

# **DIXIE PIPELINE COMPANY LLC**

LOCAL PIPELINE TARIFF

CONTAINING

**RATES, RULES AND REGULATIONS**

APPLYING ON THE INTERSTATE TRANSPORTATION OF

## **ETHANE**

TRANSPORTED BY PIPELINE

FROM:

A POINT IN LOUISIANA

TO:

A POINT IN MISSISSIPPI

~~[C] Issued on less than 30 days' notice under the authority of 18 CFR § 341.14—Special Permission and 341.3—Form of Tariff. 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.

Ethane shall be accepted for transportation except when propane nominations equal or exceed pipeline pumping capacity from published origins to published destinations in FERC Tariff No. 3.21.1 and reissues thereof.

The rate in this tariff is expressed in cents per barrel of 42 U.S. Gallons and is 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 costs associated therewith).

**Ethane** - means and is limited to the liquid hydrocarbon product meeting the acceptance specifications prescribed in Item 15.

**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 Ethane for transportation from Grangeville, LA to Hattiesburg, MS in accordance with these rules and regulations.

**Regular Shipper** - means a Shipper that has:

- a. injected Ethane into, or withdrawn Ethane from, the Carrier’s system within the 12-month period preceding the first day of a month in which the system or a portion of the system is prorated; and
- b. first injected Ethane into, or withdrawn Ethane from, the Carrier’s system more than twelve (12) months prior to the first day of the month in which the system is prorated.

**Shipper** - means the party who contracts with Carrier for the transportation and withdrawal of Ethane 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 Ethane for transportation, based on Item 20 - Nominations and Scheduling and Item 30 - Origin and Destination Facilities. Carrier reserves the right to refuse to accept any commodity that is not compatible with its system, its method of operation or its transportation of Propane. To protect the integrity of the propane being transported, Shipper of Ethane 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 Ethane nominated to the Carrier by such Shipper for all purposes other than Shipper's compliance with batch sizes established by Carrier. The Shipper of Ethane will be required to accept delivery of the interface material for Shipper's account created by the movement of Ethane 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.

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## **ITEM 15 - ETHANE ACCEPTANCE AND CERTIFICATE OF SPECIFICATIONS TESTING**

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Carrier reserves the right to reject Ethane under this tariff which would have a potential adverse effect on any product shipments or otherwise disrupt the efficient use of or be harmful to Carrier's facilities. Ethane will be accepted for transportation on a segregated basis subject to specifications determined by Shipper, Carrier and end-user. Carrier will not unreasonably withhold consent for the acceptance of Ethane and will base such consent on the potential adverse effect on any product shipments or otherwise disruption of the efficient use or be harmful to Carrier's facilities. Carrier will also require the end-user of Ethane to accept such Ethane specification for delivery prior to acceptance by Carrier for transportation. Shipper shall furnish Carrier with a certificate setting forth the specifications of each shipment of Ethane delivered in 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 Ethane that does not meet Carrier's Ethane 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 Ethane to meet Carrier's Ethane specifications, then Carrier waives the right to bill Shipper for the treatment of Ethane that does not meet Carrier's Ethane 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 Ethane that has contaminated the common fungible stream, causing all or a portion of the Ethane stream to fall outside the above specifications, Carrier reserves the right to treat or otherwise dispose of all contaminated Ethane 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 Ethane.

In addition to Shipper's obligation to deliver Ethane meeting Carrier's specifications, and Carrier's right to dispose of off-specification Ethane 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 Ethane, 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) Ethane will be transported only under a nomination accepted by Carrier from Grangeville, LA to Hattiesburg, MS when a tariff covering the movement is lawfully in effect. 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) Shipper desiring to nominate Ethane for transportation shall make such nomination to Carrier in writing on nomination forms supplied on request by Carrier. All such nomination forms 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 nomination so as to distribute their allocated capacity among the Ethane origins and destinations then served by Carrier. Should a Shipper's revised nominations exceed its allocated capacity for Ethane, Carrier shall have the right to alter any or all of such Shipper's nomination in Carrier sole discretion such that the nominations equal the capacity allocated to Shipper.

C) Ethane shall be accepted for transportation except when propane nominations equal or exceed pipeline pumping capacity from published origins to published destinations. Carrier will prepare schedules showing the estimated time that each shipment will be received for transportation at Grangeville, 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. Batch size will be established based on the capacity remaining when propane nominations are less than the available pipeline pumping capacity.

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

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Ethane will be accepted for transportation on the condition that Carrier will be required only to use due diligence to transport the same to Hattiesburg, MS with a minimum of contamination. Carrier will not be liable for discoloration, contamination or deterioration of Ethane, 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 Ethane.

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

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Carrier will provide such facilities at Grangeville, 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 Ethane into Carrier's facilities at Grangeville, LA at pressures and at rates required by Carrier. Shipper must have the capability to take the delivery of Ethane and interfaces at Hattiesburg, MS 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 Hattiesburg, MS, including line fill between Grangeville, LA and Hattiesburg, MS 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 Ethane and the interfaces in the pipeline between Grangeville, LA and Hattiesburg, MS at rates required by Carrier.

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### **ITEM 35 - MEASUREMENT**

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Observed volumes of Ethane shall be corrected to net component volumes at 60° F and equilibrium vapor pressure by the use of flowing mass, a component analysis of a sample accumulated from the flowing stream, and component densities from the latest GPA 2145 Standard. 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 40 - STORAGE**

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Carrier does not have available and does not hold itself out to provide storage of Shipper's Ethane or propane at Grangeville, LA, Hattiesburg, MS, or intermediate points.

