

Texas R.R.C. No. 27

SUNOCO PIPELINE L.P.
TEXAS LOCAL TARIFF

CONTAINING

RULES AND REGULATIONS

GOVERNING THE TRANSPORTATION OF

PETROLEUM PRODUCTS

The rates named in this tariff apply to the intrastate transportation of Petroleum Products by pipeline. The general rules and regulations published herein apply only under tariffs making specific reference to this tariff; such reference will include supplements thereto and successive issues thereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

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SUNOCO PIPELINE L.P. RULES AND REGULATIONS GOVERNING PETROLEUM PRODUCTS TRANSPORTATION BY PIPELINE

Rule 1. **"Petroleum Products," "Barrel," and "Carrier" Defined** - "Petroleum Products," as used herein, means and is limited to gasoline and petroleum oil distillates. "Barrel" means a barrel of forty-two (42) gallons, United States measurement, at 60° Fahrenheit and zero psi gauge. "Carrier" means and refers to Sunoco Pipeline Company. .

Rule 2. **Specifications Required** - Petroleum products will be accepted for transportation only at such time as petroleum products of similar quality and characteristics are being transported from receiving point to delivery point. Carrier may require consignor to furnish a certificate by a licensed petroleum inspector showing the final tests of the petroleum products tendered for transportation.

Carrier will not accept for shipment any Petroleum Product containing Methyl or Ethyl Alcohol. Shipper will at the time of tender be required to inform Carrier of any Petroleum Product tendered for movement which contains other alcohols or ethers by type and volume percent.

Rule 3. **Storage, Origin and Destination Facilities** - Products will be accepted by Carrier only when Shipper or Consignee have provided at origin and destination adequate equipment, facilities, and storage satisfactory to Carrier for delivering products into Carrier's system at pumping rates and pressures satisfactory to Carrier, and for receiving same without delay at pressures and pumping rate required by Carrier upon arrival at destination.

Rule 4. **Minimum Tender** - Petroleum products will be accepted for transportation only where there has been tendered by the Shipper or Consignor a quantity of petroleum products of the same kind, quality, and characteristics of no less than 10,000 barrels consigned to one Consignee.

Rule 5. **Apportionment When Tenders Are in Excess of Facilities** - When there shall be tendered to Carrier for transportation greater quantities than can be immediately transported, the transportation shall be apportioned among all Shippers in accordance with the Sunoco Pipeline L.P. Proration Policy for Refined Products Pipelines, described in Texas R.R.C. No. 28.

Rule 6. **Petroleum Products Involved in Litigation, Etc.** - The Carrier shall have the right to reject any petroleum products, when tendered for transportation, which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by lien or charge of any kind, and it may require of the Shipper satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity bond to protect Carrier.

Rule 7. **Measuring, Testing and Deductions** - All shipments tendered to the Carrier for transportation shall be tested, gauged or metered by a representative of Carrier prior to, or at the time of receipt from the Shipper or at the time of delivery to Consignee. The Carrier, Shipper or Consignee shall at all times have the privilege of being present or represented during the testing, gauging or metering. Quantities shall be corrected as to temperature from observed temperature to 60 degrees Fahrenheit basis by use of applicable API-ASTM-IP correction tables. Full deduction will be made for all water and other impurities.

Carrier shall account to each Shipper for all Petroleum Products received. Any overage or shortage not due to the negligence of Carrier, including losses or gains resulting from shrinkage, evaporation, expansion or other Petroleum Products losses or gains inherent in the operation of a pipeline system, will be allocated on a monthly accrual basis among the Shippers in the proportion that the total number of barrels delivered from the pipeline system for each Shipper bears to the total number of barrels delivered from the pipeline system for all Shippers. Such settlement will be performed in the month subsequent to the month during which the overages and shortages occur.

The net balance, after applicable deductions defined above, and any loss as provided for in Rule 11 (Liability of Carrier), will be the quantity deliverable by Carrier and upon which transportation charges will be assessed.

Rule 8. Identity of Petroleum Products - Petroleum products will be accepted for transportation only on condition same will be subject to changes in gravity, color, quality or characteristics while in transit or as may result from unavoidable contamination, and Carrier will not be obligated to make delivery of the identical petroleum products received for transportation. Carrier may, therefore, make delivery of petroleum products out of common stocks of similar petroleum products on hand at delivery point.

Rule 9. Split Deliveries - Upon written instructions of the Shipper or Consignor, endorsed on the original and shipping order copies of the tender, the Carrier will deliver part of any shipment of petroleum products at any established destination which is intermediate to another destination, provided that the quantity of such shipment remaining for transportation and delivery to the last destination is sufficient to avoid excessive mixing. Transportation rates and charges will be on the basis of the net quantity of petroleum products actually delivered at each destination.

Rule 10. Reconsignment - If no out of line or back haul movement or interference with shipping sequence is required, diversion may be made prior to arrival at original destination without charge, subject to the rates, rules and regulations applicable from point of origin to point of final destination.

Rule 11. Liability of Carrier - Carrier shall not be liable for any loss of petroleum products as described herein, or damage thereto, or delay, because of an act of God, the public enemy, quarantine, the authority of law, strikes, riots, or the acts of default of the Shipper or Consignee, or from any other cause not due to the negligence of Carrier; in case of losses from such causes, other than the negligence of Carrier, losses shall be charged proportionately to each shipment in the ratio that such shipment, or portion thereof, received and undelivered at the time the loss or damage occurs, bears to the total of all shipments, or portions thereof, then in the custody of Carrier for shipment via the lines or other facilities in which the loss or damage occurs; the Consignee shall be entitled to receive only that portion of his shipment remaining after deducting his proportion of such loss or damage, determined as aforesaid, and shall be required to pay transportation charges only on the quantity delivered.

