

Texas Intrastate RRC Tariff No. 202  
(Cancels and Replaces Texas Intrastate  
RRC Tariff No. 201)

RECEIVED  
RRC OF TEXAS

DEC 21 2011

SAFETY DIVISION  
AUSTIN, TEXAS

**LONE STAR NGL PIPELINE LP**  
(Operated by Energy Transfer Company)

**GENERAL RULES AND REGULATIONS TARIFF**

Governing the Intrastate Pipeline Transportation of

**NATURAL GAS LIQUIDS**

From Points in Texas

to

Points in Texas

---

**GENERAL APPLICATION**

Lone Star NGL Pipeline LP (Carrier) will accept and transport Y-Grade natural gas liquids (as defined below) offered for transportation through Carrier's facilities only as provided in this Rules and Regulations tariff and the Service Tariffs (as defined below). Specific provisions published in individual Service 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 RRC Number to this tariff ("Service Tariffs"); 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 intrastate transportation of Y-Grade from the origins to the destinations named in the Service Tariffs.

---

**EFFECTIVE AS OF DECEMBER 21, 2011**

---

For Information Contact:  
Melissa Chambers  
Energy Transfer Company  
711 Louisiana, Suite 900  
Houston, Texas 77002  
Phone: 832-668-1000  
Fax: 832-668-1115  
[melissa.chambers@energytransfer.com](mailto:melissa.chambers@energytransfer.com)

**LONE STAR NGL PIPELINE LP**  
**Intrastate Texas Railroad Commission (RRC) Tariff**  
**Applying to Natural Gas Liquids Products**

**TABLE OF CONTENTS**

ITEM 1	ABBREVIATIONS .....	3
ITEM 5	DEFINITIONS .....	3
ITEM 10	MINIMUM TENDER & SCHEDULING .....	4
ITEM 15	TRANSPORTATION SERVICES AGREEMENTS .....	4
ITEM 20	Y-GRADE SPECIFICATION REQUIREMENTS AND TESTING.....	4
ITEM 25	ORIGIN AND DESTINATION FACILITIES & RECEIPT AND DELIVERY OBLIGATIONS .....	5
ITEM 30	IDENTITY OF SHIPMENTS .....	5
ITEM 35	DELIVERY AT DESTINATION .....	6
ITEM 40	MEASUREMENT & ANALYSES.....	6
ITEM 45	Y-GRADE COMPONENT BALANCING .....	6
ITEM 50	PRORATION OF PIPELINE CAPACITY .....	7
ITEM 55	INVOICING AND PAYMENT OF CARRIER CHARGES .....	7
ITEM 60	OTHER CHARGES .....	7
ITEM 65	CLEAR TITLE REQUIRED.....	7
ITEM 70	NOTICE OF CLAIMS.....	8
ITEM 75	LIABILITY OF PARTIES .....	8
ITEM 80	EXPANSION COMMITTED CAPACITY PROGRAMS, INCENTIVE RATES AND ANCHOR SHIPPERS .....	8

**ITEM 1            ABBREVIATIONS**

<b><u>Abbreviation</u></b>	<b><u>Reference</u></b>
API	American Petroleum Institute
ASTM	American Society for Testing and Materials
GPA	Gas Processors Association
RRC	Railroad Commission of Texas

