

# SUNOCO PIPELINE L.P.

In Connection With  
Participating Carriers Shown Herein

Local & Joint Pipeline Tariff

CONTAINING

**RULES AND REGULATIONS**

**GOVERNING THE TRANSPORTATION AND HANDLING**

OF

**CRUDE PETROLEUM**

**[N] This is a baseline tariff filing in compliance with the Commission's Order on Electronic Tariff Filings in Docket No. RM01-5-000; Order No. 714 (Final Rule dated September 19, 2008).**

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

Issued on twenty-nine (29) days' notice under authority of 18 CFR §341.14 (Special Permission). This tariff is conditionally accepted subject to refund pending a 30 day review period.

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**EXPLANATION OF REFERENCE MARK:**

**[W] CHANGE IN WORDING ONLY**

**[N] NEW**

**PARTICIPATING CARRIER**  
Marathon Ashland Pipe Line, LLC

### GENERAL APPLICATION

Carrier will receive, transport, and deliver Petroleum through its facilities only as provided in this rules and regulations tariff, except that specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

#### 5. Definitions

"Barrel" as herein used will consist of forty-two (42) U.S. gallons at sixty degrees Fahrenheit (60F).

"Carrier" as herein used means and refers to Sunoco Pipeline L.P. and other common carrier pipelines participating herein.

"FERC" as used herein means the Federal Energy Regulatory Commission or its successor agencies.

"Indirect Products" as herein used means indirect liquid products of oil and gas wells, including gasoline and liquefied petroleum.

"Nomination" as herein used means a written designation by a Shipper to Carrier of an approximate quantity of Petroleum for transportation from a specified origin point or points of Carrier to a specified destination point or points of Carrier over a period of one Operating Month in accordance with these Rules and Regulations.

"Operating Month" for Shipper or Transferor as herein used means any month in which Carrier either transports Petroleum or recognizes and records a change in the ownership of Petroleum for the account of such party. For purpose hereof, the month shall be deemed to begin on the first day of such month at 0700 hours until the first day of the succeeding month at 0659 hours [Central Standard or Central Daylight Savings Time, whichever is in effect on the date specified].

"Petroleum" as herein used refers to crude petroleum which means the grade or grades of the direct virgin liquid products of oil wells or a mixture of the direct virgin liquid products of oil wells with the Indirect Products, as provided in Item No. 20.

"Shipment Transfer" as herein used means the physical transfer of a stated quantity of Petroleum in custody of Carrier from a Shipper to another shipper.

"Shipper" as herein used means the consignor of a Tender.

"Tender" or "Tendering" as herein used means an offer of delivery by a Shipper to Carrier of a stated quantity of Petroleum for transportation from a specified origin point or points of Carrier to a specified destination point or points of Carrier in accordance with these Rules and Regulations.

"Title Transfer" as herein used means transfer of ownership reported in the records of Carrier of a stated quantity of Petroleum in the custody of Carrier from one entity to another.

#### 10. Establishment of Grades

Carrier will from time to time give notice to Shippers specifying the grades of Petroleum which it will regularly be transporting by Petroleum grades between particular origin points and destination points of Carrier.

Carrier may from time to time, after giving reasonable notice to persons who may be affected, cease to transport particular grades of Petroleum.

**15. Tenders**

All Shippers tendering Petroleum to Carrier will promptly provide Carrier with all Nomination information required by Carrier to schedule the shipment of Petroleum which Shipper desires to be made to satisfy Carrier that Tenders are in good faith and can be transported in conformance with Carrier's tariffs. Carrier may refuse to accept Petroleum for transportation until Shipper has provided Carrier with such information.

Carrier can require Tenders for the same kind and quality of Petroleum in minimum of ten thousand (10,000 bbl.) shipments consigned to the same destination point. Tenders shall become operative in the order in which they are received and accepted by Carrier. Carrier at its option and for its convenience may transport such Petroleum by intermittent pumpings.

Carrier will not be obligated to accept a Tender for any Operating Month unless the Shipper submits its Nomination, in writing, specifying the kind and quantity of Petroleum, to the Carrier on or before the fifteenth (15<sup>th</sup>) day of the preceding calendar month.

