

# **DIXIE PIPELINE COMPANY LLC**

LOCAL PIPELINE TARIFF  
CONTAINING

**RATES, RULES AND REGULATIONS**

APPLYING ON THE INTERSTATE TRANSPORTATION OF  
**REFINERY GRADE PROPYLENE (RGP)**

TRANSPORTED BY PIPELINE

FROM:

A POINT IN LOUISIANA

TO:

A POINT IN TEXAS

~~[C] Issued on less than (30) days' notice issued under the authority of 18 CFR § 341.14—Special Permission. This tariff publication is conditionally accepted subject to refund pending a 30 day review period.~~

~~[W] Issued under the authority of 18 CFR § 341.3 Form of Tariff. § 342.3—Indexing.~~

Dixie Pipeline Company is primarily engaged in the transportation of Propane and will accept Refinery Grade Propylene nominations under this tariff only after all Propane nominations have been satisfied in accordance with FERC No. 2.8.0 and reissues thereof.

The rates in this tariff are expressed in cents per barrel of 42 U.S. Gallons and are subject to change as provided by law. The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

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# RULES AND REGULATIONS

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## ITEM 5 - DEFINITIONS

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As used in these rules and regulations, the following terms have the following meanings:

**Affiliate** - means any entity that directly or indirectly (i) controls a Shipper; (ii) is controlled by a Shipper; or (iii) is controlled by the same entity that controls a Shipper. For purposes of this definition, the terms “controls” and “controlled by” mean the power to direct or cause the direction of the management of and policies of another entity whether through the ownership of shares, a contract, trust arrangement or any other means, either directly or indirectly, that results in control in fact, but notwithstanding the foregoing includes, with respect to the control of or by a corporation, partnership or limited liability company, the ownership of shares or equity interests carrying not less than 50% or more of the voting rights regardless of whether such ownership occurs directly or indirectly. Without limitation, any one or more of the following shall conclusively evidence that entities are Affiliates of each other: (a) use of shared mailing or business addresses; (b) use of shared business telephone numbers; (c) use of common bank account(s) in relation to Carrier’s requirements set forth in Item 60; (d) the same or substantially the same management, general partner or managing member; and/or (e) one Shipper directing or conducting business on behalf of another Shipper.

**Barrel** - means forty-two (42) United States gallons at sixty degrees Fahrenheit (60°F) and equilibrium vapor pressure.

**Carrier** - means and refers to Dixie Pipeline Company LLC.

**Losses** – means all claims, penalties, losses, costs, expenses, liabilities or damages of any kind or nature whatsoever (including reasonable attorney’s fees and court cost associated therewith).

**New Shipper** - shall have the meaning set forth in Item 50 of this tariff.

**Nomination** - means an offer by a Shipper to Carrier of a stated quantity of RGP for transportation from Anse La Butte, LA and / or Breaux Bridge, LA to Mont Belvieu, TX in accordance with these rules and regulations.

**RGP** - means Refinery Grade Propylene and is limited to the liquid hydrocarbon product meeting the acceptance specifications prescribed in Item 15.

**Shipper** - means the party who contracts with Carrier for the transportation and withdrawal of RGP under the terms of this tariff.

**TSA** - means, unless otherwise specified, a transportation services agreement executed by a Shipper with the Carrier with respect to transportation services on Carrier’s pipeline pursuant to an open season.

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## ITEM 10 - COMMODITY

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Carrier will accept RGP for transportation which meets all of the terms and conditions of this tariff. Carrier reserves the right to refuse to accept any commodity that is not compatible with its system and its method of operation. In order to protect the integrity of the Propane being transported, Shipper of RGP or its agent must maintain sufficient Propane inventory in Shipper’s account in such quantities necessary for interfaces and in accordance with Carrier’s specifications. Such interfaces will be considered a part of the shipment of the RGP nominated to the Carrier by such Shipper for all purposes other than Shipper’s compliance with batch sizes established by Carrier. The Shipper of RGP will be required to accept delivery of the interface material for Shipper’s account created by the movement of RGP or pay any and all costs incurred by Carrier in disposing of

same. All interface material will be deducted from the Shipper's Propane inventory account and be charged the applicable Propane transportation rate in Dixie FERC No. 3.16.0, and reissues thereof, or Shipper may be required to re-inject the same volume into Carrier's pipeline.