**ITEM 5            DEFINITIONS**

<b><u>Term</u></b>	<b><u>Definition</u></b>
Anchor Shipper	a shipper as defined in Item 80 herein.
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.
Business day	a Day on which Federal Reserve member banks in New York City are open for business.
Capacity Projects	as defined in Item 80.
Carrier	Lone Star NGL Pipeline LP and / or pipelines participating herein.
Components	each of the five individual hydrocarbon constituents contained in Y-Grade, including ethane, propane, isobutane, normal butane, and natural gasoline (with natural gasoline including all pentane and heavier hydrocarbon components), all in accordance with the applicable Product Specifications.
Component Net Volume	Component volume calculated at 60°F in accordance with the latest edition of GPA 8173.
Consignee	a party to whom Shipper has ordered Delivery of Y-Grade, including Shipper if Shipper has not designated another party to receive Delivery.
Day	a twenty-four (24) hour period commencing 7:00 A.M. Central Clock Time and extending until 7:00 A.M. Central Clock Time on the following Day.
Delivery Point	the point at destination where physical custody of Y-Grade is transferred from Carrier to the Consignee, such point being the point of interconnect between the Pipeline and the Y-Grade receiving facilities at the fractionators and/or storage facilities in both Hull and Mont Belvieu, Texas, to which the Pipeline is connected now and in the future.
Indemnifiable Claims	claims, losses, demands, expenses, costs, damages, suits, judgments, fines, penalties, liabilities, debts, and causes of action, including without limitation, expenses of investigation, expenses of experts, attorneys' fees and expenses and all other costs and expenses, whether known or unknown, of whatever kind and whether arising out of contract, tort (including strict liability), or violation of applicable law.
In Transit Inventory	Y-Grade in Carrier's custody to be delivered to a Consignee after receipt and before delivery.
Offspec Product	as defined in Item 20.
Product Specifications	specifications for Y-Grade transported by Carrier as set forth in the applicable Service Tariffs.
Receipt Point	the injection point at origin where physical custody of Y-Grade is transferred from Shipper to Carrier, such point being the inlet delivery connection on the

	Pipeline where Y-Grade from an originating facility or an interconnected pipeline is injected into the Pipeline.
Service Tariff	a tariff filed with the RRC for transport that describes the Product Specifications for the Y-Grade to which such tariff applies, the Receipt and Delivery Points for same and the rates applicable to the services described therein.
Shipper	a shipper that holds a contract with Carrier for the transportation of Y-Grade under the terms of this tariff and the applicable Service Tariff.
Total Net Volume	aggregate Component Net Volume of all Components identified for a given volume of Y-Grade
Y-Grade (formerly "Raw Make" in prior Carrier Tariffs)	a mixture of Components (also commonly referred to as demethanized mix), meeting the specifications set forth in the applicable Service Tariffs.

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

Y-Grade will be accepted for transportation only where there has been tendered by the Shipper a quantity of Y-Grade of no less than five thousand (5,000) Barrels in the applicable month consigned to one Consignee, provided, however, Carrier may for its convenience, transport same by intermittent pumpings.

Any Shipper desiring to tender Y-Grade for transportation hereunder, shall, at least five (5) Business days prior to the beginning of each month, nominate in writing the quantity of Y-Grade to be tendered during the following month with the Carrier's designated scheduling contact, as established by Carrier and provided to Shipper from time to time. Unless such notification has been made, Carrier shall be under no obligation to accept Y-Grade for transportation.

#### **ITEM 15 TRANSPORTATION SERVICES AGREEMENTS**

Separate agreements in accord with this tariff covering further details may be required by Carrier before any duty for transportation shall arise. Carrier reserves the right to negotiate modifications in such agreements with individual Shippers to the extent permitted by applicable laws.

#### **ITEM 20 Y-GRADE SPECIFICATION REQUIREMENTS AND TESTING**

Carrier will either publish its Product Specifications for transportation of Y-Grade through Carrier's facilities in the applicable Service Tariffs or otherwise make them available to prospective and current Shippers as and when they are updated from time to time. Carrier reserves the right to modify its Product Specifications from time to time; such changes may be made for various reasons determined by Carrier, including, but not limited to, changes to maintain the integrity of the pipeline facilities and to reflect the current industry accepted specifications for the markets served by Carrier's pipeline system. In the event Carrier makes modifications to its Product Specifications, Carrier will provide Shippers with notice of such modifications and provide a copy of, or access to, the tariff document and/or Product Specifications, as applicable. In all circumstances, it is the Shipper's responsibility to ensure that Y-Grade tendered for transportation meets the Product Specifications.

Shipper may be required to furnish Carrier with a certificate of analysis setting forth the composition of the Y-Grade from the original source of the Y-Grade 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.