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### **ITEM 45 - DELIVERY**

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- A) Carrier will transport and deliver Ethane with reasonable diligence and dispatch.
- B) After any shipment has had time to arrive at destination Shipper may begin withdrawals.
- C) 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 Ethane, 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 Ethane and interfaces out of the pipeline and Shipper shall be liable and pay an amount not to exceed an hourly demurrage penalty of eight thousand dollars (\$8,000.00) per hour until Shipper and/or Carrier has made arrangements for delivery of Ethane and interfaces under this item. Carrier's pipeline system is capable of transporting Ethane only from Grangeville, LA to Hattiesburg, MS.

- D) A Shipper's required in-transit balance will be computed on the basis of the ratio of his shipments for a twelve-month period to the total of all shipments for the same twelve-month period. A Shipper who discontinues nominating to Carrier may be required, or permitted at the discretion of Carrier to withdraw his in-transit balance at any uniform rate specified by Carrier over any period of time not to exceed one hundred and twenty (120) days.

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## **ITEM 50 - PRORATION**

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In the event the total volume of Ethane nominated for shipment is greater than can be transported within the period covered by such nominations, after allowance for scheduled shipments of propane under Item 20, Carrier shall allocate withdrawal and injection capacity. Ethane offered by each Shipper for transportation will be transported in such quantities and at such times, to the limit of Carrier's remaining available capacity, so as to avoid discrimination among Ethane Shippers when there is offered to Carrier Product quantities greater than can be transported between origin and destination.

- A) **WITHDRAWAL CAPACITY ALLOCATION** - Allocation of the system or a portion of the system for withdrawal capacity will be based on the Shipper's historical volume. The historical volume is the Shipper's Ethane deliveries during the first twelve (12) calendar months following a date thirteen (13) calendar months prior to the first day of the calendar month during which capacity will be allocated.
- B) **INJECTION CAPACITY ALLOCATION** - Allocation of the system or a portion of the system for injection capacity will be based on the Shipper's historical volume. The historical volume is the Shipper's Ethane receipts during the first twelve (12) calendar months following a date thirteen (13) calendar months prior to the first day of the calendar month during which capacity will be allocated.

The following provisions shall apply for both Injection and Withdrawal capacity:

- a. Allocation will be given as a daily or monthly volume, at Carrier's discretion, and will be calculated for the calendar month or portion thereof.
- b. Once capacity has been allocated for a particular calendar month or portion thereof, a shipper may not transfer its capacity allocation to another shipper or shippers.
- c. With agreement of Carrier and the Shippers concerned, historical volume may be transferred in extraordinary situations (e.g., where one shipper has sold its interest in production from a particular plant or field to another shipper).
- d. A Shipper or prospective Shipper without historical volume on an applicable pipeline segment shall be deemed a New Shipper on such segment. Each New Shippers will receive five hundred (500) barrels per day of capacity until the total barrels allocated to all New Shippers exceeds five percent (5%) of the total capacity, at which time all New Shippers will receive an equal portion of the 5% of the total capacity.

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.

- C) **ALLOCATION PENALTY** - If a Shipper fails to deliver at the origin, specified by it in its Nomination

,Ethane 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 Ethane 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 Product by an amount equal to such over nomination or 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 Ethane sufficient to fill its allocated capacity was due to an unusual and non-reoccurring circumstance. If 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.

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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 Ethane 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 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 Ethane will be charged proportionately to each Shipper in the ratio that his Ethane, received and undelivered at the time the loss occurs, bears to the total of all Ethane then in the custody of Carrier, and Carrier will be obligated to deliver only that portion of such Ethane 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 Ethane 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 may, 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 - QUANTITY DELIVERABLE**

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Carrier will account to Shippers for all quantities received from Shippers at Grangeville, LA less a tender reduction allowance established and adjusted from time to time to equal as nearly as practical Shipper's pro rata share of (a) normal and expected Carrier operational losses including product consumed in operations and (b) losses, if any, of the type covered by Item 65 for which Carrier is not liable and, will deliver to Shippers at Hattiesburg, MS the quantities received as reduced by such tentative tender reduction allowances. Initially, one-half of one percent ( $\frac{1}{2}$  of 1%) of the quantities received, as the tentative tender reduction allowance, will be withheld from deliveries to cover anticipated actual total losses.

At the end of each twelve-month period (ending December 1 of each year) the excess, if any, of the total tentative tender reduction withheld during such period over actual losses will be added pro rata, based on shipments during the previous twelve-month period, to the next subsequent receipts from Shippers. If such actual total losses during the previous twelve month period exceed the total tentative tender reduction allowances withheld, the amount of such excess shall be deducted pro rata from Shippers' propane in transit balances at the most westerly point of origin for propane.

The tentative tender reduction allowance may be adjusted from time to time to more accurately approximate Carrier's actual loss experience. If any Shipper elects to discontinue at any time during any twelve-month period, an adjustment will be made the difference between such Shipper's share of the total tentative tender reduction allowances taken to the date of Shipper's notice of its desire to discontinue and Carrier's actual loss experience during the period to date.

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### **ITEM 85 - 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.

# RATES

(In Cents per Barrel)

[I] All rates in this item are increased.

## ITEM 100 - TABLE OF RATES FOR ETHANE

ORIGIN	ST	DESTINATION	ST	RATE
Grangeville	LA	Hattiesburg	MS	94.58

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