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## **ITEM 15 - REFINERY GRADE PROPYLENE ACCEPTANCE AND CERTIFICATE OF SPECIFICATIONS TESTING**

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RGP which will be accepted for transportation shall conform to the specifications for Dixie Pipeline Company's "RGP Specification as of December 6, 2009" that will be provided upon request by calling (713) 381-8073. Shipper shall furnish Carrier with a certificate setting forth the specifications of each shipment of RGP delivered into Carrier's pipeline. Carrier may sample and test any such shipment prior to acceptance or during receipt and in the event of variance between Shipper's certificate and Carrier's test, the latter shall prevail. Carrier shall provide notice to Shipper that Shipper has delivered RGP that does not meet Carrier's RGP specifications, and Shipper shall have thirty (30) days to request a certified sample. When such request is made, Carrier will furnish Shipper a certified sample of sufficient volume to enable Shipper to check the accuracy of Carrier's analysis. If Carrier is unable to provide a certified sample of sufficient volume, and there is no reasonable alternative for determining the failure of RGP to meet Carrier's RGP specifications, then Carrier waives the right to bill Shipper for the treatment of RGP that does not meet Carrier's RGP specifications and Carrier also waives the right to charge Shipper an additional penalty charge of [U] 100 cents per Barrel in that month. If, upon investigation, Carrier determines that Shipper has delivered to Carrier's facilities RGP that has contaminated the common fungible stream, causing all or a portion of the RGP stream to fall outside the above specifications, Carrier reserves the right to treat or otherwise dispose of all contaminated RGP in any reasonable commercial manner at Shipper's sole expense. Carrier further reserves the right to collect its actual treating and handling charges plus an additional penalty charge of [U] 100 cents per Barrel of contaminated RGP.

In addition to Shipper's obligation to deliver RGP meeting Carrier's specifications, and Carrier's right to dispose of off-specification RGP as provided for herein, Shipper shall pay any reasonable fees set forth by Carrier for the incident and shall indemnify, defend, reimburse, and hold Carrier harmless from and against all Losses, whether the Losses be suffered by Carrier or any third party, arising out of or related to Shipper's delivery to Carrier of off-specification RGP, including, without limitation, Losses to Carrier's property, the property of others (including other Shippers), or treating or blending fees.

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## **ITEM 20 - NOMINATIONS AND SCHEDULING**

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A) RGP will be transported only under a nomination accepted by Carrier from Anse La Butte, LA and / or Breaux Bridge, LA to Mont Belvieu, TX. A nomination will be accepted only when total quantity covered by such nomination will be made available to Carrier for transportation within a period not to exceed one calendar month.

B) Subject to all other rules contained herein, any quantity of RGP will be accepted from lines or other facilities to which Carrier is connected, provided the total of such quantities tendered by a single Shipper equals or exceeds (25,000) barrels in any one calendar month from all origins to all destinations. A Shipper desiring to tender RGP for transportation shall make such tender via Customer Information Solutions (CIS) and such nominations must be submitted on or before the fifteenth day of the month preceding the month during which transportation of the nominated volume is to begin. If the initial nominations require the allocation of capacity, Carrier shall provide such notice of allocation to Shippers including each Shipper's allocated capacity within five (5) business days of the nomination deadline. Notwithstanding the foregoing, Carrier reserves the right to allocate the pipeline thereafter on any given day when nominations exceed available capacity pursuant to Item 50. Shippers shall have, following Carrier's notification of each Shipper's allocated capacity, three (3) business days to submit revisions to their initial nominations so as to distribute their allocated capacity among the RGP origins and destinations then served by Carrier. Should a Shipper's revised nominations exceed its allocated capacity for

RGP, Carrier shall have the right to alter any or all of such Shipper's nominations in Carrier sole discretion such that the nominations equal the capacity allocated to Shipper.