Carrier reserves the right to refuse to accept any Y-Grade for transportation which does not meet Carrier's Product Specifications for the applicable product or which is not good merchantable Y-Grade readily susceptible for transportation through Carrier's existing facilities ("Offspec Product"). Shipper shall be responsible for all costs associated with the return and/or disposal of Offspec Product as well as any costs incurred by Carrier and any Consignee in taking steps to mitigate the effects caused by the delivery of Off-Spec Product, including special costs of handling, refractionating or processing any and all products contaminated by any Off-Spec

Product. Carrier may, at its option, also charge Shipper \$1.00 per Barrel of Offspec Product received from Shipper or for Shipper's account. Should Shipper become aware that any Y-Grade delivered fails at any time to conform to the Product Specifications, then Shipper shall promptly notify Carrier of any such failure. The Shipper shall immediately undertake and diligently pursue such acts as may be necessary to correct such failure so as to deliver Y-Grade conforming to the Product Specifications. Nothing contained in this tariff, any other tariff filing, any pipeage contract or transportation services agreement or any other document, nor any temporary receipt of Offspec Product by Carrier (either unknowingly or as a temporary accommodation), shall be construed to affect the Carrier's right, at any time and from time to time, to reject any Offspec Product and to refuse or suspend receipt of such Offspec Product until it is established to such Carrier's reasonable satisfaction that subsequent deliveries of Y-Grade will conform to the applicable Product Specifications.

**EXCEPT AS NOTED BELOW, SHIPPER SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS CARRIER AND ANY CONSIGNEE FROM AND AGAINST ALL INDEMNIFIABLE CLAIMS ARISING OUT OF, RESULTING FROM, OR CAUSED BY ANY OFFSPEC PRODUCT DELIVERED BY OR ON BEHALF OF SHIPPER TO CARRIER, INCLUDING, WITHOUT LIMITATION, THOSE ARISING FROM CONTAMINATION OF OTHER SHIPPERS' Y-GRADE. SHIPPER ACKNOWLEDGES AND AGREES THAT THE FOREGOING DEFENSE, INDEMNITY AND HOLD HARMLESS OBLIGATION SHALL EXTEND TO ANY INDEMNIFIABLE CLAIM EVEN THOUGH SUCH CLAIM ARISES AS A RESULT OF THE NEGLIGENCE OF THE PARTY INTENDED TO BE INDEMNIFIED BY THE APPLICABLE INDEMNITY PROVISION. Provided, however, Carrier shall nonetheless be liable for any portion of an Indemnifiable Claim that is determined by a final judgment rendered by a court of competent to have arisen as a result of the sole negligence or willful misconduct of one or more of the parties indemnified by the foregoing indemnity provisions of this Item 20.**

#### **ITEM 25           ORIGIN AND DESTINATION FACILITIES & RECEIPT AND DELIVERY OBLIGATIONS**

Shippers are expected to make deliveries to Receipt Points generally ratably over each month, subject to events of Force Majeure and planned and noticed maintenance outages of originating facilities delivering Y-Grade to the applicable Receipt Points noticed by Shipper or its designee to Carrier reasonably in advance of such outages. Carrier shall not be liable to Shippers or any third party as a result of delays in receipts or deliveries or any demurrage charges associated therewith. Additionally, Carrier's obligations to receive and deliver Y-Grade shall be subject to the then-current operating conditions, rates of receipt and delivery, receipt and delivery pressures and capacities of Carrier's pipeline and the equipment and facilities being used for such Y-Grade receipts and deliveries by both Carrier and other facilities receiving or delivering Y-Grade.

Carrier does not furnish storage facilities or services at Receipt Points or Delivery Points, and Y-Grade will be accepted for transportation only when capacity is available and Shipper and Consignee have provided equipment and facilities, including storage facilities, satisfactory to Carrier for delivering Y-Grade at Receipt Points, and for receiving same without delay at Delivery Points 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 Delivery Points before Carrier is obligated to accept tenders for transportation.

#### **ITEM 30           IDENTITY OF SHIPMENTS**

- (1) Y-Grade accepted for transportation is subject to changes in quality while in transit. Delivery shall be made to Consignee out of commingled Y-Grade in Carrier's lines at Delivery Point.
- (2) Carrier will not be liable for discoloration, contamination or deterioration of Y-Grade transported, even though such may arise, result from, or be caused by the negligence of Carrier, unless resulting from the sole negligence of the Carrier.
- (3) No Y-Grade will be accepted for shipment unless Shipper and Delivery Point are specified and unless the Shipper agrees in writing to require Shipper's Consignee to reconcile with other Consignees, Component imbalances within 20 Business Days after receipt of Carrier's statement setting forth such imbalances pursuant to Item No. 45 hereof. Shipper agrees to furnish Carrier with such agreement at Carrier's request.

