

**WEST TEXAS LPG PIPELINE  
LIMITED PARTNERSHIP**

**LPG PIPELINE SYSTEM**

**GENERAL RULES AND REGULATIONS TARIFF**

Governing the Interstate and Intrastate Pipeline Transportation of

**LIQUIFIED PETROLEUM GAS (LPG)**

(As Defined Herein)

**From Points in New Mexico and Texas  
To  
Points in Texas**

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**GENERAL APPLICATION**

Carrier will accept and transport Liquefied Petroleum Gas offered for transportation through Carrier's Facilities only as provided in this Rules and Regulations tariff. Specific rules and regulations published in individual tariffs will take precedence over the General Rules and Regulations published in this tariff.

The General Rules and Regulations, published herein, apply only under tariffs making specific reference by R.R.C. Number to this tariff; such reference will include supplements thereto and successive issues thereof.

The General Rules and Regulations published herein apply in their entirety to the services covered by this tariff, that is, to the interstate and intrastate transportation of LPG from the origin to the destination named herein.

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**EXPLANATION OF REFERENCE MARKS**

[N] New      [W] Change in wording only      [U] Unchanged Rate

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The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

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**EFFECTIVE: February 1, 2008**

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**[W] Issued By:**  
James Ramsey  
Chairman  
West Texas LPG Pipeline, L.P.  
P.O. Box 430  
Bellaire, TX 77402-0430

**Compiled By:**  
James Halbouty  
Regulatory Specialist  
West Texas LPG Pipeline, L.P.  
P.O. Box 430  
Bellaire, TX 77402-0430  
(713) 432-2866  
[jhalbouty@chevron.com](mailto:jhalbouty@chevron.com)

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**ITEM 1**

**ABBREVIATIONS**

**Abbreviation**

**Reference**

API.....	American Petroleum Institute
F.E.R.C.....	Federal Energy Regulatory Commission
GPA.....	Gas Processors Association
R.R.C.....	Railroad Commission of Texas

**ITEM 5**

**DEFINITIONS**

**Term**

**Definition**

Barrel.....	volume of Forty-two (42) United States gallons of two hundred thirty-one (231) cubic inches at sixty degrees Fahrenheit (60°F) and equilibrium vapor pressure.
Carrier.....	West Texas LPG Pipeline Limited Partnership and / or pipelines participating herein.
Components.....	constituents of Liquefied Petroleum Gas.
Consignee.....	party, including a connecting pipeline system, to whom Shipper has ordered Delivery of Liquefied Petroleum Gas.
Delivery.....	transfer from Carrier at destination to Consignee.
[N] Expansion Committed Capacity:	Carrier undertook an expansion of its capacity between Weatherford and Mt. Belvieu, Texas through the construction of pump stations along the Weatherford to Mt. Belvieu 10” pipeline segment and a new connecting pipeline between Sour Lake Station and the Mt. Belvieu fractionators, which is utilized for intrastate transportation only, based on Expansion Committed Capacity Throughput and Deficiency Agreements (“Agreements”) entered into after an open season held in 2007 (“Expansion Capacity”). Parties entering into Agreements committed to ship or pay for specified volumes for each annual period for periods ranging from five to seven years. Expansion Committed Capacity is the total of the parties’ volume commitments for a period and may vary from one period to another.
In Line Inventory.....	Mix in Carrier's custody to be delivered to a Consignee after Receipt and before Delivery.
Liquefied Petroleum Gas.....	natural gasoline, ethane, propane, isobutane, normal butane, and pentanes or mixtures thereof, recovered from gasoline recovery plants and gas recycling plants as from time to time defined by Gas Processor Association and meeting the specifications issued by Carrier.
LPG.....	Liquefied Petroleum Gas.
Mix.....	mixture of Components. (also referred to as <u>Demethanized Mix</u> )
Net Volume.....	Component volume calculated to 60°F in accordance with the latest edition of GPA 8173.
Receipt.....	transfer from Shipper at origin to Carrier.

Shipper..... party who contracts with Carrier for the transportation of Liquefied Petroleum Gas under the terms of this tariff.

