

FERC ICA Oil Tariff

FERC No. 3.6.0
(Cancels FERC No. 3.5.0)

KEYSTONE PIPELINE COMPANY, LLC

LOCAL PIPE LINE TARIFF

Containing

RATES, RULES AND REGULATIONS

Governing the Transportation of

GASOLINE

From

LINDEN, NEW JERSEY

To

ALTOONA, PENNSYLVANIA

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GENERAL APPLICATION

Rules and regulations published herein apply only in connection with this tariff including supplements hereto and successive issues hereof. Commodities as specified and defined herein will be transported through Carrier's facilities only as provided in this rules and regulations tariff.

ITEM NO. 5 - DEFINITIONS

- Barrel Means 42 United States gallons at 60 degrees Fahrenheit and zero P.S.I.G.
- Batch Means a quantity of one Commodity moved in a pipeline as an identifiable unit. All Batches transported will be handled on a fungible basis which means that the Commodity carried must meet Carrier's established specifications and may be commingled with other Batches of Commodities meeting the same specifications for pipeline movement.
- Carrier Means and refers to Keystone Pipeline Company, LLC
- Commodity Means and refers to gasoline as specified and defined in Item 15 "Specifications of Commodities."
- Consignee Means the party or Delivery Tanker to whom a Shipper has ordered the delivery of Commodities to a Destination.
- Destination Means the specific location on Carrier's system as designated in its tariff where Carrier delivers Commodities.
- Nomination Means a designation or electronic communication from a Shipper to Carrier of an approximate quantity of Commodities for transportation from a specified Origin(s) to a specified Destination(s) over a period of one calendar month.
- Origin Means the specific location on Carrier's system as designated in its tariff where Carrier accepts Commodities for shipment.
- Shipper Means the party who contracts with the Carrier for transportation under the terms of this tariff.
- Supply Source..... Means the connecting facility or Receipt Tanker from whom a Shipper has ordered delivery of Commodities to Carrier's receipt manifold at a specified Origin.
- Tanker Means the connecting facility where the Shippers Commodities are being originated from (Receipt Tanker) or delivered to (Delivery Tanker).
- Tender An offer by a Shipper to the Carrier of a stated quantity of Commodities for transportation.

ITEM NO. 10 – COMMODITIES AND SCHEDULING

- (A) Carrier will transport Commodities as specified and defined in Item 15 exclusively: no other materials qualify for transportation hereunder.

- (B) Subject to the Rules and Regulations contained herein, Commodities will be accepted for transportation at points of Origin at such times as Commodities of the same quality and specifications are currently being transported or Carrier is scheduling such Commodities for shipment from such Origins in accordance with Carrier's sequence of pumping. Carrier reserves the right to establish and alter pumping sequences and schedules to facilitate the efficient use and operation of its facilities. Carrier may decline to accept certain Commodities with specific product grade specifications based on the operating availability of pipeline facilities or when tankage constraints or other operating conditions do not permit the acceptance of said specific Commodity product grade.

ITEM NO. 15 - SPECIFICATION OF COMMODITIES

- (A) Transportation is limited to gasoline.
- (1) All Commodities must meet the general specifications as a motor gasoline having a vapor pressure not more than 15 P.S. I. Reid; and have a color not darker than No. 3 A.S.T.M. In addition, gasolines shall not have a Reid vapor pressure in excess of the "applicable standard" as determined by the United States Environmental Protection Agency or any more stringent state requirement from time to time in effect.
 - (2) Shipper must inform Carrier of the percentage by volume and kind of any blending components used which are not pure hydrocarbons. The use of methanol and ethanol as blending components is prohibited.
 - (3) Carrier may require the Shipper to furnish certified laboratory reports showing the results of tests of the Commodities offered for transportation. Carrier may also make such tests of the Commodities as it deems desirable, but Carrier shall be under no obligation to make such test. In the event of variance between Carrier's test and Shipper's certificate, Carrier's test shall prevail.
- (B) Carrier shall have no obligation to accept Commodities for transportation if such Commodities contain water or other impurities.
- (C) Commodities shall be accepted for transportation only when such Commodities meet all the required Federal, state and local regulations and the Carrier's published Commodity Specifications as published by the Carrier. A copy of the Commodity Specifications may be obtained from the Carrier by writing to: Keystone Pipeline Company, LLC Department of Measurement and Quality Control, 242 Sheetz Way, Claysburg, PA 16625.
- (D) Carrier will require the Shipper to demonstrate that Commodities tendered for transportation meet required specifications as prescribed herein. Such demonstrations will include a data sheet showing key products specifications prior to Carrier's acceptance of Commodities, and a certification of analysis of product quality for each Commodity Batch tendered.