C) RGP shall be accepted for transportation only when Propane nominations in either direction can be accepted by Carrier without prorationing the section of Carrier's system between Anse La Butte, LA and Breaux Bridge, LA to Mont Belvieu, TX. Carrier will prepare schedules showing the estimated time that each shipment will be received for transportation at Anse La Butte, LA and / or Breaux Bridge, LA. Carrier will furnish the schedules to Shippers upon request. Such schedules may be modified from time to time in the manner and to the extent reasonably desirable to facilitate the efficient and economical use and operation of Carrier's facilities and to reasonably accommodate Shippers' needs for transportation. Subject to the provisions of Item 20(D) of FERC No. 2.8.0, supplements thereto and reissues thereof, no Shipper may inject any product into the line when a different type of product is moving by the Shipper's origin until Carrier informs the Shipper that the Shipper may begin injecting into the line. To the extent the Shipper is required to store product during the period when another product is moving by the Shipper's origin, the Shipper must make its own arrangements for such storage, since Carrier does not hold itself out to provide such storage.

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### **ITEM 25 - IDENTITY OF SHIPMENT**

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RGP will be accepted for transportation on the condition that Carrier will be required only to use due diligence to transport the same to Mont Belvieu, TX with a minimum of contamination. Carrier will not be liable for discoloration, contamination or deterioration of RGP transported hereunder, unless such discoloration, contamination or deterioration is caused by the negligence of Carrier. Subject to the foregoing, Carrier will endeavor to use due care to maintain the identity of individual shipments of RGP. The Carrier will not be responsible for the fractionation, processing or treating of product delivered to Mont Belvieu, TX.

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### **ITEM - 30 ORIGIN AND DESTINATION FACILITIES**

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Carrier will provide such facilities at Anse La Butte, LA and Breaux Bridge, LA as it deems necessary for the operation of the pipeline. Nominations will be accepted for transportation hereunder only when Shipper has provided facilities satisfactory to Carrier capable of delivering RGP into Carrier's facilities at Anse La Butte, LA and / or Breaux Bridge, LA at pressures and at rates required by Carrier. Shipper must have the capability to take the delivery of RGP and interfaces at Mont Belvieu, TX at rates required by Carrier. No duty to transport will arise until evidence satisfactory to the Carrier has been furnished that Shipper has made necessary arrangements for accepting delivery of shipments promptly on arrival at Mont Belvieu, TX, including line fill between Anse La Butte, LA or Breaux Bridge, LA and Mont Belvieu, TX plus interface volumes, as shown in this tariff. Shipper will be required to have available a sufficient amount of HD-5 Specification Propane to displace the RGP and the interfaces in the pipeline between Anse La Butte, LA and / or Breaux Bridge, LA and Mont Belvieu, TX at rates required by Carrier. With respect to the Propane preceding the RGP that is displaced into Mont Belvieu, TX, these barrels may be deducted from Shipper's inventory account or, alternatively, Shipper may be required to store and reinject these barrels into Carrier's pipeline upon completion of the delivery of RGP at rates required by Carrier.

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### **ITEM 35 - MEASUREMENT**

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RGP and Propane buffer will be measured by Carrier on receipt and delivery. Observed volumes at operating pressures and temperatures will be corrected to net volumes at 60° F and equilibrium vapor pressure by using the factors obtained from tables prepared by Carrier and ASTM-IP Petroleum Measurement Tables.

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### **ITEM 37 - BI-DIRECTIONAL ROUTING**

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This pipeline system has a bi-directional section consisting of the section between Mont Belvieu, TX and Hattiesburg, MS. West-to-east movements by Carrier over this bi-directional section will be the primary movement. Secondary movements by Carrier for east-to-west movements will be provided on this section in a given month only when and to the extent that all volumes of Propane nominated for movement in the primary direction on such section can be accepted by Carrier without prorationing and there is sufficient remaining capacity to provide such secondary direction service.

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## **ITEM 40 - STORAGE**

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Carrier does not have available and does not hold itself out to provide storage of Shipper's RGP or Propane at Anse La Butte, LA, Breaux Bridge, LA, Mont Belvieu, TX, or intermediate points.