#### **ITEM 10 MINIMUM TENDER & SCHEDULING**

LPG will be accepted for transportation only where there has been tendered by the Shipper a quantity of LPG of no less than ten thousand (10,000) Barrels consigned to one Consignee, provided, however, Carrier may for its convenience, transport same by intermittent pumpings. Lower tender quantities may be accepted at Carrier discretion if total supply available at a given receipt point is less than ten thousand (10,000) Barrels in a month. [W] Shipper may provide Carrier with written authorization for a Consignee to change the delivery point for all or a portion of its consigned LPG from one Mt. Belvieu fractionator to another Mt. Belvieu fractionator.

Any Shipper desiring to tender LPG for transportation hereunder, shall, on or before the 25th day of the month, nominate in writing the quantity of LPG to be tendered during the following month with the Scheduler, West Texas LPG Pipeline Limited Partnership, care of Chevron Pipe Line Company, P. O. Box 4879, Houston, Texas 77210-4879. Unless such notification has been made, Carrier shall be under no obligation to accept LPG for transportation.

#### **ITEM 15 PIPEAGE CONTRACTS**

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

#### **ITEM 20 LPG SPECIFICATION REQUIREMENTS AND TESTING**

Carrier has placed in writing Product Specification Requirements for transportation of LPG through Carrier's facilities. Carrier reserves the right to modify its LPG Product Specifications in order to maintain the integrity of the pipeline facilities. At Shipper's request, Carrier will provide a copy of the LPG Product Specification Requirements. In the event Carrier makes modifications to its Product Specification Requirements, Carrier will provide Shippers with a revised copy. In all circumstances, it is the Shipper's responsibility to ensure that LPG tendered for transportation meets Carrier's Product Specification Requirements.

Carrier reserves the right to refuse to accept any LPG for transportation which does not meet Carrier's LPG Product Specification Requirements or which is not good merchantable LPG readily susceptible for transportation through Carrier's existing facilities.

Shipper may be required to furnish Carrier with a certificate setting forth the specifications of each shipment of LPG to be transported in Carrier's facilities. Carrier reserves the right to sample and/or 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.

If, upon investigation, Carrier determines that Shipper has delivered to Carrier's facilities LPG that has contaminated the common fungible stream, rendering all or a portion of the fungible LPG stream undeliverable, Carrier reserves the right to treat or otherwise dispose of all contaminated LPG in any reasonable commercial manner at Shipper's sole expense.

For LPG that does not meet Carrier's LPG Product Specification Requirements, Carrier will charge an additional [U] 100.0 cents per Barrel off-spec fee.

**ITEM 25 ORIGIN AND DESTINATION FACILITIES**

Carrier does not furnish storage facilities or services at Receipt point(s) or Delivery point(s), and LPG will be accepted for transportation only when Shipper and Consignee have provided equipment and facilities, including storage facilities, satisfactory to Carrier for delivering LPG at point(s) of origin, and for receiving same without delay at point(s) of destination at pressures and pumping rates required by Carrier. Carrier may require satisfactory evidence to be furnished that the necessary facilities are available for delivering shipments to receipt points and for the prompt receiving of shipments at destination before Carrier is obligated to accept tenders for transportation.

**ITEM 30 CONNECTION POLICY**

Connections to Carrier's pipeline(s) will only be considered if made by formal written notification to Carrier and all requests will be subject to the following standards and conditions.

All connections will be subject to design requirements necessary to protect the safety, security, integrity and efficient operation of the Carrier's pipeline(s) in accordance with generally accepted industry standards. Acceptance of any request for connection will be subject to compliance with governmental regulations.

**ITEM 35 IDENTITY OF SHIPMENTS**

- (a) LPG accepted for transportation is subject to changes in quality while in transit. Delivery shall be made to Consignee out of common stock of LPG, so called Mix in Carrier's lines at Delivery point.
- (b) Carrier will not be liable for discoloration, contamination or deterioration of LPG transported unless resulting from sole negligence of the Carrier.
- (c) No LPG will be accepted for shipment unless Shipper and destination are specified and unless the Shipper agrees in writing to require his Consignee to reconcile with other Consignees, component (LPG) imbalances within six (6) working days after Receipt of Carrier's statement setting forth such imbalances pursuant to Item No. 50, hereof. Shipper agrees to furnish Carrier with such agreement at Carrier's request.

