

GENESIS PIPELINE USA, L.P.

LOCAL TARIFF

CONTAINING
RATES, RULES AND REGULATIONS
GOVERNING
THE INTERSTATE TRANSPORTATION OF VGO
BY PIPELINE

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

The rules and regulations published herein apply only under tariffs making specific reference by number to this tariff; such reference will include supplements hereto and successive issues hereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

Filed pursuant to 18 CFR §342.3 of the Commission's regulations (Indexing).

ISSUED: May 28, 2020

EFFECTIVE: July 1, 2020

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GENERAL APPLICATION

Carrier currently provides transportation of VGO, between the origin and destination points subject to this tariff, solely by means of segregated batches pursuant to the minimum batch quantity and quality specifications set forth below, and does not offer common stream transportation of VGO. Carrier reserves the right to revise this tariff at any time to provide for, among other things, common stream transportation of VGO, or additional forms of batched transportation, including revised quality specifications applicable thereto.

Item No. 5. DEFINITIONS:

“API” means American Petroleum Institute and its successor.

“A.P.I. Gravity” means gravity determined in accordance with American Society for Testing Materials (including any successor, “ASTM”) Designation 4052, or any successor publication.

“Assay” means a laboratory analysis of VGO to include the following: A.P.I. Gravity, Reid vapor pressure, composition, pour point, water and sediment content, sulfur content, viscosity, distillation, hydrogen sulfide, flash/boiling point and other characteristics as may be required by Carrier.

“Barrel” means forty-two (42) United States gallons of VGO at a temperature of sixty degrees Fahrenheit (60° F) and zero (0) gauge pressure if the vapor pressure of the VGO is at or below atmospheric pressure, or at equilibrium pressure if the vapor pressure of the VGO is above atmospheric pressure.

“Carrier” means Genesis Pipeline USA, L.P.

“Consignee” means anyone to whom custody is to be given at the specific instructions of a Shipper when VGO is delivered out of Carrier’s system.

“Crude Petroleum” means the direct liquid product of oil wells, indirect petroleum products resulting either from refining crude petroleum or from the operation of gasoline recovery plants, gas recycling plants or distillate recovery equipment in gas and distillate fields, or a mixture of the direct product and indirect petroleum products.

“Nomination” means a written designation by a Shipper to Carrier of a stated quantity of VGO to be tendered to Carrier for transportation from the specified origin point to the specified destination point, as listed in the Table of Rates herein, over a period of one Operating Month in accordance with these rules and regulations.

“Operating Month” for a Shipper or Transferor means any calendar month in which Carrier either transports VGO or recognizes and records a change in ownership of VGO for the account of such Party. For purposes hereof the calendar month shall be deemed to begin at 7:00 a.m. (Central Time) on the first day of such month.

“Party” means Carrier or a Shipper or a Transferor, as applicable, and “Parties” means both Carrier and a Shipper or Carrier and a Transferor, or Carrier and a Transferee, as applicable.

“Prime Rate” means the prime rate of interest as published under “Money Rates” in the Wall Street Journal.

“Shipper” means the Party that uses Carrier’s system for the transportation of VGO subject to and in accordance with these rules and regulations, any TSA, and the applicable rate on the Table of Rates herein.

“Tender” means an offer by a Shipper to Carrier of a stated quantity of VGO for transportation from the specified origin point to the specified destination point listed in the Table of Rates herein.

“Transferee” means the Party to whose account ownership of VGO is transferred by Transferor upon the Carrier’s approval.

“Transferor” means the Party who requests Carrier to recognize and record a change in ownership of VGO from its account to a designated Transferee’s account.

“TSA” means a transportation services agreement between a Shipper and Carrier. In the event of a conflict between the provisions of these rules and regulations and a TSA, these rules and regulations shall control, to the extent of such conflict, insofar as such conflict relates to the transportation of VGO.

“VGO” means vacuum gas oil or other intermediate feedstock used in the crude petroleum refining process. For purpose of this definition, VGO does not include Crude Petroleum.