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## **ITEM 45 - DELIVERY**

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Carrier will transport and deliver RGP with reasonable diligence and dispatch. After any shipment has had time to arrive at destination Shipper may begin withdrawals. Upon failure of Shipper to remove or take delivery of any shipment after expiration of a 24-hour notice by Carrier to Shipper that such shipment is available for delivery, Carrier shall have the right to make such disposition of the undelivered shipments as may be necessary to free its facilities. If Carrier sells such RGP, it will remit the proceeds thereof, less any unpaid transportation charges and costs of selling, to Shipper. Carrier shall not be liable to Shipper for any loss caused by such disposition, and Shipper shall pay for all costs thereof the same as if Shipper had requested or authorized such sale or disposition. Shipper shall indemnify and save Carrier harmless from any loss sustained by Carrier by reason of Shipper's inability to take delivery of RGP and interfaces out of the pipeline and Shipper shall be liable and pay an amount not to exceed an hourly demurrage penalty of ten thousand dollars (\$10,000) per hour until Shipper and/or Carrier has made arrangements for delivery of RGP and interfaces under this item.

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## **ITEM 50 - PRORATION**

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When the total volume of RGP offered for shipment on Carrier's system in accordance with the procedures for scheduling of shipments is greater than can be transported within the period covered by such schedules, RGP offered by each Shipper for transportation will be transported in such quantities and at such times to the limit of Carrier's normal operating capacity so as to avoid unjust discrimination or undue preference among Shippers and to fulfill requirements of governmental agencies. RGP and Propane shall be prorated separately. Allocation for RGP may not be used to ship Propane and allocation for Propane may not be used to ship RGP, Dixie Pipeline Company is primarily engaged in the transportation of Propane and will accept RGP nominations under this tariff only after all nominations for Propane have been satisfied in accordance with FERC No. 2. 8.0, supplements thereto and reissues thereof. If a Shipper fails to deliver at the origin(s), specified by it in its Nomination, RGP sufficient to fill its allocated capacity and such failure has not been caused by force majeure, as substantiated in a manner satisfactory to Carrier, Shipper shall pay the transportation charges under Carrier's published tariff for the RGP movement for such over nominations or unused allocated capacity, and Carrier shall also have the right, in a non-discriminatory manner, to reduce such Shipper's allocated capacity for the next allocation month in which such Shipper nominates RGP by an amount equal to such unused allocated capacity. However, Carrier may, in a non-discriminatory manner, waive its right to reduce Shipper's allocated capacity for the next allocation month if, in Carrier's reasonable judgment, Shipper's failure to deliver RGP sufficient to fill its allocated capacity was due to an unusual and non-reoccurring circumstance. If a Shipper nominated for delivery to multiple destinations, the transportation charge shall be equal to the weighted average transportation charge for the origin/destinations routes utilized by such Shipper during the allocation period.

A Shipper or prospective Shipper without historical volume on an applicable pipeline segment shall be deemed a "New Shipper" on such segment.

During periods when Carrier is allocating capacity pursuant to this tariff, a New Shipper will not be allocated capacity if it is an Affiliate of another Shipper who received an allocation. Each Shipper or prospective Shipper requesting New Shipper status shall provide to Carrier an affidavit and such information as will enable Carrier to determine whether such Shipper is an Affiliate of any other Shipper that has a historical volume that will entitle such Shipper to an allocation of capacity in accordance with this tariff or is an Affiliate of another New Shipper. In no event will an allocation to a Shipper be used in such a manner as to enhance the allocation of another Shipper beyond the allocation to which such Shipper would be entitled under this tariff.

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## **ITEM 55 - RATES APPLICABLE**

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Product transported shall be subject to the rates in effect on date such RGP and Propane is delivered by the Carrier.

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## **ITEM 60 - PAYMENT OF TRANSPORTATION AND OTHER CHARGES, LIEN FOR UNPAID CHARGES AND FINANCIAL ASSURANCES**

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The Shipper shall pay all charges as provided for in this tariff or otherwise lawfully due to Carrier, and if required by Carrier, shall pay the same before acceptance or delivery by Carrier of Shipper's Product. Carrier will invoice Shipper for charges or other lawfully due amounts on a weekly basis unless otherwise specified in a TSA or where operational issues make billing on a weekly basis impractical. Shipper shall pay all invoiced amounts within ten (10) days of the date of invoice from Carrier.