**ITEM 40 DELIVERY AT DESTINATION**

Upon arrival at destination, the Liquified Petroleum Gas will be delivered to Consignee through the facilities provided by the Consignee. The Consignee shall receive from Carrier's line without delay the Liquified Petroleum Gas, which has been transported to the destination point for its account. If Shipper or Consignee is unable or refuses to receive said Liquified Petroleum Gas as it arrives at destination, the Carrier reserves the right to make whatever arrangements for disposition of the Liquified Petroleum Gas it deems appropriate in order to clear its pipeline. Carrier shall not be liable for any delay in delivery resulting from such disposition. Any additional expenses incurred by the Carrier in making such arrangements shall be borne by Shipper or Consignee.

**ITEM 45 MEASUREMENT**

- (a) All shipments tendered to Carrier for transportation and Deliveries made by Carrier shall be gauged or metered by Carrier's representative prior to, or at the time of, Receipt from Shipper or Delivery to Consignee, but the Shipper or Consignee shall at all times have the privilege of being present or represented during the gauging, testing, or metering. All volume measurements and LPG sampling shall be made in accordance with the API Manual of Petroleum Measurement Standards. Quantities received or delivered shall be calculated in accordance with Gas Processors Association Publication 8173 - Latest Edition.

- (b) Metering pressure shall be a minimum of 50 psig above stream bubble point at line temperature.
- (c) At least monthly, a composite sample of Mix will be collected in a floating piston cylinder at each custody transfer point on the system. The sample grabs will be in proportion to the flow rate. Sampling will be in accordance with Chapter 14.1 of the API Manual of Petroleum Measurement Standards (API-MPMS) and GPA 2174. At the end of the sampling period, the cylinder will be transported to a mutually agreeable laboratory for analysis by gas chromatography. Remaining volume of Mix after the analysis will be retained at laboratory for no less than three (3) days, but no more than seven (7) days. Sample analysis reports will be forwarded to all interested parties by the laboratory in a timely manner. It shall be the responsibility of each recipient to examine the analysis and promptly advise Carrier of any questions no later than the 3rd day since sample analysis so that arrangements can be made for additional sample retainage time and sample retesting.
- (d) In case the sample analysis is suspect, plant operations will be reviewed to determine if plant operating procedures changed during sampling period. If no operating changes are evident and if there is no other assignable cause for the suspect analysis, then the other sample periods of acceptable analysis for that month will be averaged and used for the current month's business. If the plant is only sampled monthly, the last three months of acceptable analysis will be averaged and used for the current month's business.
- (e) The laboratory will be responsible for thoroughly mixing and agitating the sample before beginning analysis. Sample will be analyzed in accordance with Gas Processors Association (GPA) Standards 2165-latest edition or 2177-latest edition; however, chromatography temperature programming may be used in lieu of the back flush procedures outlined in GPA 2177-latest edition. In addition, GPA Standard 2186-latest edition will be used for the C<sub>6</sub><sup>+</sup> extended analysis. The sample analysis report will include weight and volume percent value for the following components:

N <sub>2</sub> - Nitrogen	iC <sub>4</sub> - Iso Butane
CO <sub>2</sub> - Carbon Dioxide	nC <sub>4</sub> - Normal Butane
C <sub>1</sub> - Methane	iC <sub>5</sub> - Iso Pentane
C <sub>2</sub> - Ethane	C <sub>5</sub> - Normal Pentane
C <sub>3</sub> - Propane	C <sub>6</sub> <sup>+</sup> - Hexanes Plus

The report will also include the characterized specific gravity of the C<sub>6</sub><sup>+</sup> fraction.