“VGO Pipeline” means that 16” diameter pipeline originating at an outlet flange with BR Port Services, LLC’s Baton Rouge terminal in Port Allen, Louisiana and terminating at an interconnection with an existing third-party VGO pipeline, in Anchorage, Louisiana, at the west bank manifold near the Mississippi River.

Item No. 15. SPECIFICATIONS AS TO QUALITY AND LEGALITY OF SHIPMENTS: Carrier shall have no obligation to accept, transport, or deliver any commodity other than VGO that meets the quality specifications herein, and Shipper shall not tender to Carrier VGO that does not meet such specifications; provided, however, that to the extent a TSA contains more restrictive and/or additional quality specifications than the specifications set forth in A-F below, the quality specifications in the TSA shall control. Except where Carrier determines, in its sole discretion, that accepting non-conforming VGO for transportation will not adversely affect its system operations, Carrier will not knowingly accept any VGO offered for transportation other than good and merchantable VGO of acceptable character which, when measured and tested by Carrier or Carrier’s representative at the receipt point, meets all of the following specifications:

- A. Sulfur content by weight not greater than seven percent (7%).
- B. A.P.I. Gravity of at least 19 degrees.
- C. Reid vapor pressure not greater than 11.0 psia measured at 37 degrees Celsius or 100 degrees Fahrenheit.
- D. Viscosity not greater than 65 cSt at 50 degrees Celsius or 122 degrees Fahrenheit and not greater than 30 cSt at 80 degrees Celsius or 176 degrees Fahrenheit.
- E. Pour point not greater than 45 degrees Celsius or 113 degrees Fahrenheit.
- F. Basic sediment, water or other impurities less than one percent (1%) by volume.

VGO delivered to Carrier’s facilities which does not meet the foregoing quality specifications (the “Quality Specifications”) may, at Carrier’s election, be deemed non-conforming. In addition to the Quality Specifications, Carrier reserves the right to reject VGO containing physical or chemical characteristics that may render such VGO not readily transportable by Carrier or that may otherwise cause disadvantage to Carrier. Further, Carrier shall reject VGO containing contaminants including, but not limited to, chemicals such as chlorinated and/or oxygenated hydrocarbons and/or heavy metals such as lead and/or vanadium or which, in Carrier’s reasonable opinion constitutes or may constitute a hazard to personnel or equipment or gives Carrier reasonable grounds of apprehension of loss or damage to any person, or other products or property. If, upon investigation, Carrier determines that a Shipper has delivered to Carrier’s facilities contaminated, non-conforming or hazardous VGO, such Shipper will be excluded from further entry into the VGO Pipeline until such time as the Quality Specifications and the other conditions specified above are met. Any liability associated with contaminated, non-conforming or hazardous VGO or disposal of any contaminated, non-conforming or hazardous VGO shall be borne by the responsible Shipper.

Item No. 20. SEGREGATION AND VARIATIONS IN QUALITY AND GRAVITY. Carrier offers transportation service pursuant to these rules and regulations solely by means of segregated batches. Carrier will endeavor, pursuant to accepted pipeline industry operating practices, to make delivery of VGO at the destination

point specified in Shipper's Nomination which is substantially the same VGO as that received from Shipper at the point of origin. For such segregated batches, Shipper must provide VGO in such quantities and at such specified times as may be necessary to permit such segregated shipments to be transported by Carrier's facilities. As a condition to Carrier's acceptance of its Nomination for transportation, Shipper (as well as its Consignee and any Transferor and Transferee associated with the nominated shipment) agrees that Carrier will not be liable for failure to deliver the identical VGO, or for any variations in the Quality Specifications and/or gravity of VGO occurring while such segregated shipment is in Carrier's custody.

Item No. 25. QUALITY TESTING AND VERIFICATION: Upon request of Carrier, Shipper is required to furnish Assays so that quality determinations can be made. Carrier reserves the right to approve of an independent laboratory to be used to providing the Assay. If Carrier determines that Shipper's VGO does not meet the Quality Specifications, contains contaminants or hazardous substances, or in the opinion of Carrier, differs materially in character from VGO being transported by Carrier, transportation may be refused or offered under such terms and conditions as agreed to by Carrier and Shipper.