If any amounts owed by Shipper are not paid by the due date of Carrier's invoice, Carrier shall have the right to assess an interest charge on the entire past due balance until paid in full at the rate equal to the lesser of (i) 18% per annum, or (ii) the maximum non-usurious interest rate which may then be charged under Texas law. Carrier may require that all payments to Carrier be sent by wire transfer in accordance with the instructions on Carrier's invoice to Shipper.

Carrier shall have a lien upon all of the following, whether now or hereafter existing or acquired, as collateral security for the prompt and complete payment and performance of the Obligations (as defined below): (a) all product of Shipper in the possession of Carrier or its agents including linefill; (b) all of Shipper's prepayments, deposits, balances and credits with, and any of its claims against, Carrier, at any time existing; and (c) all proceeds of any of the foregoing property in any form (collectively, "Collateral"). The foregoing lien and Collateral secures all of the following obligations of Shipper (collectively, the "Obligations"): (i) any and all charges owed to Carrier by Shipper under this tariff or otherwise lawfully due to Carrier, including penalties, interest, and late payment charges; (ii) the reimbursement of any costs or amounts Carrier may advance, spend or incur for the storage, preservation, removal or sale of the Collateral or otherwise to enforce the lien or these Obligations; and (iii) all amounts owed under any modifications, renewals, or extensions of any such Obligations. The lien provided in this tariff is in addition to any lien or security interest provided by applicable law and any and all other rights and remedies Carrier may have at law or in equity. If any amounts accruing and owed to Carrier remain unpaid ten (10) days after written notice and demand therefor, then Carrier or its agent shall have the right, in addition to and not in limitation of its other rights and remedies, to sell any or all of the Collateral at public auction, on any day not a legal holiday. The date for the sale shall be at least forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town or city where the sale is to be held, stating the time, place of sale, and a description and the location of the Collateral to be sold. At such sale, Carrier or any of its affiliates shall have the right to bid, and if the highest bidder, to become the purchaser. Carrier shall apply the proceeds of any such sale to the payment of Obligations accruing or due to Carrier and to the reimbursement of expenses associated with the sale of the Collateral, and the balance remaining, if any, shall be paid to or held for whomsoever may be lawfully entitled thereto. Carrier may, with or without notice to Shipper, appoint agent(s) to retain possession of Shipper's Product on behalf of Carrier for the purpose of enforcing this security interest, lien and assignment. Carrier shall have the right to file all such documents as it deems appropriate in order to perfect or maintain the perfection of the security interest, lien and assignment granted herein and Shipper shall cooperate and execute all such documents as may be reasonably requested by Carrier.

If Shipper fails to satisfy when due any Obligations to Carrier, then Carrier shall have the right, until all such Obligations, including interest thereon, are paid in full to: (i) refuse to provide Shipper access to Carrier's facilities or provide transportation services for Shipper's Product; (ii) set-off (including by set-off, offset, recoupment, combination of accounts, deduction, retention, or counterclaim) any amounts owing to Carrier against any monies owed by Carrier to Shipper or any of Shipper's Affiliates under this tariff, any contract, or against any Product of Shipper in the custody of Carrier or its agents; and (iii) exercise any other rights or remedies under this tariff, any

contract with Shipper or under applicable law or in equity, provided that Carrier will only exercise its right to refuse to provide Shipper access to Carrier's facilities or provide transportation services if Shipper has not provided Financial Assurances to Carrier sufficient in Carrier's reasonable discretion to satisfy the Obligations, provided further, notwithstanding any such Financial Assurances, if such Obligations have remained unsatisfied for sixty (60) days past the date due, even if Shipper has provided Financial Assurances, Carrier shall have the right to refuse Shipper access to Carrier's facilities or provide transportation services for Shipper's Product until such Obligations have been satisfied. In addition, Shipper shall pay all documented costs incurred by Carrier to collect any unpaid Obligations, including reasonable attorney fees and costs incurred by Carrier.