**20. Mixtures**

The Indirect Products will be accepted and transported as a mixture with the direct virgin liquid products, providing the vapor pressure of the resulting mixture does not exceed that permitted in Item No. 25.

The Indirect Products portion of the mixture will be accepted for transportation at reception points other than the one at which the direct virgin liquid products portion of the same mixture is received, provided that the Shipper, consignee, and destination are the same, and that operating conditions and the Carrier's facilities permit the Indirect Products portion to be mixed with the direct virgin liquid products of the same Shipper or consignee. The rate to be assessed on each portion of the mixture shall be the rate applicable from the reception point at which each is received.

The direct virgin liquid products and Indirect Products will be measured and tested separately for determining volumes received. Each such measurement will be made in accordance with Item No. 40.

Mixtures will be transported and delivered as Petroleum only. Nothing in this rule is to be construed to waive provisions of Item No. 30 of this tariff or to require the Carrier to receive, transport, and deliver unmixed Indirect Products. However, unmixed Indirect Products may be transported for subsequent mixing with direct virgin liquid products in accordance with this rule where facilities exist and operations permit transporting such Indirect Products.

**25. Specification Required As To Quality**

Carrier reserves the right to reject all Tenders when, in Carrier's sole determination:

- (1) the vapor pressure of the Petroleum or any mixture thereof with Indirect Products exceeds twelve pounds (12) lbs.) absolute at one hundred degrees Fahrenheit (100°F);
- (2) the true vapor pressure of the Petroleum or any mixture thereof with Indirect Products might result in Carrier's non-compliance with federal, state, or local requirements regarding hydrocarbon emissions;
- (3) the gravity of the Petroleum or any mixture thereof with Indirect Products is less than twenty (20°) degrees API [American Petroleum Institute] or greater than one hundred twenty (120°) API;

- (4) the Petroleum contains impurities exceeding one percent (1%) including not more than three-tenths percent (0.3% water;
- (5) the settled sediment and water (S&W) bottoms in tanks where the surface of Petroleum accepted from the tank is no lower than four inches (4") below the bottom of the pipeline connection with tank from which it enters Carrier's facilities;
- (6) the incrustation thickness of the internal surface of a tank where Petroleum accepted from a tank is above a maximum as determined by Carrier; or
- (7) the Petroleum has been contaminated by the presence of any excessive metals or chemicals including but not limited to chlorinated and/or oxygenated hydrocarbon and salt as determined by Carrier. No Petroleum will be accepted unless its gravity, viscosity, and other characteristics are such that it will be readily susceptible to transportation through Carrier's existing facilities, and it will not materially and adversely affect the quality of Petroleum from other Shippers or cause disadvantage to other Shippers and/or Carrier.

### **30. Mixing of Products In Transit**

Direct virgin liquid products and Indirect Products will be accepted for transportation only on the condition that the mixture shall be subject to such changes in gravity or quality while in transit as may result from the mixture of said direct virgin liquid products and Indirect Products with other direct virgin liquid products or Indirect Products and/or with other Petroleum in the pipelines or tanks of Carrier, or the connecting company or companies.

Carrier has no obligation to deliver the identical Petroleum received from Shipper but may make delivery from common stock or from Carrier's pipeline stream of substantially like Petroleum.

### **35. Acceptance Free From Liens and Charges**

Carrier may decline to accept for transportation Petroleum which is involved in litigation or which is not free from liens or charges.

### **40. Measurement, Testing, Volume Corrections and Deductions**

All Petroleum tendered to the Carrier for transportation will be measured and tested in tanks by a representative of Carrier or by automatic equipment approved by Carrier. All measurements will be made in Barrels. Carrier only routinely will test for gravity and sediment and water as described herein. When tanks are gauged, all Petroleum will be measured, sampled or tested prior to receipt or delivery. When automatic metering and sampling equipment is used, all Petroleum will be measured and sampled during receipt or delivery and the quantity determined and tested after such receipt or delivery. Shipper or its consignee may be present to witness any or all parts of the measuring and testing process.