Carrier reserves the right to sample VGO of Shipper without prior notice at facilities that connect to Carrier's system, and shall have the right to ingress and egress upon the property of Shipper or Shipper's designee for such purpose. If, upon investigation, Carrier determines the VGO does not conform to the Quality Specifications and Carrier has not been given prior notice, or if the VGO contains contaminated or hazardous substances, which, in the opinion of Carrier, may materially affect the quality of VGO or Carrier's operations, Shipper will be liable for the cost of Carrier's investigation in addition to other remedies specified in these rules and regulations.

Carrier may, without prior notice, advise Shippers as to the specific results of any Assay.

The test method(s) used in any Assay shall comply with industry practice and accepted standards, including the methods published by the ASTM, the API, and the United States Environmental Protection Agency. Carrier may waive the requirement for any specific test to be included in an Assay. In the event of a discrepancy or conflict between the results of Carrier's Assay and the Assay of Shipper, the results of Carrier's Assay shall prevail.

Item No. 30. NOMINATIONS AND MINIMUM BATCH QUANTITY: The Carrier is under no obligation to accept a Tender of VGO for shipment for any Operating Month unless Shipper submits its Nomination to Carrier in writing by 7:00 a.m. Houston, Texas time on or before the 25th day of the preceding calendar month. Such Nomination shall specify the volume of VGO for such upcoming month and the timing of such deliveries, the quality specifications of such VGO, an appropriate Materials Safety Data Sheet and any other pertinent information, including all documentation required by law concerning the receipt, handling and storage of the VGO.

VGO tendered for shipment through the VGO Pipeline will be received if Shipper gives 48 hours advance written notice of the following information with respect to the VGO being transported: the quality specifications of the VGO, the proposed date and time of physical delivery to Carrier of quantities tendered for transportation, the Consignee, the volume of such delivery as well as providing any documentation required by law. Carrier may refuse to accept VGO for transportation unless satisfactory evidence is furnished that Shipper or Consignee has made provisions for prompt receipt thereof at destination.

A Nomination shall be accepted only when the total quantity of VGO shall be made available by Shipper on a ratable basis over the course of the Operating Month, or in such quantities and at such times specified by Carrier.

Carrier shall not be obligated to accept a Nomination, or to receive a Tender, for a segregated batch in a quantity less than fifty thousand (50,000) Barrels.

VGO will be transported only under a Nomination accepted by Carrier when a tariff covering such pipeline movement is lawfully in effect and on file with the FERC as to interstate traffic and with the appropriate state commission as to intrastate traffic.

Item No. 35. LINE FILL AND TANK BOTTOM INVENTORY: Shipper shall provide its pro rata share of the quantity of VGO necessary to facilitate the transportation of VGO.

Item No. 40. FINANCIAL ASSURANCES: Carrier may at any time and from time to time request, and Shipper shall provide promptly if Carrier so requests, financial security for the payment of charges to be paid by Shipper to Carrier for transportation service (“Financial Assurances”). If requested by Carrier, Shipper’s Financial Assurances must be provided to Carrier prior to Carrier accepting Shipper’s initial Nomination for transportation of VGO. Carrier shall thereafter have the option to refuse Nominations, in whole or in part, from Shipper, and to suspend further receipts and deliveries, until adequate Financial Assurances are provided. Shipper shall provide notice of any change in its financial situation that would adversely affect Shipper’s ability to pay Carrier for transportation service hereunder.

The Financial Assurances that Carrier may request from Shipper shall include, but shall not be limited to, the following:

1. Prepayment of the charges applicable to such volumes nominated by Shipper; or
2. An irrevocable letter of credit or other equivalent financial guarantees satisfactory to Carrier, which shall remain in effect until payment in full for all service has been received by Carrier, at which time Carrier shall, upon request, return and/or cancel such letter of credit or equivalent financial guarantee forthwith. The following must be acceptable to Carrier: (i) the terms of any letter of credit; (ii) the adequacy of any equivalent financial guarantees; and (iii) the identity of the issuing institution of any letter of credit or equivalent financial guarantee.

