use reasonable efforts to deliver Petroleum of a type equivalent to that accepted from or on behalf of Shipper; however, Carrier shall be under no obligation to make delivery of the identical Petroleum received but may make delivery out of common stock.

Carrier shall have no responsibility in, nor for, any revaluations or settlements which may be deemed appropriate by Shippers and/or Consignees because of mixing or intermingling of Petroleum shipments between the receipt and delivery of such shipments by Carrier, or which may occur at the Intermediate Storage Point, other than furnishing volume and gravity data on the Petroleum received and delivered.

Notwithstanding the foregoing, if a Shipper requests that its Petroleum be shipped separate from the fungible common stream and has the necessary facilities to allow batching, Carrier will, to the extent permitted by its existing facilities and operating conditions, endeavor to segregate such Petroleum during transportation and to make delivery of substantially the same Petroleum at destination (a "Segregated Batch"); provided that in such instances Carrier may require Shipper to (i) make the Petroleum available in such quantities and at such times as may be necessary to permit such segregated movement in light of Carrier's operating conditions; and (ii) supply buffers before and after its batch, said buffers to be of the type and quantity of Petroleum specified by Carrier in order to prevent changes in the quality of preceding and subsequent Petroleum; and provided further that the Consignee(s) shall accept at destination such leading and trailing buffers as mixed in transit together with its batch and Carrier shall not be liable for failure to deliver the identical Petroleum or for any variations in quality while in Carrier's custody.

Item No. 25: Title

Neither Shipper nor its Asset Manager shall Tender, or cause to be Tendered, and Carrier has the right to reject, any Petroleum for transportation the title to which is in litigation or as to which a dispute of title exists or which is encumbered by any lien, and Carrier may require Shipper or any such Asset Manager to provide satisfactory evidence of Shipper's or such Asset Manager's, as applicable, good and unencumbered title or sufficient indemnity to protect Carrier against any loss whatsoever from having transported and/or delivered Petroleum, title to which is or may be in dispute. By Shipper or its Asset Manager Tendering

Petroleum, Shipper warrants and guarantees that Shipper or such Asset Manager, as applicable, has good and unencumbered title thereto and agrees to indemnify and hold Carrier harmless for any and all loss, cost, liability, damage and/or expense which may in any manner arise or grow out of Shipper's breach of this warranty or representation with respect to any shipment Tendered by Shipper or its Asset Manager and transported by Carrier. Acceptance for transportation shall not be deemed a representation by the Carrier as to title.

Title to, or legal right to receive and deliver, the Petroleum tendered by a Shipper or its Asset Manager to Carrier for line-fill or transportation will remain with such Shipper or such Asset Manager, as applicable, at all times, subject to any lien or security interest in favor of Carrier under applicable law or Item 50 herein.

Shipper shall also be liable to, and shall indemnify, Carrier for property damage, including damage for loss of use of any facilities that may in any manner arise or grow out of Shipper's breach of warranty or representation with respect to any shipment Tendered by Shipper or its Asset Manager and transported by Carrier.

Item No. 30: Measurement, Gauging, Testing and Volume Corrections

(a) Prior to acceptance by Carrier of Petroleum for transportation on Carrier's System and upon its delivery at Destination, Petroleum quantities will be determined by direct measurement conducted in accordance with API standards and pipeline industry practice and gauging of tanks with the application of certified one hundred percent (100%) tank calibration tables according to API MPMS Chapters 2 and 3, or by carrier-approved automatic equipment, and corrected to the temperature of sixty degrees Fahrenheit (60°F) using API MPMS Chapter 11 Table 6A in its latest revision and may be tested by a representative of Carrier. Deductions to measured Petroleum will be made for the full amount of basic sediment, water and other impurities as ascertained in accordance with API MPMS Chapter 10. Petroleum quantities shall be reported in hundredths of barrels.

(b) Shipper and Connecting Carrier tendering Petroleum for transportation shall have the privilege of being present or represented during the testing, gauging or metering. A Shipper or Connecting Carrier tendering Petroleum for transportation shall give Carrier twenty-four (24) hours prior notice of its desire to be present during testing, gauging or metering.

(c) Each Connecting Carrier Shipper or, where applicable, its Asset Manager shall allow Carrier to run, and obtain the results of, an indicator test of Petroleum which Shipper (or such Asset Manager on its behalf) or Connecting Carrier desires Carrier to transport to determine the quality and composition of such Petroleum.

(d) If Carrier's indicator test shows that the tested Petroleum does not meet Carrier's quality specifications, Carrier shall submit, via surface transportation, said sample to a professional testing laboratory experienced in testing Petroleum and acceptable to both Shipper or connecting carrier and Carrier for definitive analysis, and if said laboratory confirms the results of the indicator test, then such Petroleum shall not be accepted by Carrier and Shipper shall be responsible for proper disposition of the Petroleum and Shipper shall pay Carrier all costs incurred in obtaining the analysis, plus an additional ten (10) percent thereof for Carrier's handling costs, but if said laboratory finds that the Petroleum meets Carrier's quality specifications Carrier shall bear such costs and accept the Petroleum for transportation.

