

ExxonMobil Pipeline Company

LOUISIANA LOCAL TARIFF

APPLYING ON

ETHANE

The rate named in this tariff is for the transportation of ethane by pipeline, subject to the rules and regulations published herein.

From	To	Rate in Cents Per Barrel of 42 U.S. Gallons
Anchorage Chemical Terminal, Port Allen, West Baton Rouge Parish, Louisiana	ExxonMobil Chemical Plant, Baton Rouge, East Baton Rouge Parish, Louisiana	[U] 10.50
	Junction on Union Texas Petroleum, 10" Line Near Brusly, West Baton Rouge Parish, Louisiana	[U] 10.50
	Choctaw Dome Storage, Iberville Parish, Louisiana	[U] 21.00

EXPLANATION OF REFERENCE MARKS

[U] Unchanged rate
[W] Change in wording only
[N] New
[C] Cancel

EFFECTIVE: MAY 1, 2003

Issued by:
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RULES AND REGULATIONS**1. DEFINITIONS:**

"Barrel," as used herein, means 42 United States gallons of ethane at a temperature of 60 degrees Fahrenheit.

"Carrier," as used herein, means Exxon Pipeline Company.

2. RECEIPT, DELIVERY AND LEGALITY OF SHIPMENTS TENDERED. – Ethane tendered for transportation will be received into the pipelines of Carrier only on the conditions that:

- A. Shipper has provided adequate pumping equipment and facilities satisfactory to Carrier for injecting ethane into Carrier's pipelines at pumping rates satisfactory to Carrier; and,
- B. Ethane tendered for shipment is of the same kind and quality of ethane being transported by Carrier and the transportation of such ethane would result in no damage to the quality or characteristics of other shipments; and,
- C. The Shipper or Consignee has provided adequate facilities for receiving the shipment as it arrives at destination; and
- D. Shipper and Consignee have complied with all applicable laws, rules and regulations made by any governmental authorities regulating the shipment of ethane.

3. IDENTITY OF SHIPMENTS. – Because of the characteristics of the product being transported, Carrier cannot undertake to deliver the identical ethane tendered, but will make delivery at destination from common stock in pipeline. Carrier will not be liable for discoloration, contamination or deterioration of ethane transported unless such discoloration, contamination or deterioration is caused by negligence of Carrier.**4. APPORTIONMENT WHEN CURRENT OFFERINGS ARE IN EXCESS OF FACILITIES.** – If the total volume of Ethane for shipment exceeds the pipeline delivery capacity, transportation shall be apportioned among all shippers in such quantities and at such times to the limit of capacity so as to avoid discrimination among the shippers.**5. APPLICATION OF RATES.** – Ethane accepted for transportation shall be subject to the rates in effect on the date of receipt by Carrier, irrespective of the date of tender.**6. LIABILITY OF CARRIER.** – Carrier in possession of ethane herein described, shall not be liable for any loss thereof; damage thereto; or delay caused by fire, explosion, storm, flood, epidemics, Act of God, riots, strikes, insurrection, rebellion, war, act of the public enemy, quarantine, the authority of law, requisition or necessity of the Government of the United States in time of war, default of Shipper or Owner, or from any other cause not due to the negligence of Carrier. In case of loss of any ethane from any such causes, after they have been received for transportation and before the same have been delivered to Consignee, Shipper shall stand a loss in such proportion as the amount of his shipment, already delivered to Carrier, bears to all of the ethane then in the custody of Carrier, for shipment via the lines or other facilities in which the loss or damage occurs, and the Shipper shall be entitled to have delivered only such portion of his shipment as may remain after deduction of his due proportion of such loss.**7. ETHANE INVOLVED IN LITIGATION.** – Ethane which is in any way involved in litigation, or when is encumbered by lien or charge of any kind, will not be accepted for shipment, unless and until the Shipper or Consignee shall furnish a bond or other form of indemnity satisfactory to Carrier, protecting it against any liability or loss arising as a result of such litigation, lien or charge.**8. PAYMENT OF TRANSPORTATION AND OTHER CHARGES.** – [C] The Shipper or Consignee shall pay all applicable gathering, transportation, and all other lawful charges accruing on ethane 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 ethane in its possession belonging to Shipper or Consignee to secure the payment of any and all unpaid gathering, transportation, or any lawful charges that are due Carrier that are unpaid by Shipper or Consignee, and may withhold such ethane from delivery until all unpaid charges have been paid.