Item No. 45. APPORTIONMENT WHEN NOMINATIONS ARE IN EXCESS OF CAPACITY:

(a) When, based upon all valid Nominations submitted by Shippers in compliance with these rules and regulations, the total volumes nominated for transportation on the VGO Pipeline exceed the capacity of the VGO Pipeline, based on Carrier’s determination as to the operationally available capacity of the VGO Pipeline, the transportation furnished by Carrier shall be apportioned among all Shippers on an equitable basis.

(b) Available capacity will be allocated among “Regular Shippers” (as defined below) and any “New Shippers” (as defined below) as follows:

1. Up to ninety percent (90%) of the available capacity will be allocated to Regular Shippers on a pro-rata basis using the lesser of volumes nominated or their Representative Volume (as defined below).
2. Up to ten percent (10%) of the available capacity will be allocated to New Shippers, if any, on the lesser of volumes nominated or a pro-rata share of such capacity based on the number of New Shippers submitting Nominations.
3. Any remaining available capacity will be allocated among all Shippers on a pro-rata basis using the volume of Nominations that remains unfulfilled, if any.

(c) For purposes of this Item No. 45, “Representative Volume” on the VGO Pipeline means the monthly average of Shipper’s twelve consecutive month volumes consisting of (a) the current Nomination for the next Operating Month, (b) the accepted Nomination for the instant Operating Month and (c) the net volume received from such Shipper by Carrier in the ten Operating Months immediately prior to the instant month. A Shipper that signs a TSA shall have a Representative Volume for the first year of service equal to the volume specified in its TSA.

(d) A “Regular Shipper” is any Shipper having a record of movements in the VGO Pipeline, during each month of the preceding twelve months. A “New Shipper” is a Shipper who is not a Regular Shipper on the VGO Pipeline. In no event will any portion of capacity allocated to a New Shipper be used in such a manner that it will increase the allocated capacity of another Shipper beyond the allocated capacity that Shipper is entitled to under

the provisions stated in this Item No. 45. Carrier may require written assurances from responsible officials of Shippers regarding use of allocated capacity stating that this requirement has not been violated.

(e) Each Shipper shall be required to certify that it is not engaging in any device, scheme or arrangement whatsoever to make its allocated capacity available to another Shipper before Carrier will accept a Nomination from such Shipper. In the event any Shipper shall receive and use any allocated capacity from a Shipper, then in the month following discovery of such violation, the allocated capacity of such Shipper will be reduced to the extent of the excess capacity made available and the allocated capacity of such Shipper will be reduced to the extent of excess capacity used.

(f) Each New Shipper whose Representative Volume consists only of the current Nomination for the next Operating Month shall be required to certify that it is not affiliated with any other Shipper before Carrier will accept a Nomination from such Shipper. For purposes of this provision, the term "affiliate" includes any person or entity that, directly or indirectly, controls another Shipper, is controlled by another Shipper, or is controlled by the same person or entity that controls another Shipper, and the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any person or entity whether through the ownership of voting securities or by contract or otherwise.

(g) No Nominations shall be considered beyond the amount that the nominating party has readily accessible for shipment. If a Shipper is unable to deliver VGO equal to the volume allocated to it, Carrier will reduce that Shipper's capacity otherwise allocated for the succeeding month by the amount of allocated capacity not utilized during the preceding month if apportionment is necessary.

Item No. 50. APPLICATION OF RATES: VGO accepted for transportation shall be subject to the rates in effect on the date of receipt by Carrier, irrespective of the date of the Nomination.