ITEM NO. 20 - ORIGIN AND DESTINATION FACILITIES

- (A) Shipper shall furnish necessary facilities at the Supply Source to deliver Commodities to Carrier's pump suction manifold at a pumping rate equal to Carrier's pipeline pumping rate at such Supply Source (or injection point if applicable) at a minimum pressure of 50 P.S.I.G., unless a lower pumping rate or pressure is designated.

Carrier may agree to accept Commodities at less than the full pipeline pumping rate provided space is available after all other Nominations have been scheduled and under such other terms as the Carrier may specify.

- (B) Shipper or Consignee shall furnish the necessary facilities at Destination capable of receiving Commodities promptly as they arrive at the full pipeline pumping rate and pressure, unless a lower pumping rate or pressure is designated.

ITEM NO. 25 - QUANTITIES TENDERED AT ORIGINS

The minimum quantity of Commodities which will be accepted for transportation from a single Shipper from a single Supply Source for movement as a Segregated or Fungible Batch shall be 20,000 Barrels.

ITEM NO. 30 - MINIMUM DELIVERIES

The minimum quantity of Commodities which shall be delivered to any Destination shall be 20,000 barrels.

ITEM NO. 35 - BUFFER MATERIAL

In order to protect the quality of Commodities in transit, the Carrier, as a condition of shipment, may require the Shipper to furnish buffer material in kind and quantity satisfactory to the Carrier. Carrier will deliver such buffer material, which may include other Commodities commingled with it, into the facilities which shall be supplied by the Shipper or Consignee at Destination.

Carrier reserves the right to determine the quality and quantities of Commodities commingled and included in deliveries of buffer material to the Shipper or Consignee at Destination, and the Shipper shall pay charges on such buffer material in accordance with this tariff and/or of tariffs making reference hereto at the same rate as the Commodities transported.

ITEM NO. 40 - IDENTITY OF AND MIXING OF COMMODITIES

It is inherent in the operations of a petroleum pipeline that interface mixtures will occur between Batches of different Commodities. Carrier shall not be liable for variations in gravity or quality of Commodities occurring while in its custody resulting from any cause other than the negligence of the Carrier, and Carrier is under no obligation to deliver the identical Commodities received, but may deliver Commodities of substantially the same specifications. Normal commingling which occurs between Batches shall be divided as equitably as possible among the Shippers by the Carrier.

With respect to Segregated Batches, Carrier will, subject to the foregoing and to the extent permitted by Carrier's facilities, make delivery at Destination of substantially the identical Commodities received at Origin; provided, however, that because it is impractical to maintain absolute identity of each Batch of Commodities, Carrier is permitted to make reasonable substitution of Commodities having substantially the same specifications.

ITEM NO. 45 - GAUGING, METERING, TESTING AND DEDUCTIONS

- (A) When received, Commodities will be gauged or metered and may be tested by a representative of the Carrier, and the Shipper or Consignee shall have the privilege of being present or represented at the gauging, metering and/or testing. Should Shipper or Consignee not avail themselves of the right to be present at the time or times of measuring and testing pursuant to the

terms of this Item, then, and in that event, it shall be presumed that Carrier's records of quantities of Commodities received or delivered by Carrier are correct. If tank gauges are used, quantities will be computed from regularly compiled tank tables showing 100% of the full capacity of the tanks.