(e) Nothing in this Item No. 30 requires Carrier to run an indicator test prior to accepting any Petroleum; nor does it excuse any Shipper or its Asset Manager from complying with any requirement in any other Item in this Tariff, or from liability for failing, in whole or in part, to comply therewith, whether or not an indicator test is run. Carrier does not hold itself out to be, and is not in the business of performing chemical analyses, and neither Carrier nor any employee thereof shall be liable for any claims, demands, losses, or damages suffered by any Shipper because of the running, or results of, any tests or analyses, except such as may arise from the willful negligence of, or acts in bad faith by, Carrier or any employee thereof.

(f) PLA Deduction – Carrier shall deduct PLA from Petroleum Tendered by Shipper or its Asset Manager at an Origin(s).

(g) In the case of Unweathered Petroleum, Carrier may determine a further reduction factor to reflect the additional amount of shrinkage Carrier estimates will occur because of the lack of weathering.

Item No. 32: Minimum Quantity

Carrier will not be required to accept a Nomination for transportation of a quantity of less than 10,000 Barrels of Petroleum per month ("Minimum Quantity").

Item No. 35: Points of Origin, Destination, Ratability, and Facilities

Carrier will receive Petroleum from Shippers (and their Asset Managers) only at established Origins or the Intermediate Storage Point. Petroleum must be provided ratably. Failure to ratably Tender Petroleum may result in Shipper's Petroleum not being delivered in the Month in which it was tendered. Petroleum will be received only from facilities provided or

arranged for by Shipper. Carrier will determine and advise Shippers of the facilities to be provided at the Origins or the Intermediate Storage Point to meet the operating conditions of Carrier's System at such point. Carrier will not be required to accept Petroleum for transportation unless such facilities have been provided.

Carrier will deliver Petroleum to Consignees at established Destinations or the Intermediate Storage Point. Petroleum will be delivered only into facilities which are provided by or arranged for by Shipper or Consignee or as provided for in a TDA or Rate Incentive Agreement. Carrier will determine and advise Shippers and Consignees of the size and capacity of facilities to be provided at the Destination(s) or the Intermediate Storage Point to meet the operating conditions of Carrier's System at such point. Carrier will not be required to accept Petroleum for transportation unless such facilities have been provided.

Shipper will be required to supply adequate storage at the Destination(s) or the Intermediate Storage Point or make other arrangements at the Destination(s) or the Intermediate Storage Point to receive its shipments. Any Petroleum that may arrive at a Destination and not be accepted by Shipper or Consignee at the designated Destination or the Intermediate Storage Point may be subject to additional Shipper charges and/or disposed of in any reasonable manner as determined by Carrier.

Carrier may assess a per barrel demurrage fee of one dollar U.S. [U](\$1.00), or as may otherwise be specifically set forth or determined in accordance with applicable published tariff(s), for each Day (or fractional part thereof) commencing twenty-four (24) hours following Carrier's notification to Shipper of its failure to perform in accordance with this Item No. 35. In addition to demurrage charges, Shipper shall pay (i) any third-party transportation and storage costs incurred by Carrier and (ii) any and all expenses, costs, damages and losses whatsoever incurred or suffered by Carrier in connection with the non-removal of such Petroleum unless such non-removal is due to Carrier's gross negligence or willful misconduct. Carrier's liability for loss, damage or delay with respect to Petroleum delivered, but not taken by Shipper, shall be that of a warehouseman only. If a Shipper fails to take delivery of Petroleum from Carrier's System in accordance with the provisions of this Tariff six days after Carrier's notification to Shipper of its failure to perform in accordance with this Item No. 35, Carrier shall have the right to remove and sell such Petroleum.

Item No. 40: Application of Rates and Charges

Petroleum accepted for transportation on behalf of Uncommitted Shippers shall be subject to the applicable published tariff rates and charges in effect on the date of receipt of such Petroleum by Carrier. Petroleum accepted for transportation on behalf of Contract Shippers shall be subject to the rates and charges in effect on the date of receipt of such Petroleum by Carrier and as stated in the applicable TDA or Rate Incentive Agreement and then published rate tariff, except for the return of line fill, which shall occur pursuant to Item No. 19 subject to the rates and charges in effect on the date of return. Transportation and all other lawful charges will be collected on the basis of the quantities of Petroleum delivered to the Destinations or the Intermediate Storage Point, and said quantities will be determined in the manner provided in these Rules and Regulations.