Item No. 55. LIABILITY OF CARRIER: Carrier in possession of VGO shall not be liable for any loss thereof; damage thereto; or delay caused by fire, storm, flood, epidemics, Act of God, riots, strikes, insurrection, rebellion, war, act of the public enemy, quarantine, the authority of law, requisition or necessary of the Government of the United States in time of war or default of Shipper, Transferee or Consignee or from any other cause not attributable to the negligence of the Carrier, except as otherwise provided in Shipper's TSA. In case of loss of any VGO from any such causes, after it has been received for transportation and before the same has been delivered to Consignee, Shipper shall stand a loss in such proportion as the amount of its shipment, already delivered to Carrier, bears to all of the VGO then in the custody of Carrier, for shipment via the lines or other facilities in which the loss or damage occurs, and Shipper shall be entitled to have delivered only such portion of its shipment as may remain after deduction of its due proportion of such loss, but in such event Shipper shall be required to pay charges only upon the quantity delivered.

EXCEPT AS AGREED TO BY SHIPPER AND CARRIER IN WRITING, CARRIER'S LIABILITY FOR DAMAGES HEREUNDER IS LIMITED TO DIRECT, ACTUAL DAMAGES ONLY AND CARRIER SHALL NOT BE LIABLE TO SHIPPER FOR SPECIFIC PERFORMANCE, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES OR SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, IN TORT, CONTRACT OR OTHERWISE, OF ANY KIND, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE, THE SUSPENSION OF PERFORMANCE, THE FAILURE TO PERFORM, OR THE TERMINATION OF THE SERVICES CONTEMPLATED HEREBY, EVEN IF IT HAS BEEN ADVISED OF THEIR POSSIBLE EXISTENCE.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EACH SHIPPER AND ITS AFFILIATES' SOLE AND EXCLUSIVE REMEDY FOR VGO LOSSES SHALL BE LIMITED TO THE VALUE OF THE VGO LOST (DETERMINED BY SUCH METHODS AS MAY REASONABLY BE DETERMINED BY CARRIER, TO THE EXTENT NOT OTHERWISE PROVIDED IN SUCH SHIPPER'S TSA, IF ANY) AND SHALL NOT INCLUDE ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, INCLUDING LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, IN TORT, CONTRACT OR OTHERWISE, OF ANY KIND.

Item No. 70. ORIGIN AND DESTINATION FACILITIES REQUIRED: Carrier will receive VGO only at the established origin point on the VGO Pipeline, only when tendered for shipment to the established destination point on Carrier's system, and only when Shipper has arranged for satisfactory facilities for handling receipts and deliveries, consistent with the minimum batch quantity specified in Item No. 30.

Item No. 75. NOTICE OF ARRIVAL, DELIVERY AT DESTINATION: After a shipment has had time to arrive at destination, and on 24 hours' notice to Consignee, Carrier may begin delivery of such shipment to Consignee at Carrier's current rate of pumping. If Shipper or Consignee is unable or refuses to receive said shipment, a demurrage charge of two and five-tenths cents (2.5 cents) per Barrel per 24 hours shall accrue from the time said notice expires, on that part of such shipment which is not received by Consignee. After expiration of said 24-hour notice, Carrier's liability for loss, damage or delay with respect to VGO offered for delivery but not taken by Shipper or Consignee shall be that of a warehouseman only. Carrier reserves the right, if deemed necessary to clear its pipeline system, to make arrangements for disposition of the VGO. Any expenses incurred by Carrier in making such arrangements shall be borne by Shipper or Consignee.

Item No. 85. TITLE; VGO INVOLVED IN LITIGATION: Carrier shall not be obligated to accept any VGO, when nominated for transportation, which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by a lien or charge of any kind (except for liens for borrowed money or arising under applicable laws), and Carrier may require of Shipper satisfactory evidence of its perfected and unencumbered title or satisfactory indemnity bond to protect Carrier. By nominating VGO for transportation, Shipper warrants and guarantees that Shipper has good title thereto and agrees to hold Carrier harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto; provided, that acceptance for transportation shall not be deemed a representation by Carrier as to title.