- (1) Commodities shall be received and delivered on the basis of volume corrected for temperature from observed degrees Fahrenheit to the basis of 60 Degrees Fahrenheit and pressure from observed values to zero P.S.I.G.
 - (2) The net balance at 60 Degrees Fahrenheit will be the quantity deliverable by the Carrier, except as otherwise provided in Item 80.
- (B) Full volume deductions will be made for all water in Commodities received or delivered as determined by recognized means.

ITEM NO. 50 - TRANSPORTATION CHARGES

- (A) Transportation charges will be assessed and collected on the basis of the number of Barrels actually delivered at Destination, subject to temperature and/or compressibility corrections and deductions as provided for in Item 45.
- (B) Transportation charges and other lawful charges accruing on Commodities accepted for transportation, based on the rates applicable from Origin to Destination to which Commodities are delivered, shall be paid by the Shipper on demand and prior to the release of Commodities from custody of the Carrier unless arrangements satisfactory to Carrier are made prior to acceptance of Commodities. If required by the Carrier, charges shall be prepaid by the Shipper prior to acceptance of Commodities by the Carrier. No prior course of dealing between the parties shall constitute a waiver of Carrier's right to require payment on demand or prepayment of charges. Carrier shall have a lien and security interest to the fullest extent permitted by law on all Commodities currently in its possession to secure all current and past unpaid transportation and other lawful charges due from the Shipper and Carrier may withhold all or a portion of all Commodities currently in its possession from delivery until all charges have been paid. Carrier's rights under this Item are not exclusive but shall be in addition to any other rights or remedies available hereunder or under applicable law.
- (C) In the event that an invoice for transportation or other lawful charges is not paid to Carrier in full when due, the Shipper will pay to Carrier interest on the outstanding amount from original invoice date until paid at an annual rate equal to the lower of four percent (4%) over the prime interest rate published by *The Wall Street Journal* as of the invoice date or the highest lawful rate permitted.

ITEM NO. 60 - APPLICATION OF RATES

Commodities transported shall be subject to actual rates, rules and regulations governing the transportation of such Commodities which are in effect on the date such Commodities are received by the Carrier at their Origin regardless of the date of Tender. Carrier will receive Commodities for transportation only from and to established Origin and Destination.

ITEM NO. 70 - SEPARATE PIPELINE AGREEMENTS

Separate agreements in association with pipeline connections or other facilities ancillary to the Carrier's pipeline system and in accordance with this tariff may be required of any Shipper or Consignee before any obligation to provide transportation shall arise.

ITEM NO. 75 - TITLE

Unless arrangements satisfactory to Carrier are made prior to acceptance of Commodities, Carrier shall have no obligation to accept any Commodity, which is in litigation, or as to which a dispute of title may exist or which may be subject to any lien or other encumbrance. Tenders submitted by Shipper shall be considered as a warranty of title and absence of encumbrance, and Carrier shall have no obligation to make inquiry with respect thereto. No acceptance of such Commodities by Carrier shall constitute a waiver or subordination of Carrier's lien under Item 50 or any other rights hereunder.

ITEM NO. 80 - LIABILITY OF CARRIER

While in the possession of any Commodity herein described, Carrier shall not be liable for any loss, damage or delay caused by an act of God, public enemy, accident, government regulation, strikes or other labor dispute, riots, fire, floods, or act or default of Shipper or Consignee, or from any other cause outside of the reasonable control of the Carrier whether similar or dissimilar to the causes herein enumerated. In such cases, the Shipper shall bear the loss in the same proportion as the amount accepted for transportation and actually in the Carrier's custody bears to the whole of the property of all Shippers in the Carrier's custody at the time of such loss and shall be entitled to receive only such portion of its shipment as is left after deducting its due proportion of the loss. Statements of quantities ascertained and computed from the records in the usual manner by the Carrier shall be accepted as prima facie correct in the distribution of such losses under this Item.

Carrier shall not be liable for discoloration, commingling, contamination, or deterioration of Commodities transported unless same is caused by the negligence of Carrier. Carrier's liability to Shipper or Consignee for any claim of negligence or other loss shall be limited to the value of the Commodities transported and related transportation charges. In no event shall Carrier be liable for any indirect, special, incidental or consequential damages, lost profit or other economic loss.