Item No. 45: Nominations and Tenders Required

- (a) Petroleum for shipment through Carrier's System will be received only on properly executed Nominations and Tenders showing (i) the point at which the Petroleum is to be received (except in the case of line fill return under Item No. 19), (ii) point or points of delivery, (iii) Supplier/Consignee, (iv) product type (except in the case of line fill return under Item No. 19), (v) the type of nomination (New Shipper Nomination, Regular Shipper Nomination, or Flex Shipper Nomination), and (vi) the amount of Petroleum to be transported. Any Shipper (and any Asset Manager on behalf of a Contract Shipper) desiring to Tender Petroleum for transportation shall make a Nomination for such Tender to Carrier using the form set forth at Carrier's Website on or before 5:00 p.m. (Central Time) no later than the 15th day of the Nomination Month ("Nomination Deadline"). If the Nomination Deadline falls on a non-business day, Nominations shall be due on the preceding business day. Carrier may require detailed information to substantiate the validity of Nomination or pre-Nominations including but not limited to the origin of barrels nominated into the system whether from Connecting Carrier or other sources.
- (b) Carrier may, subject to the availability of space and the operating conditions of the facilities of Carrier, accept additional Nominations or revised Nominations after the award of capacity pursuant to Item No. 45(a) above. In the event such additional or revised Nominations cause Accepted Nominations to equal Carrier's Available Capacity prior to the end of the Nomination Month, Carrier will issue a freeze notice ("Freeze Notice"). Upon issuance of a Freeze Notice, Shippers will be subject to Item No. 48.B.5. Each Shipper's Accepted Nomination will be its Capacity Allocation for the purposes of applying Item No. 48.B.5. Carrier may refuse to accept Petroleum Tendered for transportation unless satisfactory evidence has been furnished that Shipper or Consignee has made provisions for

prompt receipt thereof at destination.

(c) All communications relating to a Shipper's nominations, deliveries to or from Carrier, payment of invoices or other matters pertaining to the Shipper's business with Carrier shall be conducted solely by an officer or employee of the Shipper. If a Shipper wishes to use an agent, the shipper must designate, in writing, an agent to act on the Shipper's behalf in conducting such communications. The designation must acknowledge the following items to be effective:

- the Shipper consents to disclosure of any and all information regarding the Shipper's nominations, deliveries to or from Carrier, payment of invoices, or other business with Carrier to such agent and releases Carrier and holds Carrier harmless from any and all liability relating to such disclosure; and
- such designation shall be valid and binding on Shipper until Carrier receives written notice from Shipper expressly terminating such designation.

Item No. 46: Intermediate Storage

A Shipper with access to tankage at the Intermediate Storage Point may request that Carrier temporarily deliver Shipper's Petroleum to the Intermediate Storage Point. In the current month or any subsequent Month, the Shipper (or its Asset Manager) may submit a Nomination to ship such volumes from the Intermediate Storage Point to Carrier's Destination(s). The Nomination out of Intermediate Storage must be within twelve (12) months from the date the Barrels were delivered to the Intermediate Storage Point. Any Barrel in Intermediate Storage not re-tendered within twelve (12) months will not be eligible for transportation under this Item and will instead be treated as a new Barrel subject to the applicable tariff rate for transportation from the Intermediate Storage Point to the Destination.

During times of prorationing, a Shipper (other than a Committed Shipper) nominating to an Intermediate Storage Point must use its Capacity Allocation on the relevant segments to move the Barrels to the Intermediate Storage Point. Upon re-originating from Intermediate Storage, a Shipper (other than a Committed Shipper) must use its Capacity Allocation on the relevant segments to transport the Barrels to Shipper's final Destination. A Shipper (other than a Committed Shipper) will accrue history in the relevant line segment when the Barrels are physically transported through that segment.

During times of prorationing, a Committed Shipper (or an Asset Manager on its behalf) nominating to Intermediate Storage must use its Capacity Allocation on both the applicable upstream segments and the Sterling Segment to transport the Barrels to Intermediate Storage. The Committed Shipper shall accrue history on the applicable upstream segments and Sterling Segment in the Month in which the Barrels are delivered to Intermediate Storage. A Committed Shipper Nomination out of Intermediate Storage in a subsequent Month from when it was originally Tendered will be considered a Flex Shipper Nomination for purposes of the Carrier's Rules and Regulations governing prorationing in Item No. 48.

For Barrels Nominated out of Intermediate Storage in a subsequent Month to which they were Nominated into Intermediate Storage, Shippers shall pay in the Month they Nominate Barrels to Intermediate Storage: (1) the applicable tariff rate for transportation from the Origin to the Destination, (2) a storage delivery fee of \$0.025 US dollars per Barrel, and (3) the applicable PLA rate for transportation from the Origin to the the Destination. In the Month in which the Shipper Nominates Barrels out of Intermediate Storage, the Shipper shall pay any applicable pump-over charge at the Destination.

For Barrels Nominated in and out of Intermediate Storage in the same Month, the Shipper shall pay (1) the applicable tariff rate from the Origin to the final Destination, (2) a storage delivery fee of \$0.025 US dollars per Barrel, and (3) the applicable PLA rate for transportation from the Origin to the final Destination. Barrels re-tendered in the same Month will be accepted to the extent of Carrier's operational capability.

