

SUNOCO PIPELINE L.P.

**RULES AND REGULATIONS GOVERNORING
THE PIPELINE TRANSPORTATION OF ETHANE**

From:
**HOUSTON,
WESTMORELAND COUNTY,
PENNSYLVANIA**

To:
**MARYSVILLE,
ST. CLAIR COUNTY, MICHIGAN
AND
THE INTERNATIONAL BOUNDARY
AT THE ST. CLAIR RIVER**

Filed in compliance with 18 CFR § [W]342.2(b) (~~Initial Rates~~) 341.3 (Form of Tariff).

[W] This tariff is issued on ~~three (3)~~ less than one (1) day's notice under the authority of 18 CFR §341.14 (Special Permission). This tariff is conditionally accepted subject to refund pending a 30 day review period.

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

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GENERAL APPLICATION

Carrier will receive, transport, and deliver Ethane through its facilities only as provided in these Rules and Regulations, except that specific Rules and Regulations published in individual tariffs will take precedence over Rules and Regulations published herein or in succeeding reissues of these Rules and Regulations.

5. Definitions

“**ASTM**” as herein used refers to ASTM International.

“**Barrels**” as herein used will consist of forty-two (42) U.S. gallons at sixty degrees Fahrenheit (60°F) and equilibrium vapor pressure.

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

“**Ethane**” as herein used refers to ethane derived from natural gas production that satisfies the specifications set forth in Item No. 15.

“**FERC**” as herein used means the Federal Energy Regulatory Commission or its successor agencies.

“**Nomination**” as herein used means a written designation by a Shipper to Carrier of an approximate quantity of Ethane 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**” means any month in which Carrier transports Ethane. For purpose hereof, the month shall be deemed to begin on the first day of such month at 0000 hours until the first day of the succeeding month at 0000 hours (Eastern Standard or Eastern Daylight Savings Time in Philadelphia, PA, whichever is in effect on the date specified).

“**Priority Service Shipper**” as herein used means a Shipper that has committed to transporting certain minimum volumes of Ethane pursuant to a Transportation Service Agreement executed pursuant to the open season that commenced on July 21, 2011 [N] or January 31, 2020.

“**Shipper Transfer**” as herein used means the physical transfer of a stated quantity of Ethane in custody of Carrier from a Shipper to another Shipper at the point of origin.

“**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 Ethane 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 Ethane in the custody of Carrier from one entity to another at the point of destination.

10. Tenders; Linefill

All Shippers tendering Ethane to Carrier will promptly provide Carrier with all Nomination information required by Carrier to schedule the shipment of Ethane 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 Ethane for transportation until Shipper has provided Carrier with such information.

Carrier will not be obligated to accept a Tender for any Operating Month unless the Shipper submits its Nomination to the Carrier on or before the fifteenth (15th) day of the preceding calendar month.

Carrier can require Tenders for the same kind and quality of Ethane in minimum batches of two thousand five hundred (2,500) Barrels consigned to the same destination point.

Each Shipper shall supply its share of linefill and, if any, storage receptacle bottoms by types and volumes as determined from time to time by Carrier. Such linefill and, if any, storage receptacle bottoms may be withdrawn from Carrier's system at any time within ninety (90) days subsequent to: (1) Shipper having ceased tendering shipments and notified Carrier in writing that it will no longer tender shipments to Carrier; (2) Shipper balances having been reconciled between Shipper and Carrier; and (3) Shipper having paid Carrier for all services.

15. Specification Required As To Quality

Ethane must meet the following minimum specifications:

COMPONENT	TEST METHODS	SPECIFICATIONS
Methane	ASTM D-2163	3.0 Liq. Vol. % max.
Ethane & Ethylene	ASTM D-2163	95.0 Liq. Vol. % min.
Propane & Heavier	ASTM D-2163	3.5 Liq. Vol. % max.
Corrosion, Copper Strip	ASTM D-1838	No. 1
Total Sulfur	ASTM D-4045	30 ppm wt. max.
Water Content	ASTM D-2713	10 ppm wt. max.
Carbon Dioxide	ASTM D-2504	1,000 ppm wt. in Liq. max.

NOTES ON TEST METHODS: Method numbers listed above, beginning with the letter "D," are ASTM Standard Test Procedures. The most recent year revision for the procedures will be used.

Ethane is to be commercially free of any contamination that might render Ethane unusable for its commonly used applications. Specific contaminants include (but are not limited to) dirt, rust, scale, and all other types of solid contaminants, caustics, chlorides, heavy metals, and oxygenates.