- (f) In case a special sample analysis is requested, party requesting special analysis will bear all costs of special analysis.
- (g) Density determination - Carrier will install a device at metering station capable of determining absolute density in pounds mass per unit of volume at the same flowing line conditions and proved in accordance with API-MPMS Chapter 14, Section 6.

#### **ITEM 50 COMPONENT BALANCING AND DEMURRAGE**

- (a) Carrier will transport Liquefied Petroleum Gas with reasonable diligence considering the quality of the Liquefied Petroleum Gas, the distance of transportation, and other material elements.
- (b) Carrier will deliver a volume of Mix to the Consignee designated by Shipper equal to the Net Volume of Receipts less adjustments provided for herein. The composition of the Mix can vary at origin, and Receipts from all Shippers will be commingled In Line Inventory. Due to said commingling, Carrier

cannot deliver Mix for a Shipper's account containing Components in the same proportion as contained in Receipts of Mix at point(s) of origin.

- (c) Carrier will:
- (1) Notify each Consignee in writing each month of the Net Volume of Mix received from Shipper, less adjustments provided for herein, for Delivery to that Consignee;
  - (2) Notify Shipper in writing within five working days subsequent to the month of Delivery of Net Volume of Mix Delivered during the preceding month to each Consignee designated by Shipper.
  - (3) Notify in writing each Consignee and Shipper the Net Volume of Component imbalances. (A Component imbalance is defined as Net Volume Delivered to Consignee in excess of, or less than, Net Volume received from Shipper for Delivery to that Consignee).
- (d) Shipper(s) shall be solely responsible for bringing into balance in a timely manner any accumulated Component imbalances.
- (e) Upon furnishing notification as provided in (c) above, Carrier will have fully discharged and satisfied all responsibilities and obligations hereunder.
- (f) Each Shipper will be required to furnish his pro rata share of Mix required for line fill and well stock. The volume will be based on Carrier's receipts by Shipper to total receipts. New Shippers will be required to deliver a Net Volume of Mix equal to their share of the line fill before any Deliveries to their Consignee(s) will be made.
- (g) After satisfaction of line fill requirements, Carrier may at any time after Receipt of consignment of Liquefied Petroleum Gas tender to the Consignee Mix from the common stream at point of destination. At expiration of twenty-four (24) hours after Carrier gives notice of tender to Consignee, Carrier will assess a demurrage charge on all Liquefied Petroleum Gas, tendered for Delivery and remaining undelivered, at the rate of [U] one cent (1¢) per barrel for each day of twenty-four (24) hours or fractional part thereof.

## ITEM 55 PRORATION OF PIPELINE CAPACITY

### 1. Definition of terms.

Except where the context requires another meaning, the following terms have the following meanings:

- 1.1 New Shipper means a Shipper that is not a Regular Shipper. A Shipper that becomes a New Shipper shall remain one for twelve (12) consecutive calendar months.
- 1.2 Regular Shipper means a Shipper that has –
  - (a) shipped LPG on 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 shipped LPG on the system more than twelve (12) months prior to the first day of the month in which the system is prorated.
- 1.3 [N] Base Capacity: The total available capacity of Carrier's System or segment thereof, minus the Expansion Committed Capacity.

### 2. Prorating of Base Capacity.

- 2.1 When capacity will be prorated. Carrier will prorate the capacity of its system or a portion of its system during any month when it determines, in its sole discretion, based

upon the signed tender nominations properly submitted by Shippers, that the total volume nominated by all Shippers for shipment on Carrier's system or portion thereof during that month exceeds the capacity of the system or portion thereof.