Any Nomination into an Intermediate Storage Point by a Committed Shipper Nominating under its Throughput and Deficiency Agreement (or by an Asset Manager on its behalf) or a Rate Incentive Shipper Nominating under its Rate Incentive Agreement (or by a Rate Incentive Asset Manager on its behalf) will count towards such Committed Shipper's or Rate Incentive Shipper's minimum volume commitment under its TDA or Rate Incentive Agreement, but will not be counted again when Petroleum is re-injected in Carrier's System from the Intermediate Storage Point.

Item No. 48: Prorationing

A. Definitions

"Available Capacity" means the total monthly capacity in the applicable segment as determined by Carrier.

"Base Period" means the twelve (12) calendar month period beginning thirteen (13) Months

prior to the current Month and excluding the Month preceding the current Month.

“Capacity Allocation” means the capacity awarded to a Shipper by Carrier for the Month under this Item.

“Extra Barrels” means barrels a Contract Shipper Ships in excess of its minimum volume commitment when such minimum volume commitment has been fulfilled through the Shipment of barrels and not a payment pursuant to the TDA, which shall accrue towards the Contract Shipper’s Total Shipments.

“Flex Shipper” means a Shipper that has a volume re-entering Carrier’s System from the Intermediate Storage Point in a subsequent Month from when it was Tendered for delivery to Intermediate Storage.

“Flex Shipper Nomination” as herein used means a Nomination to ship barrels as a Flex Shipper.

“Flex Volumes” means volumes shipped pursuant to a Flex Shipper Nomination.

“In-Service Date(s)” means the first day that Carrier is able to provide transportation service to Shipper(s) on capacity that has not previously been made available.

“New Shipper” means a qualified Shipper or Rate Incentive Asset Manager that has not shipped Petroleum in each month of the Base Period or a Committed Shipper that has failed to make payments pursuant to a TDA, in each month of the Base Period, for the transportation of Petroleum on Carrier’s System. “New Shipper” shall not include a qualified TDA Asset Manager to the extent of any Barrels Nominated to Carrier’s System by such entity in its capacity as TDA Asset Manager for a Committed Shipper.

“New Shipper Capacity” means no less than ten percent (10%) of the Available Capacity in the applicable segment; provided however, if the aggregate volume nominated for transportation by New Shippers is less than the applicable percentage of Available Capacity that is New Shipper Capacity, then such remaining capacity will be allocated to Regular Shippers or Flex Shippers using methodology described in this Item.

“New Shipper Nomination” means the Nomination submitted by a New Shipper.

“Platteville Segment” means the line segment that runs from Platteville, Colorado to Sterling, Colorado.

“Proration Month” means any calendar month when transportation volumes nominated by Regular and New Shippers in a segment exceeds Available Capacity.

“Regular Shipper” means (1) a Shipper that has shipped Petroleum on Carrier’s System in each month of the Base Period, (2) a Committed Shipper that has shipped Petroleum or made payments pursuant to a TDA for the transportation of Petroleum in each month of the Base Period, or (3) a Committed Shipper that is not in default of its payment obligations under a production or acreage dedication. Notwithstanding the foregoing, a Committed Shipper shall be deemed to be a Regular Shipper upon the In-Service Date with a Total Shipment quantity that equals twelve (12) times its monthly volume commitment. If applicable, a Committed Shipper’s Total Shipments shall be increased to reflect an increase in monthly volume commitment, as set forth in the TDA on the effective date of any such increase. A Committed Shipper’s Total Shipments may be reduced upon termination of a TDA in accordance with the terms of such TDA. A Regular Shipper will lose its status as a Regular Shipper if it does not ship Petroleum or, in the case of a Committed Shipper, ship or make payments pursuant to a TDA for the transportation of Petroleum in each month of the Base Period. Any shipments of Petroleum by a TDA Asset Manager in its capacity as Asset Manager for a Committed Shipper shall be deemed shipments by such Committed Shipper (and not by such TDA Asset Manager) for purposes of this definition and, accordingly, such Committed Shipper shall be entitled to all history accrued on such shipments in accordance with this definition. Any shipments of Petroleum by a Rate Incentive Asset Manager in its capacity as Asset Manager for a Rate Incentive Shipper shall be deemed shipments by such Rate Incentive Asset Manager (and not by such Rate Incentive Shipper) for purposes of this definition and, accordingly, such Rate Incentive Asset Manager shall be entitled to all history accrued on such shipments in accordance with this definition.

“Regular Shipper Allocation Factor” means a Regular Shipper’s Total Shipments in the applicable segment divided by the Total Shipments of all Regular Shippers in the applicable segment.

“Regular Shipper Available Capacity” means up to 90% of Available Capacity in the applicable segment plus any remaining New Shipper Capacity.