Rule 12. Payment of Transportation and Other Charges - The Shipper or Consignee shall pay, as provided below, all applicable gathering, transportation, and all other charges accruing on petroleum products delivered to and accepted by Carrier for shipment.

All payments are due within 10 days of receipt of the invoice, unless the Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines in a manner not unreasonably discriminatory it necessary to do so, in which case the payment due date shall be that specified in a written notice to the Shipper.

If any charge remains unpaid after the due date specified in Carrier's invoice, then such amount due may bear interest from the day after the due date until paid, calculated at an annual rate equivalent to the lesser of (1) 125% of the prime rate of interest, as of the date of Carrier's invoice, charged by the Citibank N.A. of New York, New York, for ninety (90) day loans made to substantial and responsible commercial borrowers, or (2) the maximum rate allowed by law. In addition Shipper shall pay all documented costs incurred by Carrier to collect any unpaid amounts.

In the event Shipper fails to pay any such charges when due, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to Carrier's tariff until such time as payment is received by Carrier and Shipper meets the requirements of the following paragraph. In addition, in the event Shipper fails to pay any such charges when due, Carrier shall have the right to setoff such amounts owed and future amounts owed against those amounts Carrier owes Shipper.

In the event Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines in a manner not unreasonably discriminatory it is necessary to obtain security from Shipper, Carrier, upon notice to Shipper, may require any of the following prior to Carrier's delivery of Shipper's petroleum products in Carrier's possession or prior to Carrier's acceptance of Shipper's petroleum products: (1) prepayment of all charges, (2) a letter of credit at Shipper's expense in favor of Carrier in an amount sufficient to ensure payment of all such charges and, in a form, and from an institution acceptable to Carrier, or (3) a guaranty in an amount sufficient to ensure payment of all such charges and in a form and from a third party acceptable to Carrier. In the event, Shipper fails to comply with any such requirement on or before the date supplied in Carrier's notice to Shipper, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to this tariff until such requirement is fully met.

If Shipper fails to pay an invoice by the due date, in addition to any other remedies under this tariff as outline above, or under applicable law, Carrier shall have the right, either directly or through an agent, to sell at a private sale any and all petroleum products of such Shipper in its custody at fair market value at the time of sale. The proceeds of any sale shall be applied to the following order: (A) To the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by law, reasonable attorney's fees and legal expenses incurred by Carrier; and (B) To the satisfaction of the Shipper's indebtedness including interest herein provided from the date of payment is due. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto.

Rule 13. Use of Communication Facilities - When Carrier maintains a private communication system, Shippers may use the same without extra charge for messages incident to shipment. However, Carrier shall not be held liable for delivery of messages away from its office, for delays in transmission, or for interruption of service.

Rule 14. Claims, Suits, Time for Filing - As a condition precedent to recovery, claims must be filed in writing with Carrier within nine (9) months after delivery of the property, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits shall be instituted against Carrier only within two (2) years and one (1) day from the day when notice in writing is given by Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier shall not be liable, and such claims will not be paid.

Rule 15. Pipage Contracts - Separate pipage contracts in accord with this Tariff and these regulations covering further details may be required by this Carrier before any duty for transportation shall arise.

Rule 16. Allowance for Pumping Service Furnished by Shippers - Where a Shipper of petroleum products to be transported pumps such petroleum products through the Carrier's line, Carrier shall reimburse Shipper on the basis of sixty-three one-hundredths of a cent (.0063¢) per barrel for such service.

Rule 17. Line Fill and Tank Bottom Inventory - Either prior to or after the acceptance of petroleum products for transportation, Carrier will require each Shipper to provide a pro rata part of the volume of petroleum products necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for efficient operation. Petroleum products provided by a Shipper for this purpose may be withdrawn after reasonable written notice of Shipper's intention to discontinue shipment in the system pursuant to Carrier's applicable tariff or tariffs. Carrier may require advance payment of final transportation charges and settlement of any unpaid accounts receivable, before final delivery will be made.

In the event a Shipper's inventory balance drops below its pro rata part of the volume of petroleum products necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for the efficient operation of the system, then Carrier will require such Shipper to provide the necessary volume to meet its pro rata part of such volume of petroleum products.

In the event that Shipper maintains an inventory balance after Shipper ceases movements on the system or Shipper gives written notice of its intent to cease movements over the system and such Shipper is unable to schedule appropriate shipments to clear the inactive inventory balance, Shipper will be required to settle the inactive inventory balance through Carrier. In the event no such Shipper notice is given, then Carrier may require either an adjustment in Shipper's inventory balance in accordance with the Line Fill and Tank Bottom Inventory provision or settlement of the Shipper's inventory balance at any time after Shipper has ceased making movements over the system for a period of six months. Such settlement will be based upon the fair market value of the petroleum products, as published by Platts, at the time Shipper informs Carrier in writing of its intention to discontinue shipments on the system pursuant to Carrier's applicable tariff or tariffs or if no such written notice is given, then at such time as Carrier calls for the settlement of the Shipper's inventory balance.

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