Item No. 90. PAYMENT OF TRANSPORTATION AND OTHER CHARGES: Shipper or Consignee shall pay all applicable transportation charges, and all other lawful charges accruing on VGO delivered to and accepted by Carrier for shipment, and if required, shall prepay or guarantee the same before acceptance by the Carrier, or pay the same before delivery. Carrier shall have a lien on all VGO in its possession belonging to Shipper or Consignee to secure the payment of any and all unpaid transportation charges, or any lawful charges that are due Carrier that are unpaid by Shipper or Consignees, and may withhold such VGO from delivery until all unpaid charges have been paid.

If any charge remains unpaid after the due date of Carrier's invoice, then such amount due shall bear interest from the date of the invoice until paid, calculated at an annual rate equivalent to 120% of the Prime Rate in effect at the close of the business day on which payment was due, or the maximum rate allowed by law, whichever is the lesser.

Item No. 95. INTERRUPTION AND CURTAILMENT: Carrier may interrupt, curtail or reduce transportation service to Shippers for such periods of time as it may reasonably require for the purpose of effecting or allowing any repairs, maintenance, replacement, upgrading or other work related to Carrier's system and related facilities or downstream facilities in circumstances which do not constitute a Force Majeure event. If such interruption is due to a planned outage, Carrier shall make a reasonable effort to give prior notice of any operational interruption and, to the extent possible, Carrier shall provide Shipper with reasonable notice of any scheduled shut down for maintenance. Carrier will use commercially reasonable efforts to minimize the extent and duration of any interruption and the impact of such interruption on the operation of Carrier's system.

During such periods of interruption, Carrier shall curtail transportation and, if necessary, allocate available capacity in accordance with the procedures set forth in Item No. 45.

Item No. 100. FORCE MAJEURE: Neither Shipper nor Carrier shall be considered in default in the performance of its obligations hereunder (except for Shipper's obligations to make monetary payments or provide Financial Assurances), or be liable in damages or otherwise for any failure or delay in performance, when such failure is caused by reasons beyond the reasonable control of such Party, such as due to a strike, lockout, concerted act of workers or other industrial disturbance, fire, explosion, named storm, earthquake, flood or other

natural catastrophe, civil disturbance, riot or armed conflict whether declared or undeclared, acts of terrorism, act of public enemy, war, curtailment, rationing or allocation of normal sources of supply of labor, materials, transportation, energy, or utilities, act of God, epidemic or pandemic, compliance with any act of any government and government regulations (whether or not valid, including the denial, delay, revocation, non-renewal or termination of a permit or license), loss or failure of, accident or damage to equipment or machinery (unless such loss, failure, accident or damage is caused by the gross negligence or willful misconduct of the Party claiming excuse hereunder), the delay or inability of such Party to acquire or retain any rights-of-way or easements or embargo ("Force Majeure"); *provided that* the ability of Shipper or Carrier to obtain better economic terms for the services provided hereunder shall not constitute Force Majeure.

In the event either Shipper or Carrier is rendered unable, wholly or in part, by a Force Majeure event to carry out its obligations or perform under these rules and regulations, it is agreed that on such Party's giving notice and full particulars of such Force Majeure event (including the nature of such event, its effect upon the notifying Party and an estimate of the extent and duration of any such Force Majeure event), in writing to the other Party within a reasonable time after the occurrence of the cause relied on, the obligations of both Parties hereto (except for Shipper's obligation to make monetary payments or provide Financial Assurances), so far as they are affected by such Force Majeure event, shall be suspended during the continuance of any inability to perform so caused, but for no longer period, and such cause shall, so far as possible using commercially reasonable efforts of such Party, be remedied with all reasonable dispatch, except that neither Party shall be compelled to resolve any strikes, lockouts, or other industrial disputes other than as it shall determine to be in its best interests.

Item No. 105. CLAIMS, SUITS AND TIME FOR FILING: Except as may be otherwise provided in a TSA, as a condition precedent to recovery from Carrier for loss, damage, or delay to shipments, claims must be filed in writing with Carrier within nine (9) months after delivery of the VGO, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits arising out of such claims shall be instituted against Carrier within two years 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.