“Regular Shipper Capacity Entitlement” means a volume, to be determined each Proration Month for each Regular Shipper, that equals the Regular Shipper Allocation Factor times the Regular Shipper Available Capacity.

“Regular Shipper Nomination” means the Nomination of a Regular Shipper.

“Sterling Segment” means the line segment that runs from Sterling, Colorado to Cushing, Oklahoma.

“Total Shipments” means the volumes that a Regular Shipper has shipped, including Extra Barrels (if applicable) but excluding Flex Volumes, in the applicable segment during a Base Period, provided that for a Committed Shipper who is a Regular Shipper, payments made pursuant to a TDA shall be included. In the case where a Committed Shipper’s Committed Volume increases, such Committed Shipper’s Total Shipments shall be adjusted to equal twelve (12) times the increased Committed Volume. Any shipments of Petroleum by a TDA Asset Manager in its capacity as Asset Manager for a Committed Shipper shall be deemed shipments by such Committed Shipper (and not by such TDA Asset Manager) for purposes of this definition. Any shipments of Petroleum by a Rate Incentive Asset Manager in its capacity as Asset Manager for a Rate Incentive Shipper shall be deemed shipments by such Asset Manager (and not by such Rate Incentive Shipper) for purposes of this definition.

B. Capacity Prorationing Procedures

In any Proration Month, Carrier shall allocate and award Available Capacity as set forth below, provided, however, that Carrier may not award capacity to any Shipper who has not paid Carrier for all charges and fees in accordance with invoice terms, applicable TDA(s), Rate Incentive Agreement(s) and this Tariff.

If the sum of the Regular Shipper Nominations and the sum of the New Shipper Nominations collectively do not exceed the Available Capacity of the line segment but all Flex Shipper Nominations cannot be accommodated, then the Regular Shippers and New Shippers shall receive a Capacity Allocation equal to their Nominations and any remaining capacity shall be allocated to Flex Shippers on a pro rata basis based on each Flex Shipper Nomination, which allocation shall be such Flex Shipper’s Capacity Allocation.

If the sum of the Regular Shipper Nominations and New Shipper Nominations exceed the Available Capacity of any segment, except the Platteville segment, Carrier will allocate the Available Capacity of each segment as follows:

1. Regular Shippers – Regular Shipper Available Capacity will be allocated to Regular Shippers as follows:
 - i. Regular Shippers will be allocated the lesser of (a) their Regular Shipper Capacity Entitlement or (b) their Regular Shipper Nomination.
 - ii. If Regular Shipper Capacity remains after 48(B)(1)(i), Regular Shippers with a

Regular Shipper Nomination greater than their Regular Shipper Capacity Entitlement will receive their pro rata share, based on their Regular Shipper Capacity Entitlement, of the remaining Regular Shipper Capacity up to their Regular Shipper Nomination.

2. New Shippers – New Shipper Capacity will be allocated to New Shippers as follows:

- i. Carrier shall divide the Minimum Quantity that a Shipper must Nominate into the New Shipper Capacity and round the result down to the nearest whole integer to determine the maximum number of New Shippers that can receive an allocation.
- ii. If the number of New Shippers making Nominations does not exceed the maximum number of New Shippers that can receive an allocation, Carrier shall allocate to each New Shipper the Minimum Quantity.
- iii. If New Shipper Capacity remains after 48(B)(2)(ii), New Shippers with a New Shipper Nomination greater than the Minimum Quantity will receive their pro rata share of the remaining New Shipper Capacity up to their New Shipper Nomination.
- iv. If New Shipper Capacity remains after 48(B)(2)(iii), the remaining New Shipper Capacity will be allocated, on a pro rata basis, to Regular Shippers whose Regular Shipper Nominations are greater than their Regular Shipper Capacity Entitlement up to their Regular Shipper Nomination.
- v. If the number of New Shippers making Nominations exceeds the maximum number of New Shippers that can receive an allocation, Carrier shall use the random selection process described in Item No. 49 to select the New Shippers to receive a Minimum Quantity allocation.
- vi. Capacity awarded to New Shippers shall not be less than ten percent of Available Capacity unless the aggregate volume nominated by New Shippers is less than ten percent of Available Capacity.

3. If after all allocation processes described in 48(B)(1) & (2) have been completed, there remains unallocated Available Capacity, such unallocated capacity will be allocated, pro rata based on Flex Shipper Nominations.

4. If after the allocation in 48(B)(1)(3) are complete, there remains unallocated Available Capacity, such Available Capacity will be allocated on a pro rata basis, to New Shippers whose New Shipper Nominations are unfulfilled.

5. The results of Items 48(B)(1) – (4) shall constitute Shipper's Capacity Allocation in the applicable segment. Carrier shall not be required to award capacity for any quantity less

than the Minimum Quantity.