- 2.2 Division of capacity between Shipper classes. Except as provided in paragraphs 2.7 and 2.9, prorationed capacity shall be divided between Regular Shippers as a class and New Shippers as a class.
- 2.3 Availability of capacity to Regular Shippers. After the adjustment for New Shippers, as provided in paragraphs 2.5 and 2.6, all remaining capacity plus any pour-over capacity (as determined in accordance with paragraph 2.7) plus any unused allocated capacity as determined in accordance with paragraph 2.9 shall be available to Regular Shippers who have nominated volumes for that month.
- 2.4 Allocation to each Regular Shipper. Each Regular Shipper shall be allocated a volume of the capacity available to all Regular Shippers that is equal to a fraction, the numerator of which is the total shipments by that Shipper on Carrier's system using the latest twelve (12) month period, for which the month-end processes are completed preceding the month for which the Shipper's allocation is being calculated, and the denominator of which is the total shipments during such 12-month period by all Regular Shippers, multiplied by the total capacity available to all Regular Shippers during that month.
- 2.5 Availability of capacity to New Shippers. Not more than five (5) percent of the total available prorationed capacity of Carrier's system or portion thereof shall be made available to New Shippers.
- 2.6 Allocation to each New Shipper. Each New Shipper shall be allocated a volume of the capacity available to all New Shippers which is equal to the lesser of –
  - (a) five (5) percent of the total available prorationed capacity of Carrier's system or portion thereof divided by the number of New Shippers who nominated volumes for shipment on the system or portion thereof during the month for which the allocation is being calculated; or
  - (b) 1.25 percent (one-fourth of 5%) of the available capacity of the system or portion thereof for that month.
- 2.7 Pour-over capacity. Any amount of prorationed capacity which is available to New Shippers under the rules in paragraphs 2.5 and 2.6, but is not nominated by an eligible New Shipper, shall be deemed "pour-over capacity" and shall be made available to Regular Shippers in accordance with the rules in paragraphs 2.3 and 2.4.
- 2.8 Basis for allocation: notification. When prorationing of the capacity of Carrier's system or portion thereof is in effect –
  - (a) Carrier's available capacity shall be allocated among eligible Shippers on a monthly basis; and
  - (b) Carrier shall use reasonable efforts to notify each Shipper entitled to an allocation of capacity of the amount of its allocation not later than the first working day of the month for which the allocation is made.

- 2.9 Reallocation of unused allocated capacity. If, during a month of prorationing, a Shipper fails to use all of its allocated capacity, such unused capacity shall be available to other Shippers, as follows:
- (a) Unused allocated capacity resulting from a Regular Shipper's failure to use all of its allocated capacity shall be reallocated among other Regular Shippers in accordance with the rules in paragraph 2.4.
  - (b) Unused allocated capacity resulting from a New Shipper's failure to use all of its allocated capacity shall be reallocated among other New Shippers in accordance with the rules in paragraph 2.6. If, however, the reallocation would cause any New Shipper's total allocation for a month to exceed 1.25 percent of the available capacity for that month, such excess shall be treated as unused allocated capacity and shall be reallocated among Regular Shippers in accordance with the rules in subparagraph (a) of this paragraph.
- 2.10 Failure to use allocated capacity.
- (a) Except as provided in subparagraph (b) of this paragraph, a Shipper that fails to use all of its allocated capacity during a month of prorationing shall have its allocation of capacity reduced in each subsequent month of prorationing until the total reductions equal the amount of the deficiency. The amount of any such reduction shall be treated as unused allocated capacity and shall be reallocated among other Shippers in accordance with the rules in paragraph 2.9.
  - (b) Reduction of a Shipper's allocation for failure to use its allocated capacity during a prior month of prorationing may be waived, in whole or in part if Carrier determines, in its sole discretion, that the Shipper's failure to use all or some of its allocated capacity was due to factors beyond the Shipper's reasonable control.
- 2.11 Transfer of prorated capacity; Use of affiliates. Except as provided in paragraph 2.9, prorated volumes allocated to a Shipper may not be assigned, conveyed, loaned, transferred to, or used in any manner by another Shipper. However, a Shipper's allocation may be transferred as an incident of the bona fide sale of the Shipper's business or to a successor to the Shipper's business by the operation of law, such as an executor or trustee in bankruptcy. A Shipper may not use an affiliated or cooperating entity to obtain an increased allocation of prorated capacity or, in the case of a Regular Shipper, seek New Shipper status in order to pool two or more allocations to the benefit of the Shipper.