ITEM NO. 85 - CLAIMS, SUITS, TIME FOR FILING

As a condition precedent to recovery, claims must be filed in writing with Carrier within nine months after delivery of the Commodities or in case of failure to make delivery, then within nine months after a reasonable time for delivery has elapsed, and suit shall be instituted against Carrier only within two years and one day from the day that 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 for loss or damage are not filed with Carrier or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable thereon.

ITEM NO. 90 - PRORATION OF PIPE LINE CAPACITY

This proration policy will be applied when the total volume of commodities nominated for shipment is in excess of the capacity of the pipeline.

(A) Definitions

"Base Period" will be that period within which actual deliveries made for the account of a Shipper are taken into account for purposes of prorating pipeline capacity. It will consist of a continuous moving base of 12 consecutive calendar months beginning 14 months prior to the period of proration and ending 2 months preceding the period of proration. Such base period may include intervals when no proration is in effect.

"Allocation" will be that pipeline capacity expressed either in average barrels per day or total barrels, which Carrier apportions to a given Shipper during the period of proration.

A "Regular Shipper" will mean a Shipper which has actively used the pipeline segment subject to allocation on a regular or continuing basis using the base period and for which volumes are nominated during the period of proration.

A "New Shipper" will mean a Shipper which does not qualify as a "Regular Shipper" but does satisfy the shipping requirements of Carrier's Rules and Regulations Tariff. At the end of 12 consecutive calendar months from the beginning of the first month in which a "New Shipper" begins using the pipeline, it will become a "Regular Shipper" and the actual volumes delivered for its account over the pipeline segment being prorated will become the basis for pipeline capacity allocation in the same manner as for other "Regular Shippers".

(B) Allocations for Regular Shippers

The percentage of pipeline capacity to be allocated to each "Regular Shipper" will be calculated by using data from the applicable base period and dividing the shipments made for the account of each "Regular Shipper" by the total shipments made for all Shippers during the base period. The resulting percentages will then be applied to the line segment or facility capacity to determine capacity allocation for each "Regular Shipper". Each "Regular Shipper" will receive the lesser of its actual nominations and its allocation resulting from the above calculation. In the event any Shipper(s) is (are) allocated more capacity than its (their) nominated requirements, the excess of its (their) allocation(s) over its (their) nominations will be reallocated among all Shippers in proportion to their unsatisfied requirements (i.e., each Shipper's nominations minus initial allocation). Allocations for "Regular Shippers" will be subject to reduction if required to accommodate "New Shippers".

(C) Allocations for New Shippers

Commodities nominated by a "New Shipper" during periods of proration will be allocated pipeline capacity as follows:

The nominated volumes for each "Regular Shipper" and any "New Shipper(s)" shall be totaled and divided into the pipeline segment or facility capacity. The resulting percentage will be the "proration factor". Each "New Shipper" will be allocated capacity equal to the lesser of (a) its nominated volumes multiplied by the "proration factor", or (b) five percent (5%) of Carrier's available pipeline capacity.

(D) General

As delineated above, pipeline or facility capacity is allocated among "Regular Shippers" based upon historical usage. Inflated nominations do not result in increased capacity allocation. Carrier will carefully examine nominations, using every means available to ensure that they are true and realistic and will revise any forecasts which appear to be inflated. In no event will any portion of an allocation granted either to a "Regular Shipper" or "New Shipper" be used in such a manner that it will increase the allocation for any other Shipper beyond what it is entitled to under the proration policy. Violation of this requirement will cause the allocated space for both Shippers to be reduced, each to the extent of the pipeline capacity improperly used, in the next succeeding proration period. If any Shipper over-nominates and does not use the full capacity allocated to it, its allocation of pipeline capacity in succeeding periods will either be reduced by the amount of allocated capacity unused in the subject period or will be limited to the volume of shipments actually made in the subject period, whichever is less.