6. Shipper's Capacity Allocation on the Sterling Segment, if applicable, will be binding and will constitute the Shipper's agreement to pay the applicable per Barrel rate from the Nominated Origin to the Nominated Destination (which may be downstream of the Sterling Segment) for the total amount of the Capacity Allocation in the Sterling Segment, regardless of the amount, if any, of Petroleum that such Shipper or its Asset Manager actually Ships during such Proration Month. Committed Shipper obligations shall be in accordance with applicable terms and conditions of their TDAs, including minimum payment requirements and the rate applicable to Barrels above their minimum volume commitment. Rate Incentive Shipper obligations shall be in accordance with applicable terms and conditions of their Rate Incentive Agreements, including minimum payment requirements and what rate applies to Barrels above their minimum volume commitment.
7. In the event capacity, which has been offered to Shippers through an open season, becomes operationally available prior to the date upon which the Committed Shipper is obligated to ship under the TDA, Carrier may make such capacity available for shipments; however, no history will be accrued for those movements.
8. The Platteville Segment will be allocated pro rata based on Shipper's nomination as a total of all nominations in the Platteville Segment. Shippers will not earn history in the Platteville Segment.

Item No. 49: Lottery

Carrier will use a random number generating software to randomly assign each New Shipper a number from one to the number representing the total number of participants in the lottery. The lottery entrant with the number closest to one will receive the first monthly Minimum Quantity allocation under Item 48(B)(2)(iv). This process of assigning monthly Minimum Quantity allocations to the lottery entrant with the number closest to one will continue until all of the monthly Minimum Quantity allocations have been assigned.

Item No. 50: Payment of Charges

The Shipper or Transferor shall be obligated to pay Carrier all charges and fees in accordance with invoice terms, applicable TDA Rate Incentive Agreement, Asset Manager Pipeline Agreement, and this Tariff. Payments for nominated transportation to be provided during a Proration Month, shall be made in accordance with Item No. 48(B)(5).

Shipper shall pay or cause to be paid any and all taxes, duties, charges, levies and other assessments made or imposed by any governmental or regulatory authority having

jurisdiction with respect to the Petroleum to be transported by Carrier for such Shipper's account and shall indemnify and save harmless Carrier from any such taxes, duties, charges, levies and assessments so made or imposed.

Shipper shall, if requested by Carrier, furnish Financial Assurances satisfactory to Carrier in accordance with Item No. 75 herein. Contract Shippers with rights to appoint an Asset Manager may utilize an Asset Manager to provide such Financial Assurances on their behalf.

Carrier shall have a general lien on all of a Shipper's or Asset Manager's Petroleum that is in the possession of Carrier to secure the payment of all charges and costs, including interest on unpaid obligations, accruing or due relating to the transportation or other handling of Shipper's or its Asset Manager's Petroleum by Carrier. At Carrier's request a Shipper and its Asset Manager shall execute all such agreements and do all such things as the Carrier reasonably requests with respect to the creation or perfection of such lien. The general lien provided herein shall be in addition to any lien or security interest otherwise provided by law or contract. Carrier may, at its option (1) refuse to deliver to or for the Shipper, (2) refuse to recognize and record any change in ownership of Petroleum for the account of a Transferor, or (3) exercise any other rights and remedies provided at law or by contract until all charges or fees owed to Carrier have been paid in full by such party.

If any charge remains unpaid after the payment due date, then such amount due shall bear interest, calculated at an annual rate equivalent to 125% of the prime rate published by the Wall Street Journal, from the payment due date of the invoice to the date payment is received by Carrier.

If any such charges or fees remain unpaid for fifteen (15) calendar days after the payment due date, Carrier shall have the right, either directly or through an agent, with or without notice, to sell any of the Shipper's, Asset Manager's, or Transferor's Petroleum within the custody of Carrier. From the proceeds of this sale, Carrier will deduct all transportation charges, change in ownership charges, other lawful charges and fees and interest due to Carrier, including expenses incident to said sale, and the balance of the remaining proceeds, if any, shall be held by Carrier for whomsoever may be lawfully entitled thereto. If proceeds from such sale are not sufficient, Shipper or Transferor will remain liable for any deficiency including the above interest charges.

In the event of a sale of Petroleum in accordance with the terms herein or in the event Shipper otherwise fails to take delivery of Petroleum, Petroleum shall be deemed delivered to Shipper at the time removed from Carrier's System or delivered to a third party (as part of a sale) and Carrier shall be entitled to invoice Shipper for all applicable rates and charges

under the Tariff in relation thereto.

