

**MID-AMERICA PIPELINE COMPANY, LLC
NORTHERN SYSTEM ALLOCATION POLICY**

Dated – November 1, 2014

Allocation of Capacity

This Allocation Policy will be used by the Carrier to allocate available capacity among Shippers for any Allocation Month for which Carrier determines, in its sole discretion, that the aggregate volume of Products Nominated by all Shippers for delivery out of Carrier's system exceeds available capacity. Carrier may elect to allocate its available capacity on any equitable basis, in a manner different from this policy, during a generally recognized emergency period in order to help alleviate the emergency conditions.

1. Definitions

- a. "Allocated Capacity," is the total capacity to be allocated to Shippers, as determined by Carrier in accordance with Item 8.
- b. "Allocation Month" means any calendar month, or portion thereof as applicable, for which Carrier has determined that Nominated volumes exceed Available Capacity.
- c. "Available Capacity" means, with respect to any segment of Carrier's pipeline system, total projected available capacity on such segment under then-current or anticipated operating conditions as determined by Carrier.
- d. "Base Period" means the rolling twelve-month period ending the calendar month that is two months prior to the Allocation Month.
- e. "Carrier" or "MAPL" means Mid-America Pipeline Company, LLC.
- f. "Flow Day" means a period of twenty-four (24) consecutive hours commencing at 7:00 a.m. prevailing central time on a calendar day and ending at 7:00 a.m. prevailing central time on the immediately succeeding calendar day.
- g. "New Shipper" has the meaning as set forth in MAPL's currently effective Rules and Regulations tariff.
- h. "Nominated" or "Nomination" means Products validly nominated for movement in Carrier's system in accordance with Carrier's then current nomination procedures.

- i. “Products” refers to the natural gas liquids listed in the Carrier’s then effective tariff for the referenced segment, in each case meeting Carrier’s then current fungible specifications.
- j. “Regular Shipper” means any Shipper who is not a New Shipper.
- k. “Shipment History” means the volume of Products moved through applicable pipeline segment of Carrier’s pipeline system by a Shipper during the applicable Base Period.
- l. “Shipment History Credit” is defined in Section 8.
- m. “Shipment History Multiple” is defined in Section 8.
- n. “Shipper(s)” means the party or parties who have shipper status to nominate Products for movement under Carrier’s published tariff for Products movements.
- o. “Summer Month” means any of the months of April, May, June, July, August, September and October.

2. Notification

Carrier shall notify each Shipper of its Allocated Capacity as soon as reasonably practical after Carrier determines an allocation is necessary during a month. Following Carrier’s notification of its Allocated Capacity, each Shipper shall have three days to submit revisions to its initial Nominations so as to distribute its Allocated Capacity amongst the Products, origins, and destinations then served by Carrier. Should Shipper’s revised nominations exceed its Allocated Capacity, Carrier shall have the right to alter any or all of Shipper’s nominations in its sole discretion such that the nominations do not exceed the Shipper’s Allocated Capacity for the applicable Allocation Month.

3. Good Faith Tenders

Carrier will accept only good faith Nominations from Shippers, and Carrier shall use whatever reasonable means necessary to determine whether Nominations are made in good faith. Good faith means the non-contingent ability of Shipper to deliver to Carrier at the origin(s), and to receive from Carrier at the destination(s) specified in the Nomination, all of the volume Nominated during the time period for which the Nomination is made. If requested by Carrier Shipper shall provide additional documentation reasonably substantiating Shipper’s ability to deliver and/or receive the Products and volumes Nominated.

4. Failure to Use Allocated Capacity

If a Shipper fails to receive Products at the destination(s) specified by it in its Nomination sufficient to fill 95% of its Allocated Capacity, Shipper shall pay a penalty fee as described in Item No. 100 under Carrier's published tariff for all unused Allocated Capacity.

5. Constricted Receipt or Delivery Facilities

To fully utilize Carrier's system capacity during times of allocation, Carrier will review all receiving and delivery facilities to determine if any are incapable of injecting or receiving at Carrier's existing flow rates or throughput rates, and if there are such constricted facilities. Carrier reserves the right to adjust allocations at constricted facilities in order to maximize total available pipeline capacity and throughput. Nominations from or to facilities that can inject or receive at Carrier's existing flow rates or throughput rates, or greater, will all be given equal priority.