Where measurement is made in tanks, quantities will be determined from correctly compiled tank tables where the tanks are strapped and tables computed in accordance with Chapter 2, Tank Calibration. American Petroleum Institute Manual of Petroleum Measurement Standards, latest edition, indicating one-hundred percent (100%) of the full capacity of the tanks. Where measurement is made by temperature compensated meters, quantities indicated will be

further corrected for meter factor and for pressure in accordance with the American Petroleum Institute Manual of Petroleum Liquid Hydrocarbons by Pipeline Displacement Meters. After meter factor is applied for non-temperature compensated meters, the correction for temperature will be made as described herein.

Where Carrier uses a tank or meter of the Shipper or its consignee, Carrier reserves the right to request restrapping or check-strapping of the tank and proving or check proving of the meter.

Except for arithmetic errors, all measurement and testing by a representative of Carrier will be conclusive evidence of the quantity as adjusted herewith if a representative of Shipper or its consignee was not present during such measuring and testing.

Adjustments from the observed gravity and volume will be made on Petroleum received or delivered for temperature on the basis of sixty degrees Fahrenheit (60°F) in accordance with Chapter 11.1, Volume I, 5a, Generalized Crude Oils, Correction of Observed Gravity to API Gravity at 60 degrees Fahrenheit, American Petroleum Institute Manual of Petroleum Measurement Standards, latest edition and Table 6a, Generalized Crude Oils, Correction of Volume to 60 degrees Fahrenheit against API Gravity at 60 degrees Fahrenheit, American Society of Testing Materials D1250. Observed gravity correction will be made to the nearest one-tenth degree (0.1°) API, and observed gravity temperature to be made to the nearest one degree Fahrenheit (1.0°F). Volume adjustments will be made for the observed volume temperature at least to the nearest one degree Fahrenheit (1.0°F), and corrected gravity will be made at least to the nearest five-tenths (0.5°) of one degree API, to the basis of sixty degrees Fahrenheit (60°F).

Deductions will be made for the actual amount of sediment and water (S&W) as determined by the Field Centrifuge Method "B" or "C" in accordance with Chapter 10.4, Standard Methods of Test for Water and Sediment in Crude Oils, American Petroleum Institute Manual of Petroleum Measurement Standards, latest edition. Observed API gravity and temperature will be determined by the Open Hydrometer Test Method in accordance with Chapter 9.1, Hydrometer Test Method for Density, Relative Density (Specific Gravity), American Petroleum Institute Manual of Petroleum Measurement Standards, latest edition or API Gravity of Crude Petroleum and Liquid Petroleum Products, American Society of Testing Materials D 1298-80. The sediment and water and gravity tests will be performed by the Carrier.

If two or more Carriers are involved with tendered volumes, tests are to be performed by the particular carrier as agreed between carriers.

The net balance at sixty degree Fahrenheit (60°F.) less the sediment and water (S&W) volume percentage will be the quantity received or delivered by Carrier.

An assessment of 1/20 of 1%) one twentieth of one percent, on net quantities so determined for acceptance by Carrier, will be charged to cover transportation allowance.

#### **45. Facilities Required At Origin and Destination**

Petroleum will be received for transportation only when Shipper has provided facilities satisfactory to originating and delivering carriers for delivering Petroleum to the pipeline at terminal of receipt and for receiving said Petroleum as it arrives at destination.

In the event Shipper fails to provide adequate facilities for receipt at destination or has not ascertained from Carrier that it has facilities available for receipt at destination, or in the event the Shipper or its consignee refuses to accept the Petroleum at the destination point, Carrier shall have the right to divert or reconsign, subject to the rates, rules and regulations applicable from point of origin to actual final destination, or make whatever arrangements for disposition as are deemed appropriate to deliver the Petroleum from Carrier's facilities, including the right of public or private sale in a commercially reasonable manner. The Carrier may be a purchaser at such sale. Out of the proceeds of said sale, the Carrier shall pay itself all transportation and all other applicable lawful charges and necessary expenses of the sale and the expense of caring for and maintaining the Petroleum until disposed of and the balance shall be held for whosoever may be lawfully entitled thereto.