Item No. 52: Charge for Spill Compensation

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

Item No. 55: Liability

Carrier, while in possession of any of the Petroleum herein described, shall not be liable for any loss thereof, damage thereto (including alteration in density, specification or other quality or characteristic) or delay caused by fire, storm, flood, epidemics, acts of God, riots, war, sabotage, strikes, the authority of law, public enemy, or the act or default of the Shipper or Consignee, or from any cause whatsoever, whether enumerated herein or not, except by its own sole direct negligence. In case of the loss of Petroleum from any cause other than the sole direct negligence of Carrier, the Shipper shall bear a loss in such proportion as the amount of its or its Asset Manager's Petroleum or portion thereof, received and undelivered at the time the loss occurs, bears to all the Petroleum then in the custody of the Carrier for transportation via the lines or other facilities in which the loss occurs; and the Shipper shall be entitled to have delivered only such portion of its or its Asset Manager's shipment as may remain after deduction of its due proportion of such loss. In such event, transportation charges will be assessed only on the net quantities of Petroleum delivered. Carrier will not be liable for discoloration, commingling, contamination, or deterioration of Petroleum coming from the Intermediate Storage Point.

Carrier shall not be liable for any Special Damages of any kind regardless of whether such damages, losses or claims arise in tort, strict liability, fraud or under any other theory of liability except to the extent it is shown that such damages were caused by Carrier's gross negligence, bad faith or willful misconduct.

Shipper shall indemnify Carrier for any and all damages, losses, expenses and costs incurred or suffered by Carrier and any other person as a result of such Shipper's failure to comply with any material provision of this tariff.

Item No. 60: Claims, Suit and Time for Filing

Claims for loss or damage must be made in writing to Carrier within nine (9) months after delivery of Shipper's or its Asset Manager's Petroleum, or in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits for recovery of claims for loss or damage shall be instituted only within two (2) years and one (1) day from the day when notice in writing is given by Carrier to claimant that Carrier has disallowed the claim, in whole or in part. Claims not filed and suits not instituted thereon as aforesaid shall be null and void and Carrier shall have no liability therefor.

This tariff is governed by, and must be interpreted and construed in accordance with, the laws of the State of Texas, without regard to any of its principles of conflicts of laws that would make applicable the laws of any other jurisdiction. Exclusive venue for any claim, suit, action, or proceeding brought in connection with this tariff is in the state and federal courts located in Johnson County, Kansas. Carrier and Shipper each irrevocably and unconditionally waive, to the fullest extent they may legally and effectively do so, any objection they may now or hereafter have to the laying of venue of any suit, action, or proceeding arising out of or relating to this tariff in the state and federal courts situated in Johnson County, Kansas. Intending to waive and forever relinquish any right under applicable law providing for a right of trial by jury, Carrier and Shipper each knowingly, voluntarily, and intentionally waives, to the fullest extent permitted by applicable law, any and all claims or rights it or its successors and assigns may have to any trial by jury on any issue arising out of any litigation, dispute, suit, action, or proceeding related to this tariff.

Item No. 65: Delivery

Carrier will transport and deliver Petroleum with reasonable diligence and dispatch, but will accept no Petroleum to be transported in time for any particular market.

Item No. 67: Inability to Deliver to Designated Facilities

Based upon Carrier's acceptance of Tendered shipments in reliance on the designation of delivery facilities required by Item No. 35 herein and upon Carrier's lack of storage facilities, if Carrier cannot deliver into such facilities for any reason not attributable to Carrier, Shipper or Consignee shall indemnify and save Carrier harmless from all costs or expenses which may arise therefrom, directly or indirectly. Any such indemnification shall be in addition to all other applicable charges.

Item No. 70: Application of Rates to New Origin or Destination Points

Pending the issue of new rates from any new points of origin or destination that may be established at Carrier's sole discretion, the following rule will govern with respect to transportation from or to any such new origin or destination point not named in this Tariff or an individual tariff: the rate published from the next more distant origin and/or destination point named herein or in an individual tariff shall be applied.

Item No. 75: Financial Assurances

(a) All prospective shippers shall, twenty-five (25) days prior to making their first Tender Nomination, provide information to Carrier that will allow Carrier to determine the prospective shipper's or its Asset Manager's capacity to perform any financial obligations that could arise from the transportation of that prospective shipper's Petroleum 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. At any time, upon the request of Carrier, Shipper shall, within five days of such request, provide information to Carrier that will allow Carrier to determine Shipper's capacity to perform any financial obligations that could arise from the transportation of that Shipper's or its Asset Manager's Petroleum under the terms of this Tariff, including the payment of transportation charges, equalization obligations, the value of any loss allowance, and any negative Shipper balance positions. Carrier shall not be obligated to accept Petroleum for transportation from or on behalf of any Shipper or prospective shipper if such Shipper or prospective shipper fails to provide the requested information to Carrier within the time periods set forth herein, or if Carrier's review of the requested information, in its sole discretion, reveals that such Shipper or prospective shipper does not have the capacity to perform any financial obligations that could arise from the transportation of its or its Asset Manager's Petroleum under the terms of this Tariff, including the payment of transportation charges, equalization obligations, the reasonably determined value of any loss allowance, and any negative balance positions and such Shipper has not provided the Financial Assurances required by Carrier.