**ITEM 35 DELIVERY AT DESTINATION**

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

**ITEM 40 MEASUREMENT & ANALYSES**

All Y-Grade will be measured and sampled at the Receipt and Delivery Points (and samples analyzed) in accordance with the measurement procedures and practices of Carrier, as modified and in effect from time to time, or as to any Receipt or Delivery Point that receives or delivers from or into non-Carrier facilities where the non-Carrier facility operator operates and performs measurement for such Receipt or Delivery Point, the measurement and analysis of the Y-Grade delivered at any such Delivery Point shall be governed by the practices then in effect at that Delivery Point. If the Shipper and Carrier cannot in good faith agree on measurement or quality test results, or the conformity of the Y-Grade delivered to the Product Specifications, then such determination shall be made (i) by the operator of the custody transfer measurement facilities at the applicable Receipt or Delivery Point, if such operator is not an affiliate of Shipper or Carrier; or, otherwise, (ii) by an independent inspector or lab selected jointly by the Shipper and Carrier, the cost of which shall be borne by the party whose measurements results are not confirmed. Carrier will provide a copy of Carrier's applicable measurement procedures and practices upon request.

**ITEM 45 Y-GRADE COMPONENT BALANCING**

The following are applicable to all Y-Grade transported on the Carrier's pipeline system:

- (1) Consistent with available capacity, Carrier will transport Y-Grade with reasonable diligence considering the quality of the Y-Grade, the distance of transportation, and other material elements.
- (2) Carrier will deliver a volume of Y-Grade to the Consignee designated by Shipper equal to the Total Net Volume of Y-Grade received. The composition of the Y-Grade can vary at origin, and volumes received from all Shippers will be commingled In Transit Inventory. Due to said commingling, Carrier cannot deliver Y-Grade for a Shipper's account containing Components in the same proportion as contained in Y-Grade volumes received at Receipt Points.
- (3) Carrier will:
  - (i) Notify each Consignee in writing each month of the Total Net Volume and Component Net Volumes of Y-Grade received from Shipper, for Delivery to that Consignee.
  - (ii) Notify Shipper in writing within 5 Business Days subsequent to the month of Delivery of Total Net Volume and Component Net Volumes of Y-Grade Delivered during the preceding month to each Consignee designated by Shipper.
  - (iii) Notify in writing each Consignee and Shipper the Component Net Volume of Component imbalances. (A Component imbalance is defined as, for any given Component, a Component Net Volume Delivered to Consignee in excess of, or less than, the Component Net Volume received from Shipper for Delivery to that Consignee).
- (4) Shipper(s) shall be solely responsible for bringing into balance in a timely manner any accumulated Component imbalances.
- (5) Upon furnishing notification as provided in (3) above, Carrier will have fully discharged and satisfied all responsibilities and obligations arising under this Item specifically and regarding compositional balancing in general.

- (6) Each Shipper will be required to furnish Shipper's pro rata share of Y-Grade required for linefill 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 Total Net Volume of Y-Grade equal to their share of the linefill before any Deliveries to their Consignee(s) will be made.
- (7) Shipper shall provide to Carrier and retain title to, and risk of loss for, a volume of Y-Grade required for linefill, which will generally be based on the appropriate number of days of Y-Grade production from the originating facility delivering Shipper's Y-Grade to the applicable Receipt Point and the transit time for the Y-Grade from Receipt Point to the applicable Delivery Point, as determined by Carrier. Carrier may, from time to time, increase or decrease the volume of Y-Grade determined to be equivalent to the agreed number of days of Shipper Y-Grade deliveries at each Receipt Point, and thus correspondingly increase or decrease the volume of linefill required of Shipper.

**ITEM 50 PRORATION OF PIPELINE CAPACITY**

Carrier maintains a Proration Policy available to all Shippers and, as applicable, prospective Shippers to address proration of capacity when the Carrier's pipeline system does not have sufficient capacity to ship all volumes available from existing Shippers, either in aggregate or at a particular Receipt Point. As provided for in its Proration Policy, there will be no undue preference or discrimination among similarly-situated Shippers.