6. No Enhancement of Allocation

In no event will allocation to a Shipper be used by such Shipper in a manner that will enhance the Allocated Capacity of another Shipper beyond the Allocated Capacity that such Shipper would be entitled to under this Proration Policy. Carrier may require written assurances from a responsible officer of Shipper regarding its use of its Allocated Capacity stating that Shipper has not violated this Policy.

7. Transfer of Shipment History

Except as provided in this Item 8, a Shipper's Shipment History may not be assigned, conveyed, loaned, transferred to, or used in any manner by another Shipper. With the agreement of the Shippers concerned, Shipment History may be transferred under the following conditions.

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

Carrier requires all transfers be submitted in a mutually acceptable format, executed by the assignee, assignor, and Carrier representative. Carrier may require written assurances from a responsible officer of Shipper regarding its use of its Allocated Capacity stating that Shipper has not violated this Policy.

8. Determination of Allocated Capacity

During periods of allocation, Available Capacity shall be allocated by Carrier in accordance with the following sequence:

A. First, to optimize volumes transported by Carrier for the benefit of Shippers, Carrier may, in its reasonable discretion, convert volumes of Products of differing flow rate characteristics to a standard base.

B. Second, Available Capacity for the Allocation Month will be allocated by Carrier based on Shipper's Shipment History, as follows:

Allocation between individual Shippers of total barrels of delivery capacity

- a) Each New Shipper will receive five hundred (500) barrels per day of capacity until the total barrels received by all New Shippers exceed (10%) of the total capacity, at which time all New Shippers will receive an equal portion of the 10% total capacity, provided that such initial allocation of capacity shall not be made to more than one of any affiliated New Shipper(s).
- b) Next, the remaining total available barrels of delivery capacity for Product which will be allocated to each Regular Shipper shall be calculated by the following:

The lower of

$$D_{\text{shipper}} = (D_{\text{shipper}}^I / D_{\text{all}}^I) * D$$

Or

$$D_{\text{shipper}}^N \text{ (Shipper's nominated Product flow).}$$

whereby

D_{shipper} is the allocation available to such Shipper

D_{shipper}^I is equal to the Shipment History Credit for such Shipper

D_{all}^I is equal to the Shipment History Credit for all Shippers

D is equal to the total barrels of capacity allocated for the Allocation Month after adjustment for 8.A and 8.B.a

D_{shipper}^N is equal to such Shipper's nominated Product flow

- c) Allocation will be given as a daily or monthly volume, at Carrier's discretion, and will be calculated for the calendar month.

- d) The Shipment History Credit (D_{shipper}^I) shall be calculated by the following:

$$D_{\text{shipper}}^I = [\sum(A \times B)]/12$$

Where A is equal to the monthly volume delivered from Carrier's applicable pipeline segment on a per barrel basis

Where B is equal to the "Shipment History Multiple" for such month of shipment, which is determined as follows:

For propane movements excluding the West Leg segment north of Mankato, deliveries made during Summer Months shall be assigned a Shipment History Multiple of three (3); all other deliveries outside of the Summer Month period shall be assigned a Shipment History Multiple of one (1). For all Products other than propane, all deliveries shall be assigned a Shipment History Multiple of one (1). For propane on the West Leg segment north of Mankato, all deliveries shall be assigned a Shipment History Multiple of one (1).

9. Banking of Allocated Volumes

During periods of allocation, if a Shipper is unable to lift all allocated loads the Shipper will be allowed to bank up to ten (10) percent of its daily allocated loads to be available for loading the subsequent Flow Day. Each Shipper's daily available loads shall equal the sum of the banked loads plus the Shipper's daily allocated loads. Each day's banked loads are equal to the lesser of (a) allocated loads minus lifted loads or (b) 10% of allocated loads. Each day's banked loads for the subsequent day lifting will not be calculated in the available loads for the Shipper to bank for the subsequent day. This banked capacity is at the discretion of the terminals based on product availability and terminal allocations.

For the avoidance of doubt, the allocation bank from the final day of allocation will be available as Shipper's subsequent available capacity.