#### **50. Origin Facilities Required For Automatic Custody Transfer**

When Shipper or its consignee elects to deliver Petroleum to Carrier at point of origin through automatic custody transfer facilities (in lieu of tankage), Shipper or its consignee will furnish the required automatic measuring and sampling facilities. The design, construction, and calibration of such facilities must be approved by Carrier and any appropriate regulatory body.

In the event automatic custody transfer is made by a metering facility, Shipper or its consignee will also furnish whatever pumping service is required to ensure that the Petroleum being delivered through the meter is at a pressure in excess of the true vapor pressure of the liquid.

#### **55. Application of Rates and Charges**

Petroleum accepted for transportation shall be subject to the rates and charges in effect on the date of receipt of such Petroleum by Carrier. Transportation and all other lawful charges will be collected on the basis of net quantities of Petroleum delivered. All net quantities will be determined in the manner provided in Item No. 40.

#### **60. Notice of Arrival, Delivery at Destination**

The obligation of Carrier is to deliver at the nominated destination the Tendered net quantity of Petroleum and such delivery may be made upon twenty-four (24) hours notice to the Shipper or consignee with all possible dispatch into the tanks or facilities to be provided by the Shipper or its consignee.

#### **65. Proration of Pipeline Capacity**

If, during any period, the total volume of Petroleum nominated over any segment of Carrier's pipelines is in excess of the normal operational capacity of said segment, such Petroleum will be apportioned for acceptance and transportation on an equitable basis.

#### **70. Payment of Transportation and Other Charges; Finance Charges; Lien; Set-Off**

The transportation and all other charges accruing on all Petroleum accepted for shipment, based on the rate applicable to the destination at which delivery is made, shall be paid in accordance with invoice terms and these Rules and Regulations. Carrier, at its option, may require Shipper to pay all such charges and fees in advance or to provide an irrevocable letter of credit satisfactory to Carrier. For Petroleum not released due to failure to pay or left in Carrier's custody after the scheduled delivery has expired, Carrier may assess reasonable storage charges

and other reasonable charges (including reasonable attorney fees and court costs) incurred with the preservation or sale of the Petroleum.

If such charges are not paid by the due date stated on the invoice, Carrier shall have the right to assess finance charges on the entire past due balance (including principal and accumulated but unpaid finance charges) until paid in full at the rate equal to one-hundred twenty-five percent (125%) of the prime rate of interest charged by Citibank N.A., New York, New York as of the due date or the maximum finance charge rate allowed by law, whichever is less.

Petroleum accepted for such transportation shall be subject to a lien for all such charges or antecedent unpaid charges.

If the Petroleum remains in Carrier's custody more than thirty (30) days after the tender of delivery by Carrier, Carrier shall have the right to sell the Petroleum at a public or private sale in a commercially reasonable manner to collect such charges.

Carrier reserves the right to set-off any such charges against any monies owed to Shipper by Carrier or any Petroleum of Shipper in Carrier's custody.

#### **75. Warranties**

Shipper warrants that the Petroleum tendered to Carrier will conform with the specifications stated in Item No. 25, will be merchantable, and will not be contaminated. Shipper will be liable to Carrier, other Shippers and/or consignees for any damage, including special, incidental, and consequential, arising from a breach of this warranty. The transportation of the Petroleum may be refused or canceled if Carrier determines or is advised that the Petroleum does not meet the requirements of these Rules and Regulations. In addition, if Carrier samples the Petroleum prior to or after tendered by Shipper and if contracted laboratory test results determine that the Petroleum is non-merchantable, Shipper will be liable to Carrier for the cost of such tests for non-merchantable or contaminated Petroleum.