To avoid contamination, Ethane will be received for transportation only when the specifications therefore conform with the specifications applicable to Ethane being then transported by Carrier, and no Ethane will be received or transported which does not meet the specifications provided herein. Carrier shall not be responsible for discoloration or contamination of Ethane transported by it unless such discoloration or contamination was caused by the negligence of Carrier.

20. Acceptance Free From Liens and Charges

Carrier may decline to accept for transportation, on a non-discriminatory basis, Ethane which is involved in litigation or which is not free from liens or charges.

25. Measurement, Testing, Volume Corrections and Deductions

All Ethane tendered to Carrier for transportation will be measured by automatic equipment approved by Carrier. All measurements will be made in Barrels. All Ethane will be measured and sampled during receipt or delivery, and the quantity determined and quality tested after such receipt or delivery. Shipper or its Consignee may be present or represented at any measuring and testing.

Where Carrier uses a meter of Shipper or its consignee, Carrier reserves the right to request a proving or check-proving of the meter. Carrier may be present or represented at any such proving or check-proving.

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

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 degrees Fahrenheit (60°F) and equilibrium vapor pressure less sediment and water will be the quantity received or delivered by Carrier.

Ethane quantities transported may be adjusted to allow for inherent losses incurred during the course of ordinary operations, including but not limited to shrinkage, evaporation, interface losses and normal "over and short" losses. Gains and losses will be allocated to a Shipper in the proportion that the quantity of Ethane transported by such Shipper bears to the total quantity of Ethane transported by all Shippers.

30. Commingling

Ethane will be accepted for transportation only on condition that it shall be subject to normal changes in general characteristics while in transit as may result from the commingling of such Ethane with other similar Ethane in the pipeline and/or storage receptacles of Carrier or

connecting carrier. Carrier will not be liable for variations of quality of Ethane occurring while in its custody and is under no obligation to deliver the identical Ethane as received.

35. Facilities Required At Origin and Destination

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

In the event Shipper fails to provide adequate facilities (for example: storage receptacles, pipeline connections, automatic custody transfer facilities, etc.) for receipt at destination or has not ascertained from Carrier that it has facilities available for receipt at destination, or in the event Shipper or its consignee refuses to accept the Ethane 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 Ethane 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 Ethane until disposed of and the balance shall be held for whomsoever may be lawfully entitled thereto.

40. Origin Facilities Required For Automatic Custody Transfer

When Shipper or its consignee elects to deliver Ethane to Carrier at point of origin through automatic custody transfer facilities (in lieu of storage receptacles), 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 Ethane being delivered through the meter is at a pressure in excess of the true vapor pressure of the liquid.

45. Application of Rates and Charges

Ethane accepted for transportation shall be subject to the rates and charges in effect on the date of receipt of such Ethane by Carrier. Transportation and all other lawful charges will be collected on the basis of net quantities of Ethane delivered. All net quantities will be determined in the manner provided in Item No. 25.

50. Notice of Arrival, Delivery at Destination

The obligation of Carrier is to deliver at the nominated destination the tendered quantity of Ethane, and such delivery may be made upon twenty-four (24) hours' notice to the Shipper or consignee with all possible dispatch into the storage receptacles or other facilities to be provided by the Shipper or its consignee.

55. Proration of Pipeline Capacity

If, during any period, the total volume of Ethane nominated over any segment of the pipeline is in excess of the normal operational capacity of said segment, Carrier shall allocate transportation capacity in accordance with the “*Sunoco Pipeline L.P. Proration Policy – Ethane Pipelines*” effective [W] ~~December 6, 2013~~ July 1, 2020. The proration policy will be provided upon request by the person listed as compiler on the title page of these Rules and Regulations.

60. Payment of Transportation and Other Charges; Finance Charges; Lien; Set-Off

The transportation and all other charges accruing on all Ethane accepted for shipment and any Deficiency Payments, each at the applicable rate, shall be paid in accordance with Carrier's invoice terms and these Rules and Regulations. Carrier may, if a Shipper fails to pay, or is late in making payment of, transportation or other charges, or Carrier reasonably believes a Shipper may not have the capacity to perform any financial obligations that could arise from the transportation of Shipper's Ethane, at Carrier's option, require Shipper to (a) pay all charges in advance, (b) provide a parental guaranty from a creditworthy parent, or (c) provide an irrevocable letter of credit satisfactory to Carrier; or (d) enter into other arrangements acceptable to the Carrier. Any such letter of credit, guaranty or other arrangement shall be in form and substance reasonably acceptable to Carrier. For Ethane not released due to failure of Shipper to pay or left in Carrier's custody after the scheduled delivery has expired, Carrier shall assess reasonable storage charges and other reasonable charges (including any reasonable attorney fees and court costs) incurred with the preservation or sale of the Ethane.