Item No. 120. GAUGING AND TESTING: VGO nominated to Carrier for transportation shall be gauged or metered and may be tested by a representative of Carrier prior to its receipt from Shipper, but Shipper shall have the right to be present or represented at the gauging and testing. Quantities shall be computed from the tank tables on a 100 percent volume basis, or, when agreed upon, quantities may be measured through meters. All shipments will be received and delivered with volume corrected as to temperature from observed degrees Fahrenheit to 60 degrees Fahrenheit. The Centrifuge method, or other methods agreed upon, shall be used for ascertaining the percentage of basic sediment, water or other impurities in the shipment and the full amount of basic sediment, water and other impurities, thus determined, shall be deducted from the corrected volume. Carrier shall have the right to enter upon the premises where VGO is received and have access to any and all tanks, storage receptacles, or meters for the purpose of gauging, metering or testing and to make any examination, inspection, measurement or test authorized in these rules and regulations.

Item No. 125. DEDUCTIONS AND QUANTITIES DELIVERABLE:

- A. All shipments of VGO of A.P.I. Gravity of 50 degrees or above shall be subject to a deduction to cover the shrinkage resulting from the mixture thereof, in the facilities of Carrier, with VGO of A.P.I. Gravity of 49.9 degrees or less according to the following table:

A.P.I. GRAVITY		% DEDUCTION	
50°	Through	59.9°	1%
60°	Through	74.9°	2%

75°	Through	84.9°	3%
85°	Through	94.9°	4%
95°	Through	104.9°	5%
105°	Through	120.9°	6%

- B. Unless otherwise specified on individual tariffs making reference to these rules and regulations, the quantity deliverable by Carrier shall be the net corrected volume, as outlined in Item No. 120, less the applicable deduction for shrinkage. Transportation charges will be assessed on the net balance thus reduced. As an allowance for losses or gains of VGO, including evaporation, shrinkage, measurement inaccuracies and interface losses, Carrier shall be allowed a loss allowance incident to the receipt, temporary storage, transportation and redelivery of VGO equal to the sum of one-twentieth of one percent (0.05%) and the applicable shrinkage (the "Loss Allowance"). The Loss Allowance will be reconciled on an annual basis, or some other basis as determined by Carrier if not otherwise specified in a TSA, against the actual gains and losses experienced by Carrier over such period. To the extent a loss of VGO exists which exceeds the Loss Allowance, Carrier shall replace barrels due to each Shipper either in kind or in cash, at Carrier's election.

Item No. 130. EVIDENCE OF RECEIPTS AND DELIVERIES: VGO received from Shipper and delivered to the Consignee shall, in each instance, be evidenced by tickets, showing opening and closing tank gauges or meter readings, as applicable, temperature, basic sediment and water, and any other data essential to the determination of quantity. Unless otherwise agreed by Carrier, such tickets shall be jointly signed by representatives of Carrier and Shipper or Consignee, as appropriate, and shall constitute full receipt for the VGO received or delivered.

Item No. 140. INTRASYSTEM CHANGE IN OWNERSHIP: Notice of change in ownership of VGO will be recognized and recorded only where such VGO entered the Carrier's System and only on a monthly basis. Statements denoting ownership transactions will be provided to the applicable Transferors and Transferees. Carrier will not provide any information as to the quality of the VGO subject to changes in ownership except for A.P.I. Gravity on current receipts when requested. A Transferor will be permitted to make only one transfer at a location per month. The Transferee will thence become Shipper and pay all tariff charges from the transfer location.

Carrier shall not be obligated to recognize and record changes in ownership of VGO during any Operating Month unless the Transferor and Transferee requesting the Carrier to recognize and record the change in ownership shall, each, on or before the 25th day of the preceding calendar month provide written notice to the Carrier containing like data relative to the kind, quantity, source, location, Transferor and Transferee of the VGO. Carrier shall not be obligated to accept any modification in said notice unless confirmed in writing by the Transferor and Transferee on or before the last day of the calendar month preceding the Operating Month.

When the quantity of the VGO received during the Operating Month is not equivalent to the quantity of the VGO subject to the notice of change in ownership, the Carrier will recognize and record the change in ownership only to the extent of the quantity received.