ITEM NO. 95 - TIME FOR SUBMITTING NOMINATIONS

Carrier is under no obligation to accept a tender of Commodities for transportation for any month unless the Shipper submits a Nomination on or before the first calendar day of the preceding calendar month.

Any new Nomination, or request to increase a Nomination for a given facility or line segment made after this deadline will be rejected by the Carrier in the event that nominations received prior to this deadline exceed facility or segment capacity.

A Nomination must indicate, for each Batch, the Shipper, Product, System, Receipt Location, Receipt Volume, receipt requested date, Delivery Location(s), Delivery Volume(s), and Delivery Tanker. Nominations should be submitted to the attention of Cindy Davinsizer at (814) 239-1474.

ITEM NO. 100 - CONFIRMATION OF SUPPLY SOURCE

For all Commodities it is the responsibility of the Shipper to confirm the Supply Source (Receipt Tanker) a minimum of three working days prior to delivering the Commodity to Carrier's receipt manifold. Any Commodity that does not have a confirmed Supply Source will be removed from Nomination. It will be the Shipper's responsibility to re-nominate for a later date.

ITEM NO. 105 - WARRANTIES

Shipper warrants that all Commodities tendered to Carrier will conform with Carrier's specifications set forth in Item 15 for Segregated Batches or Carrier's established specifications for Fungible Batches, including applicable standards for gasoline Reid vapor pressure; are owned by the Shipper and are free from disputes as to title, liens, or other encumbrances as set forth in Item 75; will be merchantable; and will not be contaminated with water or other impurities. Shipper will be liable to and will indemnify Carrier, other Shippers and Consignees for damage, loss, liability, claim, cost or expense arising from a breach of this warranty. The transportation of the Commodity may be refused or cancelled if Carrier determines or is advised that the Commodity does not meet the requirements of Carrier's rules and regulations, but Carrier has no obligation to make such determination or to make inquiry with respect thereto.

Carrier does not make any warranties expressed or implied, including, but not limited to, fitness for a particular purpose and merchantability, concerning the quality of the Commodities delivered.

ITEM NO. 110 - DISPOSITION OF COMMODITIES ON FAILURE TO ACCEPT DELIVERY

In the event Carrier has accepted Commodities for transportation in reliance upon Shipper's representations as to acceptance at Destination, and there is failure to promptly accept such Commodities at Destination, then and in such event Carrier shall have the right to divert, reassign, or make whatever arrangements for disposition of the Commodities it deems appropriate to clear its pipeline facilities, including the right to sell the Commodities at private or public sale. Carrier may be a purchaser at such public sale. From the proceeds of any such sale, Carrier may pay itself all transportation and other charges and expenses in caring for and maintaining the Commodities and the costs of sale, and the balance shall be held for whomsoever may be lawfully entitled thereto.

ITEM NO. 111 – SPECIAL HANDLING FEE

For special handling, a fee of [U] 7.04 cents per barrel will be applied to all unfinished or sub grade gasolines including Reformulated Gasoline Blend Stock for Oxygen Blending (RBOB) and Conventional Gasoline Blend Stock for Oxygen Blending (CBOB)

ITEM NO. 115 – TRANSPORTATION RATES

TO: (Destination)	FROM: (Origin)	Rates in Cents per Barrel of 42 United States Gallons
ALTOONA (<i>Blair County</i>), Pennsylvania	LINDEN (<i>Union County</i>), New Jersey	[I] 175.93 (a) [I] 152.15 (b)

- (a) Rate applies to volumes of any shipper whose total deliveries between the named origin and destination are less than 150,000 barrels during any calendar month.
- (b) Rate applies to volumes of any shipper whose total deliveries between the named origin and destination are greater than or equal to 150,000 barrels during any calendar month.

EXPLANATION OF ABBREVIATIONS AND LETTER DESIGNATIONS

ABBREVIATIONS	EXPLANATION
%	Percent
A.P.I.	American Petroleum Institute
A.S.T.M.	American Society for Testing Materials
F.E.R.C.	Federal Energy Regulatory Commission
No.	Number
P.S.I.G.	Pounds per Square Inch Gauge
[I]	Increased Rate
[U]	Unchanged Rate