[N] Prorationing of Expansion Committed Capacity. When Carrier has a reduction of capacity on its System or any portion thereof resulting from operational constraints, including, but not limited to equipment failures, power failures, fractionator restrictions and/or pipeline integrity testing, or force majeure events, it shall prorate the the Base Capacity and the Expansion Committed Capacity proportionately.

#### **ITEM 60 APPLICATION OF RATES FROM / TO INTERMEDIATE POINTS**

For LPG accepted for transportation from any origin point on Carrier's line not named in this tariff, which is intermediate to any published origin and destination points, Carrier will apply from such unnamed point the

rate published from the next more distant point specified. If branch or diverging lines create two or more "next most distant" points, Carrier will apply the rate which will result in the lowest charge. If the intermediate point is between two published origin points, Carrier will apply the rate that results in the higher charge.

For LPG accepted for transportation to any destination point on Carrier's line not named in this tariff, which is intermediate to any published origin and destination points, Carrier will apply to such unnamed point the rate published to the next more distant point specified. If branch or diverging lines create two or more "next most distant" points, Carrier will apply the rate which results in the lowest charge. If the intermediate point is located between two published destination points, Carrier will apply the rate that results in the higher charge.

Carrier will file a tariff applicable to such transportation movements within 30 days of the start of the service if the intermediate point is to be used on a continuous basis for more than 30 days.

#### **ITEM 65      INVOICING AND PAYMENT OF CARRIER CHARGES**

Rates [W] charged will be those in effect on the date of receipt at origin. Carrier will invoice Shipper for transportation charges on a monthly basis. Shipper shall pay all transportation and other lawful charges accruing on Liquefied Petroleum Gas delivered to and accepted by Carrier for shipment, and, if required, shall pay the same before delivery at destination. Shipper shall pay all charges within 10 days of the date of invoice from Carrier. All charges that remain unpaid for more than 30 days from the date of Carrier's invoice shall accrue an interest charge of the lesser of (i) 18% percent per annum, or (ii) the maximum non-usurious interest rate which may then be charged under Texas law.

Carrier shall have a lien on all Liquefied Petroleum Gas in its possession belonging to Shipper, or its consignee, to secure the payment of any and all unpaid transportation, or any charges that are due Carrier, and reserves the right to withhold such Liquefied Petroleum Gas from delivery until all unpaid charges have been paid. If said charges remain unpaid 60 days from the date of Carrier's invoice, Carrier, by any agent, shall have the right, after 5 days' written notice to Shipper, to sell such Liquefied Petroleum Gas at public auction at the office of West Texas LPG Pipeline Limited Partnership, P.O. Box 4879, Houston, Texas 77210-4879, on any day not a Sunday or a legal holiday and not less than forty-eight (48) hours after publication of notice in a daily newspaper of general circulation published in the city where said office is located. Said notice shall give the time and place of the sale and the quantity of Liquefied Petroleum Gas to be sold. From the proceeds of the sale, Carrier shall first pay itself all charges lawfully accruing, including all expenses of said sale, and the net balance shall be held without interest for whomsoever may be lawfully entitled thereto.

#### **ITEM 70      OTHER CHARGES**

In addition to the transportation charges and all other charges accruing on Liquefied Petroleum Gas accepted for transportation, a per Barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against Carrier in connection with such a commodity, pursuant to any Federal, State, or local act or regulation which levies a tax, fee, other charge, on the Receipt, Delivery, transfer or transportation of such commodities within their jurisdiction.

#### **ITEM 75      CLEAR TITLE REQUIRED**

Carrier may refuse any shipment for transportation which may be encumbered by a lien or charge of any kind, or which may be involved in litigation, or the ownership thereof may be in dispute. When any LPG so encumbered or subject to litigation or dispute is tendered for transportation, Carrier may require of the

Shipper satisfactory evidence of its perfect and unencumbered title or satisfactory indemnity bond to protect Carrier against any or all loss.