At any time, upon the reasonable request of Carrier, any prospective or existing Shipper shall provide information to Carrier that will allow Carrier to determine the prospective or existing Shipper's capacity to perform any Obligations that could arise under the terms of this tariff or a TSA. Carrier shall not be obligated to accept Product for transportation from or to provide access to Carrier's facilities to an existing or prospective Shipper if Shipper or prospective Shipper fails to provide the requested information to Carrier within ten (10) days of Carrier's written request, or if Carrier's review of the requested information reveals that the existing or prospective Shipper does not have the capacity to perform the Obligations and such Shipper fails to provide Financial Assurances requested by Carrier.

In the event Carrier determines that:

(1) the existing or prospective Shipper's financial condition is or has become impaired or unsatisfactory;  
(2) any financial assurances ("Financial Assurances") previously provided by a Shipper no longer provide adequate security for the performance of such Shipper's Obligations; or  
(3) Carrier otherwise determines that it is necessary to obtain additional Financial Assurances from Shipper; then Carrier, upon notice to Shipper, may require one or more of the following Financial Assurances for the payment of the Obligations, to be provided at the expense of Shipper:

(1) prepayment (which will be held by Carrier without interest accruing thereon) in an amount and in a form satisfactory to Carrier;  
(2) a standby irrevocable letter of credit in favor of Carrier in an amount and in a form satisfactory to Carrier and issued by a financial institution acceptable to Carrier;  
(3) a guaranty in an amount and in a form satisfactory to Carrier and provided by a guarantor acceptable to Carrier; or other enforceable collateral security or credit support, in form and substance acceptable to Carrier.

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## **ITEM 65 - LIABILITY OF CARRIER**

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Carrier will assume no liability when operational scheduling or other problems encountered in pipeline operations resulting from any other cause not due to the negligence of Carrier prevent its ability to maintain schedules.

Carrier, while in the possession of any product, will not be liable for any loss thereof, or damage thereto, or delay, caused by acts of God, the public enemy, quarantine, the authority of law, or of public authority, strikes, riots, insurrection, fire, flood, inherent nature of the goods, or the act or default of Shipper. Any such losses of RGP will be charged proportionately to each Shipper in the ratio that Shipper's RGP, received and undelivered at the time the loss occurs, bears to the total of all RGP then in the custody of Carrier, and Carrier will be obligated to deliver only that portion of such RGP remaining after deducting Shipper's proportion of such loss determined as aforesaid. Transportation charges will be assessed only on the quantity delivered.

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### **ITEM 70 - TITLE**

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A nomination of RGP shall be deemed a warranty of title by the party nominating, but acceptance shall not be deemed a representation by Carrier as to title. Carrier will, in the absence of adequate security, decline to receive any product which is in litigation, or as to which a dispute over title may exist, or which is encumbered by any lien of which Carrier has notice.

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### **ITEM 75 - TIME LIMITATION ON CLAIMS**

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As a condition precedent to recovery for any loss or damage, claims must be filed in writing with Carrier within nine (9) months and one (1) day after delivery of property, or in the case of failure to make delivery then within nine (9) months and one (1) day after reasonable time for delivery, based on Carrier's normal operations, has elapsed; and suits shall be instituted against Carrier only within two (2) years from the day when notice in writing is given by Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, such claims will not be paid, and Carrier will not be liable.

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### **ITEM 80 - PIPEAGE CONTRACTS**

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



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# RATES

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(In Cents per Barrel)

[I] All rates in this item are increased.

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## ITEM 100 - TABLE OF RATES FOR REFINERY GRADE PROPYLENE

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ORIGIN	ST	DESTINATION	ST	RATE
Anse La Butte	LA	Mont Belvieu	TX	175.51
Breaux Bridge	LA			169.31

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## ABBREVIATIONS AND REFERENCE MARKS

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A.S.T.M. American Society for Testing Materials  
° Degree  
F Fahrenheit  
FERC Federal Energy Regulatory Commission  
I.P. The Institute of Petroleum  
No. Number

[U] Unchanged Rate  
[C] Cancel  
[I] Increased Rate  
[W] Change in Wording Only