[C] If any charge remains unpaid after the due date specified in Carrier's invoice, then such amount due shall bear interest from the day after the due date until paid, calculated at an annual rate equivalent to 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 the maximum rate allowed by law, whichever is the lesser. If the invoice is not paid within thirty (30) days from the due date specified in Carrier's invoice, Carrier shall have the right, either directly or through an agent, at any time after such thirty (30) day period to sell any ethane of such Shipper in its custody at public auction, on any day not a legal holiday, not less than 48 hours after publication of notice of such sale in a daily newspaper of general circulation published in the town, city or general area where the sale is to be held, stating the time and place of sale and the quantity and location of the ethane to be sold. At said sale, Carrier shall have the right to bid, and, if it is the highest bidder, to become the purchaser. The process of disposition shall be applied in 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 indebtedness secured hereby including interest herein provided from date of invoice to date of sale. The balance of the proceeds of the sale remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.

[N] The Shipper or Consignee shall pay, as provided below, all applicable gathering, transportation, and all other charges accruing on Ethane handled by Carrier.

[N] 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.

[N] 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.

[N] 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.

[N] 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 Ethane in Carrier's possession or prior to Carrier's acceptance of Shipper's Ethane: (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.

[N] Carrier shall have a lien on all Ethane delivered to Carrier to secure the payment of any and all gathering, transportation, or any other charges that are owed Carrier. Such lien shall survive delivery of Ethane to Shipper. Such lien shall extend to all Ethane in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier. The lien provided herein shall be in addition to any lien or security interest provided by statute or applicable law. Carrier may withhold delivery to Shipper of any of Shipper's Ethane in its possession and exercise any other rights and remedies granted under this tariff or existing under applicable law until all such charges have been paid as provided above.

[N] If Shipper fails to pay an invoice by the due date, in addition to any other remedies under this tariff or under applicable law, Carrier shall have the right, either directly or through an agent, to sell at a private sale any and all Ethane 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.

- 9. CLAIMS, SUITS AND TIME FOR FILING.** – As a condition precedent to recovery, claims must be filed in writing with Carrier within nine months after delivery of shipment, or, in case of failure to make delivery, then within nine months after a reasonable time for delivery has elapsed; and suites shall be instituted against Carrier only within two years and one 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 suites are not instituted thereon, in accordance with the foregoing provisions, Carrier shall not be liable and such claims will not be paid.
- 10. TESTING AND MEASURING.** – Ethane tendered to Carrier for transportation may be tested by Carrier prior to its receipt from Shipper. Quantities shall be measured through meters. The volume accepted for transportation will be corrected as to temperature from observed degrees Fahrenheit to 60 degrees Fahrenheit at reception point and transportation charges will be assessed on such corrected volume.
- 11. QUANTITIES DELIVERABLE.** – The quantity of ethane deliverable at destination shall be the quantity received at origin, less shrinkage, evaporation or other loss in transit, including leaks and breaks, resulting from any cause other than negligence on the part of Carrier. The volume of such deliveries will be corrected to 60 degrees Fahrenheit.
- 12. LINE FILL AND TANK BOTTOM INVENTORY.** – Either prior to or after the acceptance of ethane for transportation through the system, Carrier may, upon reasonable notice, require each Shipper to provide a pro rata part of the volume of ethane necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for the efficient operation of the system. Ethane provided by a Shipper for this purpose may be withdrawn [W] after reasonable written notice of Shipper's intention to discontinue shipment in the system pursuant to Carrier's applicable tariff or tariffs. [N] Carrier may require advance payment of final transportation charges and settlement of any unpaid accounts receivable, before final delivery will be made.

[N] In the event a Shipper's inventory balance drops below its pro rata part of the volume of Ethane 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 Ethane.

[N] 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 preceding 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 Ethane, 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.