If such charges are not paid by the due date stated on the invoice which shall be no earlier than ten (10) business days from delivery of the such invoice to the Shipper, 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.

Ethane accepted for such transportation shall be subject to a lien for all such charges or antecedent unpaid charges and will remit any remaining proceeds to the applicable Shipper.

If the Ethane 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 Ethane 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 Ethane of Shipper in Carrier's custody.

65. Warranties

Shipper warrants that the Ethane tendered to Carrier will conform to the Specifications stated in Item No. 15, it will be merchantable and will not be contaminated. Shipper will be liable to Carrier, other Shippers or consignees for any damages, including special, incidental, and consequential, arising from a breach of this warranty.

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 ETHANE.

70. Exemption of Liability

Carrier will not be liable for any loss of Ethane 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 workmen, the public enemy, quarantine, the authority of law, riots, the act of default of Shipper or owner, or from any cause not due to fault or negligence or from 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 Ethane in storage 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 Ethane has been delivered into Shipper's or its consignee's facilities.

Except in force majeure situations, the correction of a nonconformity, the payment of the difference between the reference price for similar Ethane in the area of origin and the value of the degraded Ethane, or the replacement of the Ethane, 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.

The reference prices for each type of Ethane shall be based on the prices reported by OPIS or its successor for each type of Ethane priced at Mt. Belvieu for the final day of the calendar month during which the Ethane shipments occurred and the methodology for calculating the value of any overage or shortage periodically will be provided to Shipper in a letter from Carrier in advance of the effective date of any revision in the reference prices or methodology.

75. Carrier's Remedies

The transportation of the Ethane may be refused or the Ethane removed if Carrier determines or is advised that the Ethane does not meet the requirements of these Rules and Regulations, and Carrier shall promptly notify Shipper of the basis of such refusal or removal. Carrier shall have the right to any remedy available, including but not limited to the right to return, divert, sell, and dispose of Ethane which does not conform to these Rules and Regulations without notice or liability and will remit any remaining proceeds to the applicable Shipper. Shipper shall reimburse Carrier for all costs and expenses incurred by Carrier in returning or otherwise disposing of such non-conforming Ethane.

Additionally, Carrier reserves the right to sample and test the Ethane tendered by Shipper. If the Ethane does not meet the quality specifications set forth in Item 15, Carrier reserves the right to take appropriate action, including but not limited to: (1) requiring the Shipper to test its Ethane at Carrier approved laboratory, at Shipper's expense, prior to tender to ensure its quality is consistent with Carrier's specifications; (2) suspension; and (3) permanent disconnection.

80. Pipeage Contracts Required

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

85. 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 Ethane 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 Ethane 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.

90. Duty of Carrier

Carrier shall be required to transport Ethane with reasonable diligence, considering the quantity of Ethane, the distance of transportation, the safety of operation, and other material factors.

95. Application of Rates from and to Intermediate Points

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

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

Ethane delivered to an established delivery station or terminal on Carrier's lines, which is not named in tariff making reference hereto, but which is intermediate to a point to which rates are published in said tariff, through such unnamed point, will be assessed the rate in effect to the next more distant point published in the tariff. If the intermediate point is used for more than 30 continuous days, Sunoco Pipeline will issue a tariff including the new delivery point.

100. Intrasystem Transfers

Carrier will allow a Shipper Transfer of Ethane, and Title Transfers from one ownership to another, for Ethane in custody of Carrier. A charge of two hundred fifty dollars (\$250.00) will be payable by the party directing any such transfer.

The party accepting volumes on a Shipper Transfer shall become the Shipper of record. The Shipper Transfer must be made at point of origin.

A transfer request, if accepted, must be confirmed in writing, e-mail or by facsimile 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 Ethane to be transferred, and its location.

Carrier will incur no liability for any losses or damage incurred by any Shipper or owner involved in any intrasystem transfer.

105. Corrosion Inhibitors

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

110. 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. Information regarding the above requirements can be obtained from the Sunoco Pipeline Engineering Department by calling 610-670-3281.

115. Commodity

Carrier will not accept any commodities other than Ethane for transportation on the pipeline.

120. Charges for Spill Compensation Acts and Regulations

Without duplication, in addition to the transportation charges and all other charges accruing on Ethane 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 and all carriers similarly situated in connection with such Ethane pursuant to any federal, state, or local act or regulation which levies a tax, fee or other charge on the receipt, delivery, transfer, or transportation of such Ethane within its jurisdiction for the purpose of creating a fund for the prevention, containment, clean up, and/or removal of spills and/or the reimbursement of persons sustaining a loss therefrom. A tariff will be filed to reflect these charges if they are assessed.

EXPLANATION OF REFERENCE MARKS

[N] NEW

[W] CHANGE IN WORDING ONLY