(b) In the event that Carrier reasonably determines that:

(i) a Shipper's financial condition is or has become impaired or unsatisfactory;

(ii) any Financial Assurances previously provided by Shipper no longer provide adequate security for the performance of such Shipper's obligations that could arise from the transportation of its Petroleum under the terms of this Tariff; or

(iii) Carrier otherwise determines that it is necessary to obtain Financial Assurances from any Shipper or prospective Shipper, then such Shipper or prospective Shipper shall provide Financial Assurances for the payment of the charges and costs as provided for in this Tariff or otherwise lawfully due to Carrier relating to the transportation of such Shipper's or prospective Shipper's or Asset Manager's Petroleum by Carrier. For the purpose of this Tariff, and without limiting the generality of the charges and costs lawfully due to Carrier relating to the transportation of Shipper's Petroleum, those charges and costs shall include transportation charges, equalization obligations, any negative Shipper balance positions, and any loss allowance.

Carrier, upon notice to Shipper or prospective shipper, may require one or more of the following Financial Assurances for the payment of all charges and costs as provided for in this Tariff, or otherwise lawfully due to Carrier to be provided at the expense of such Shipper, prospective shipper or Contract Shipper's Asset Manager:

(i) A prepayment by wire transfer in immediately available funds in an amount sufficient to ensure payment of all costs and charges that could reasonably accrue due to Carrier; or

(ii) a standby irrevocable letter of credit in favor of Carrier in an amount sufficient to ensure payment of all costs and charges that could reasonably accrue due to Carrier in a form and from an institution acceptable to Carrier; or

(iii) A security interest in an asset or guaranty acceptable to Carrier.

(c) Any Financial Assurances received by Carrier shall be retained by Carrier until such time as Carrier determines that the Shipper or prospective shipper that provided such Financial Assurance is capable of performing its financial obligations to Carrier. Within ten (10) business days of such a determination by Carrier, the Financial Assurances shall be returned to the applicable Shipper, prospective Shipper, Asset Manager, or institution, subject to Carrier's receipt of information and/or authorizations which may be outside of Carrier's control and which are needed to return the Financial Assurances.

(d) For Contract Shippers with rights to appoint an Asset Manager, its Asset Manager may satisfy the Contract Shipper's obligation to provide Financial Assurances in accordance with this Item No. 75.

Item No. 77: Asset Managers

(a) Notwithstanding anything in this Tariff to the contrary, an Asset Manager shall not have

the right to perform any of the rights or obligations under this Tariff of the Contract Shipper that appointed such Asset Manager unless and until such Asset Manager has entered into an Asset Manager Pipeline Agreement with Carrier.

(b) A Committed Shipper may terminate the appointment of an Asset Manager by written notice and may appoint a replacement Asset Manager; provided that any such replacement Asset Manager shall be subject to Item 77(a).

(c) By Nominating Petroleum under this Tariff, an Asset Manager agrees to be bound by this Tariff and further agrees that any such Asset Manager shall not have any claims against Carrier arising out of or in connection with this Tariff and that any such claims shall instead be vested exclusively in the Contract Shipper that appointed such Asset Manager.

(d) A Contract Shipper shall be responsible for performance by its Asset Manager of the applicable Asset Management Services and any act or omission by such Asset Manager in performing such Asset Management Services will be deemed the act or omission of both the Asset Manager and Contract Shipper under this Tariff, and Contract Shipper and its Asset Manager shall be jointly and severally liable for (i) any act or omission of the Asset Manager in its capacity as Asset Manager for such Contract Shipper, and (ii) any breach of Shipper's obligations under this Tariff for which Asset Manager is responsible as part of the Asset Management Services. Further, a Contract Shipper and its Asset Manager shall be jointly and severally liable for any guaranty, warranty, indemnification or similar Shipper obligations with respect to all Barrels Nominated to Carrier's System by such Asset Manager in its capacity as Asset Manager for such Contract Shipper.

(e) At any time when Carrier does not have a current Asset Manager, the Contract Shipper will be responsible for performance of all of its obligations under this Tariff.

(f) An Asset Manager shall submit separate Nomination for Barrels Nominated and to be Tendered by such Asset Manager as Asset Manager for a Contract Shipper and for Barrels Nominated and to be Tendered by such Asset Manager for its own account.

(g) To the extent provided for in a TDA or Rate Incentive Agreement, Barrels Nominated and Tendered to Carrier's System by an Asset Manager in its capacity as Asset Manager for a Contract Shipper shall be applied to the minimum volume commitment of a Committed Shipper or dedication of a Rate Incentive Shipper, as applicable.

(h) References in this Tariff to "Asset Manager's Petroleum" shall mean Petroleum Nominated by an Asset Manager to Carrier's System in its capacity as Asset Manager for a Contract Shipper.

EXPLANATION OF REFERENCE MARKS	
[C]	Canceled.
[N]	New.
[U]	Unchanged.