#### **ITEM 80 NOTICE OF CLAIMS**

Claims for loss or damage must be made in writing with Carrier within nine (9) months after Delivery of the property, or in case of a failure to make Delivery, then within nine (9) months after a reasonable time for Delivery has elapsed. Suits for loss or damage shall be instituted only within two (2) years and one (1) day after Delivery of the property, or in case of a failure to make Delivery, then within two (2) years and one (1) day after a reasonable time for Delivery has elapsed; provided, however, that where claims have been duly filed with the Carrier, suit must be brought within two (2) years and one (1) day after notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims for loss or damage are not filed or suits are not instituted thereon in accordance with the foregoing provisions, such claims will not be paid and the Carrier will not be liable.

#### **ITEM 85 LIABILITY OF PARTIES**

As a condition to Carrier's acceptance of Liquefied Petroleum Gas under this tariff, each Shipper agrees to protect and indemnify Carrier against claims or actions for injury and/or death of any and all persons whomever and for damage to property of Carrier, Shipper, Consignee and/or any third party resulting from or arising out of 1) any breach of or failure to adhere to any provision of this tariff by Shipper, Consignee, their agents, employees or representatives and 2) the negligent act(s) or failure(s) to act of Shipper, Consignee, their agents, employees or representatives in connection with Delivery or Receipt of Liquefied Petroleum Gas.

The Carrier, while in possession of Liquefied Petroleum Gas herein described, shall not be liable for any loss; damage; or delay, caused by act of God, war, act of public enemy, quarantine, the authority of law, strikes, riots, civil disorder, requisition or necessity of the Government of the United States in time of war, default of Shipper or owner, or from any cause not due to the sole negligence of the Carrier.

- (a) In case of loss of any Liquefied Petroleum Gas from any such causes, after it has been received for transportation and before the same has been delivered to Shipper or Consignee, such loss will be charged proportionately to each Shipper in the ratio that his Liquefied Petroleum Gas, or portion thereof, received and undelivered at the time the loss occurs, bears to the total of all Liquefied Petroleum Gas then in the custody of the Carrier for transportation via the lines or other facilities in which the loss occurs.
- (b) Carrier will be obligated to deliver only that portion of such Liquefied Petroleum Gas remaining after deducting Shipper's proportion of such loss determined as aforesaid. Transportation charges will be assessed only on the quantity delivered.
- (c) Carrier will compensate Shippers for Liquefied Petroleum Gas losses for which Carrier is liable by paying the value of such Liquefied Petroleum Gas at the point where transportation originated. The value of such Liquefied Petroleum Gas will be based on the value of the Liquefied Petroleum Gas as quoted in Oil Price Information Service, or other industry accepted price service selected by the Carrier, on the date of loss of the Liquefied Petroleum Gas.

Carrier will not be liable for delays in transportation of Liquefied Petroleum Gas.

**[N] ITEM 95 EXPANSION COMMITTED CAPACITY PROGRAM**

Carrier offered an Open Season March – May of 2007 in order to gauge interest in shipper volume commitments necessary to support a Carrier expansion to result from construction of pump stations along the Weatherford to Mt. Belvieu 10” pipeline segment and a new connecting pipeline between Sour Lake Station and the Mt. Belvieu fractionators. Following expressions of non-binding interest, an Expansion Committed Capacity Throughput and Deficiency Agreement (“Agreement”) was executed with committing shippers and/or plant operators (“Committing Party”) for an annually specified intrastate volume guaranteed to be transported on Carrier’s systems from specified origins to the specified destination(s) for periods ranging from five to seven years (“Committed Volume”).

The Expansion Committed Capacity is available as of February 1, 2009 and the Committing Parties’ shipment and payment obligations under their Agreements begin to run from that date, pursuant to the terms of those Agreements.

Agreements have specified a Committed Volume for each Annual Period, defined as a 12-month period. Shipments made as Committed Volume will be charged the base rate established in the rate tariff, as modified from time to time. If the specified Committed Volume is not shipped during an Annual Period, the Committing Party shall pay Carrier a deficiency payment equal to the number of barrels committed and not shipped times the tariff rate in effect during the last month of the Annual Period. An Invoice will be submitted to the Committing Party by Carrier, and is due and payable per the terms of the Agreement.