**ITEM 55 INVOICING AND PAYMENT OF CARRIER CHARGES**

Rates charged will be those in effect on the date of delivery at Delivery Point. Carrier will invoice Shipper for transportation charges on a monthly basis. Shipper shall pay all transportation and other lawful charges accruing on Y-Grade 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) two percent (2%) above the per annum rate of interest announced from time to time as the "prime rate" for commercial loans by The Wall Street Journal, as such "prime rate" may change from time to time, or, (ii) the maximum non-usurious interest rate which may then be charged under Texas law.

Carrier shall have a lien on all Y-Grade 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 Y-Grade 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 Y-Grade at public auction at the then current offices of Carrier's operator, Energy Transfer Company, in Houston, Texas, 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 Y-Grade 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 60 OTHER CHARGES**

In addition to the transportation charges and all other charges accruing on Y-Grade 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 65 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 Y-Grade 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 70 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 75 LIABILITY OF PARTIES**

**AS A CONDITION TO CARRIER'S ACCEPTANCE OF Y-GRADE UNDER THIS TARIFF, EACH SHIPPER AGREES TO PROTECT AND INDEMNIFY CARRIER AGAINST ANY INDEMNIFIABLE CLAIM ASSERTED BY ANYONE 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/OR 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 Y-GRADE. THIS INDEMNITY OBLIGATION SHALL EXTEND TO ANY INDEMNIFIABLE CLAIM EVEN THOUGH SUCH CLAIM ARISES AS A RESULT OF THE NEGLIGENCE OF THE PARTY INTENDED TO BE INDEMNIFIED BY THE APPLICABLE INDEMNITY PROVISION, EXCEPT THAT THIS INDEMNITY SHALL NOT EXTEND TO ANY PORTION OF AN INDEMNIFIABLE CLAIM THAT ARISES AS A RESULT OF THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY INTENDED TO BE INDEMNIFIED BY THIS INDEMNITY PROVISION.**

The Carrier, while in possession of Y-Grade 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 Consignee, or from any cause not due to the sole negligence of the Carrier.

- (1) In case of loss of any Y-Grade 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 such Shipper's Y-Grade, or portion thereof, received and undelivered at the time the loss occurs, bears to the total of all Y-Grade then in the custody of the Carrier for transportation via the lines or other facilities in which the loss occurs.
- (2) Carrier will be obligated to deliver only that portion of such Y-Grade remaining after deducting Shipper's proportion of such loss determined as aforesaid. Transportation charges will be assessed only on the quantity delivered.
- (3) Carrier will compensate Shippers for Y-Grade losses for which Carrier is liable by paying the value of such Y-Grade at the Receipt Point therefor where transportation originated. The value of such Y-Grade will be based on (i) the Components Net Volume of each Component identified in the Y-Grade; and (ii) the value of each such Component at the applicable Receipt Point, which will be based on end of month average price for such Component as quoted in Oil Price Information Service, or other industry accepted price service selected by the Carrier, for the month during which the loss of the Y-Grade occurred, less the applicable transportation fee that would have otherwise been charged for the transport of same and a Mont Belvieu market fractionation fee.
- (4) Carrier will not be liable for delays in transportation of Y-Grade.

**ITEM 80 EXPANSION COMMITTED CAPACITY PROGRAMS, INCENTIVE RATES AND ANCHOR SHIPPERS**

Carrier, from time to time, based on demand and requests from existing or prospective Shippers, may offer expansion capacity on its Y-Grade pipeline system or capacity on entirely new pipelines. Such expansions and new



pipelines (“Capacity Projects”) are only constructed based on term contracts entered into with one or more Shippers with sufficient commitments, both as to volumes and term, to make the project in question economically viable for Carrier. In such instances, priority to access to the capacity added by such Capacity Projects, as well as any necessary application of the prorationing of capacity, is given to the Shippers whose long term contracts provided the economic basis for the Capacity Project (“Anchor Shipper”).

Incentive rates are provided for such Anchor Shippers in their applicable pipeage or transport services agreements. Carrier is willing to discuss with any potential or existing Shippers addition of capacity under such Anchor Shipper arrangements and welcomes inquiries regarding potential new capacity projects based on long term commitments for substantial volumes.