A notice of change in ownership of VGO shall be deemed a warranty that the Transferor has unencumbered title to the VGO identified in its notice at the time of change in ownership.

Item No. 150. STORAGE IN TRANSIT: Carrier may have working tanks required to support its transportation operations, but has no other available tankage. Therefore, unless otherwise specifically stated in a tariff making reference to these rules and regulations, Carrier does not have facilities for rendering, nor does it offer, a storage service. Provisions for storage in transit in facilities furnished by Shipper at points on Carrier's system will be permitted to the extent authorized under individual tariffs.

Item No. 155. PIPEAGE OR OTHER CONTRACTS: Separate pipeage and other contracts may be required of a Shipper, in accordance with the applicable tariff and these rules and regulations, before any duty of transportation by the Carrier shall arise.

Item No. 160. EASEMENTS: Each Shipper shall, and shall cause its affiliates to, grant Carrier and its affiliates without charge, a right of way easement to install, maintain, repair, alter, use, operate and remove such parts of any of Carrier's pipelines or other facilities at any destination or receipt point at which such Shipper's VGO may be delivered as are or shall be located in, on, through and across the land of such Shipper or its affiliates and a right of ingress to and from such pipelines and other facilities.

Item No. 165 REVERSE DIRECTION ROUTING:

- A. Carrier's system is designed and intended to provide transportation service in a northward direction from BR Port Services, LLC Terminal, Port Allen, Louisiana to VGO Interconnect, Anchorage, Louisiana. The terms of service and rate transportation movement are set forth in this tariff.
- B. Carrier does, however, have the capability to temporarily reverse the flow to offer transportation service in a southwards direction using the VGO Pipeline from VGO Interconnect, Anchorage, Louisiana to BR Port Services, LLC Terminal, Port Allen, Louisiana (the "Reversed VGO Direction").
- C. A Shipper desiring to make a northward shipment on the VGO Pipeline in a month should submit a Nomination for such service in accordance with Item No. 30 of this tariff. A Shipper desiring to make a southwards shipment on the VGO Pipeline in a month should submit a Nomination for such service in accordance with Item No. 30 of this tariff, and specify that the requested shipment will need to be in the Reversed VGO Direction service under this Item No. 165 (the "Reversed VGO").
- D. Following the receipt of all such Nominations for service, Carrier will make a determination as to whether it can temporarily reverse the VGO Pipeline during the requested month in order to offer southward transportation services on the VGO Pipeline, in lieu of offering the primary northward transportation services on the VGO Pipeline. Carrier will consider, among other things, the following factors when determining whether to reverse part of the VGO Pipeline: the level of Nominations received for northward transportation service on the VGO Pipeline and the expense that will be required to perform the reversal of VGO Pipeline.
- E. Carrier will notify all interested parties no later than the 27th day of the month preceding the month of transportation as to whether Carrier will temporarily reverse the VGO Pipeline during the requested month and offer transportation service in a southward direction on the VGO Pipeline.
- F. The quantity of Reversed VGO shall be determined by static tank gauges using both acceptable and applicable API/ASTM standards. The Reversed VGO shall not be subject to any Loss Allowance nor shall Genesis be liable for any losses of VGO, unless caused by Genesis' gross negligence or willful misconduct.

Item No. 170. RATES

TABLE OF RATES

Rates in Dollars per Barrel, Payable in United States Currency

<u>Origin</u>	<u>Destination</u>	<u>Rate</u>
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BR Port Services, LLC Terminal, Port Allen, Louisiana	VGO Interconnect, Anchorage, Louisiana	[I] 0.2783
VGO Interconnect, Anchorage, Louisiana	BR Port Services, LLC Terminal, Port Allen, Louisiana ¹	[I] 0.2783

Note:

¹Carrier may offer this temporary, as-available bi-directional service in a given month, and such service shall only be provided in accordance with Item No. 165 of these Rules and Regulations.

EXPLANATION OF REFERENCE MARKS

[I] Increased rate