**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 PETROLEUM.**

#### **80. Exemption of Liability**

Carrier will not be liable for any loss of Petroleum or damage thereto or delay caused by an act of God, fire, explosion, storm, flood, electrical malfunction, war, rebellion, insurrection, strike, breakage or accident to machinery or equipment, difference with workman, the public enemy, quarantine, the authority of law, riots, the act of default of Shipper or owner, or any cause not due to the fault or negligence or any cause reasonably beyond the control of Carrier. In such cases, the loss allocated to Shipper shall be the quantity equal to the amount of its Tenders for the month in which such loss occurs bears to the whole amount of the line fill and tankage in the system of Carrier during the month of such loss, and Shipper shall be entitled to receive only such portion of its Tenders as remains after deducting its due proportion of the loss. Carrier's custody of the Tenders shall end when Petroleum has been delivered into Shipper's or its consignee's facilities.



Except in force majeure situations, correction of a nonconformity shall be the payment of the difference between the posted price for similar Petroleum in the area of origin and the value of the degraded Petroleum, or the replacement of the Petroleum, at Carrier's option, will constitute fulfillment of all liabilities of Carrier whether the liabilities are based on contract, negligence or otherwise. Carrier will not be liable for special, consequential or incidental damages.

#### **85. Pipeage Contracts Required**

Separate pipeage contracts in accordance with this tariff and these Rules and Regulations covering further details may be required of a Shipper before any duty to transport will arise.

#### **90. Claims and Times For Filing**

As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with Carrier within nine (9) months after delivery of the Petroleum or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed. Suits arising out of such claims must be instituted against Carrier only within two (2) years from the time when the Carrier delivers, or tenders delivery of the Petroleum or, in case of failure to make or tender delivery, then within two (2) years after a reasonable time for delivery has elapsed. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable and such claims will not be paid.

#### **95. Duty of Carrier**

Carrier shall not be required to transport Petroleum except with reasonable diligence, considering the quantity of Petroleum, the distance of transportation, the safety of operation, and other material factors.

#### **100. Application of Rates From and To Intermediate Points**

Carrier will receive Petroleum for pipeline transportation only from and to established origin and delivery stations or terminals.

Petroleum received at an established origin station, on Carrier's system, which is not named in tariffs making reference hereto, but which is intermediate to a point from which rates are published in said tariffs, through such unnamed point, will be assessed the rate in effect from the next more distant point published in the tariff.

Petroleum delivered to an established delivery station or terminal, on Carrier's system, which is not named in tariffs making reference hereto, but which is intermediate to a destination to which rates are published in said tariffs, through such unnamed point, will be assessed the rate in effect to the next more distant point published in the tariff.

#### **105. Intrasystem Transfers**

Carrier will allow a Shipper Transfer of one shipper to another, and Title Transfers from one ownership to another for Petroleum in custody of Carrier. A charge of one-half cent (0.5¢) per barrel with a fifty dollars (\$50.00) minimum will be made to each party directing such transfers, except for the first Title Transfer.

Only one Shippers Transfer will be allowed per movement and party accepting volumes on a Shipper Transfer shall become the shipper of record. Shipper Transfer must be made at point of origin.

Title Transfers may not be accepted after 25<sup>th</sup> day of the preceding calendar month.

A transfer request, if accepted, must be confirmed in writing or Telex by both the transferor and the transferee within forty-eight (48) hours after the transfer request. Such transfer request will indicate the party to which the transfer is to be made, the amount of Petroleum to be transferred and its location and grade.

Carrier will incur no liability for any losses or damage incurred by a Shipper or owner involved in any intra-system transfer.

#### **110. Corrosion Inhibitors**

Carrier reserves the right to inject or approve the injection of corrosion inhibitors in the Petroleum to be transported.

#### **115. Connection Requirements**

All proposed receiving or delivery connections must meet tender, tankage, hourly flow rate conditions, and metering requirements as they exist at the time of requested connection and must also have provisions which will allow for increases to maximum line flow rate and pressure conditions. All proposed connection designs must be approved by Carrier, and all costs of connections shall be paid by the connecting party.

#### **120. Commodity**

Carrier is engaged exclusively in the transportation of Petroleum specified and described in Item No. 25 and, therefore, will not accept any other commodities for transportation. No Petroleum will be received for shipment except good merchantable Petroleum of substantially the same kind and quality as that being currently transported through the same facilities for other shippers. Petroleum of substantially different grade or quality will be received for transportation only in such quantities and upon such terms and conditions as Carrier and Shipper may agree.