

**Enterprise TE Products Pipeline Company LLC**  
**Northeast Propane Inventory Policy**  
**Dated April 1, 2020 (Replaces the prior Policy dated January 1, 2012)**

Subject to the provisions of this Northeast Propane Inventory Policy (this “Policy”), Carrier offers a portion of its System Storage free of charge to Shippers to facilitate movements of Propane to Tariff destinations on the System.

1. **Definitions.** Capitalized terms used and not otherwise defined herein have the following meanings:

“Available Capacity” means the applicable portion of System Storage that Carrier, in its sole discretion, makes available under this Policy to Shippers on the System.

“Barrel” means 42 United States gallons at 60°F.

“Carrier” means Enterprise TE Products Pipeline Company LLC.

“FERC” means the Federal Energy Regulatory Commission, or any lawful successor agency thereto.

“Historical Use” means the percentage found by dividing a Shipper’s volume of Propane shipments to Tariff destinations on the System in the previous 12 calendar months by the total Propane shipment volumes of all Shippers to Tariff destinations on the System in the previous 12 calendar months.

“Maximum Shipper Inventory” means, with respect to a Shipper that shipped at least 5,000 Barrels in the previous 12 calendar months, a volume equal to the greater of: (a) the Available Capacity multiplied by such Shipper’s Historical Use; or (b) 5,000 Barrels, and with respect to a Shipper that shipped less than 5,000 Barrels in the previous 12 calendar months, a volume of 3,000 Barrels.

“Minimum Inventory” means the minimum volume of Propane inventory required by Carrier to operate the System, including pipeline and station piping linefill, tank heels, and cavern minimums.

“Minimum Shipper Inventory” means a volume equal to the greater of: (a) the Minimum Inventory multiplied by the applicable Shipper’s Historical Use; or (b) 1,000 Barrels.

“Propane” means propane meeting Carrier’s then-current product specification, as such specification may be amended, changed, or replaced at any time at Carrier’s sole discretion.

“Shipper” means any shipper who transports Propane under the terms and conditions of the Tariff, with or without an agreement.

“System” means Carrier’s pipeline system that extends from Seymour, Indiana to Selkirk, New York and to Twin Oaks, Pennsylvania.

“System Storage” means the Propane storage space leased or owned by Carrier located at various locations along the System, including underground storage caverns and above-ground pressurized storage vessels.

“Tariff” means Carrier’s FERC ICA Oil Tariff, FERC series No. 54, and any supplements, amendments, and reissues thereof.

2. **Minimum Shipper Inventory.** Shippers who participate in this Policy must maintain their Minimum Shipper Inventory at all times. If a Shipper’s inventory falls below its Minimum Shipper Inventory, then Carrier may: (i) halt product transfer orders (“PTOs”), transportation requests, and truck lifting; and (ii) provide such Shipper’s Minimum Shipper Inventory at such Shipper’s sole cost and expense plus a 5% marketing fee.

3. **Maximum Shipper Inventory.** Shippers who participate in this Policy may store a volume of Propane up to its respective

Maximum Shipper Inventory. Carrier may halt all PTO receipts and transportation requests if such actions would cause Shipper (or its consignee) to exceed such Shipper’s (or its consignee’s) Maximum Shipper Inventory. Shipper shall not store any volume in excess of its Maximum Shipper Inventory and shall promptly remove any Propane stored in excess of its Maximum Shipper Inventory. If a Shipper fails to remove such excess Propane, then Carrier may, but is not obligated to, sell such excess Propane to any parties (including its affiliates), and in such event Carrier shall return the proceeds of such sale to the Shipper, less: (i) all accrued and unpaid amounts payable by such Shipper; (ii) a marketing fee equal to 5% of the total sales proceeds received by Carrier; and (iii) the costs of transportation and other charges actually incurred by Carrier in connection with such sale.

4. **System Integrity.** Regardless of the amount of Available Capacity accessible to Shippers at the time, if Carrier deems, in good faith, that its Available Capacity is full or has changed then Carrier may suspend accepting additional volumes under this Policy until the applicable inventory levels are reduced. Carrier shall notify all Shippers of any such suspension. Notwithstanding the foregoing, while this Policy is under suspension, each Shipper may tender Propane into the System at a volume equal to its withdrawals out of the System, as calculated starting from the date injections were suspended.

5. **Propane Measurement.** Carrier shall, under normal operating conditions, return to Shipper all of Shipper’s Propane received and measured into System Storage less 0.25% (liquid volume percent), which Carrier will deduct to cover operating losses on all Barrels of Propane received into System Storage.

6. **Miscellaneous.**

(a) ***No provision of this Policy will be construed to create an obligation on the part of Carrier to: (i) allow a Shipper to have an inventory level below its Minimum Shipper Inventory; or (ii) accept more Propane hereunder than each Shipper’s Maximum Shipper Inventory. Carrier will be free at any time to refuse the delivery or receipt of any amount of Propane that would cause the amount of a Shipper’s Propane stored to fall below such Shipper’s Minimum Shipper Inventory or to exceed such Shipper’s Maximum Shipper Inventory.***

(b) Carrier will recalculate each Shipper’s Minimum Shipper Inventory and Maximum Shipper Inventory semi-annually to be effective each April 1st and each October 1st at a minimum. Carrier shall provide notice to each Shipper of such Shipper’s adjusted Minimum Shipper Inventory and adjusted Maximum Shipper Inventory no later than 10 days before the effective date of each adjustment. Carrier reserves the right to recalculate all Shipper’s Minimum Shipper Inventory and Maximum Shipper Inventory more frequently than two times per year, but not more than 12 times per year.

(c) Carrier reserves the right to modify, amend, change, or replace the provisions of this Policy from time to time.