

# MOBIL PIPE LINE COMPANY

## TEXAS LOCAL TARIFF

APPLYING ON

## PETROLEUM PRODUCTS

(As Defined Herein)

The rate published in this tariff is for the intrastate transportation of PETROLEUM PRODUCTS within the State of Texas, through the pipe lines of Mobil Pipe Line Company, and is subject to the rules and regulations contained herein.

FROM TEXAS STATIONS	TO	RATES IN CENTS PER BARREL OF 42 U.S. GALLONS
Hull, Liberty County	Mont Belvieu, Chambers County	[I] <u>147.93</u> <del>136.08</del>
Mont Belvieu, Chambers County	Hull, Liberty County	[I] <u>147.93</u> <del>136.08</del>

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## RULES AND REGULATIONS

Rule 1. **"Petroleum Products," "Barrel," and "Company" Defined** - "Petroleum Products," as used herein, consists of Ethane, Propane, Butane, Isobutene, Propylene, Natural Gas Liquids or mixtures thereof, meeting applicable N.G.P.A. specifications. "Barrel" means a barrel of forty-two (42) gallons, United States measurement, at 60° Fahrenheit and equilibrium vapor pressure. "Company" means and refers to Mobil Pipe Line Company.

Rule 2. **Specifications Required** - Ethane-Propane will be accepted for transportation only at such time as products of similar quality and characteristics are being transported from receiving point to delivery point. Company may require consignor to furnish a certificate showing that Ethane-Propane products tendered for transportation have a minimum purity equivalent to the line product and meet applicable N.G.P.A. specifications.

Rule 3. **Storage, Origin, and Destination Facilities** - Products will be accepted by Company only when the shipper and the consignee have provided equipment and facilities, including storage facilities, satisfactory to Company for delivering products into Company's pipe line at a pumping rate satisfactory too Company and for receiving same without delay 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 Company for transportation greater quantities than can be immediately transported, the transportation shall be apportioned among all shippers in proportion to the amounts tendered by each; provided that no tender for transportation shall be considered beyond the amount which the shipper requesting the shipment has on hand available and ready for shipment. Company shall be considered as a shipper of quantities tendered by itself and held for shipment through its lines, and its shipments shall be entitled to participate ratably in such apportionment.

Rule 6. **Petroleum Products Involved in Litigation, Etc.** - The Company 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 incumbered by lien or charge of any kind, and it may require of the shipper satisfactory evidence of his perfect and unincumbered title of satisfactory indemnity bond to protect Company.

Rule 7. **Measuring, Testing, and Deductions** - All shipments tendered Company for transportation shall be tested, gauged or metered by a representative of Company prior to, or at the time of receipt from the shipper of delivery to consignee, but the 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° Fahrenheit basis by use of applicable API-ASTM-IP correction tables or by G.P.A Technical Publication 1. Full deduction will be made for all water and other impurities.

Company shall account to each shipper for all Petroleum Products received. Any overage or shortage not due to the negligence of Company, 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.

The net balance, after applicable deductions defined above, and any loss provided for in Rule 9 (Liability of Company), will be the quantity deliverable by Company and upon which transportation charges will be assessed.

Rule 8. **Transportation Restrictions and Maintenance of Identity** - No petroleum products will be received for shipment by the applicable Reid or N.G.P.A. calculation methods. Shipper shall deliver liquid product to the Company at pressures established by the Company. Maximum liquid product temperature shall be established by the Company for each delivery. Because of the peculiar characteristics of the liquid products being transported and the physical difficulties incident to its transportation, Company cannot undertake to deliver the identical product tendered, but will make delivery from common stock in pipeline at destination.

Rule 9. **Liability of Company** - Company 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 Company; in case of losses from such causes, other than the negligence of the Company, losses shall be charged proportionately to each shipment in 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 Company 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 hereunder having a vapor pressure and component structure incompatible with the line liquid product. Vapor pressure shall be determined transportation charges only on the quantity delivered.

**Rule 10. 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, including but not limited to reasonable attorney fees.

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.

**Rule 11. Use of Communication Facilities** - When Company maintains a private communication system, shippers may use the same without extra charge for messages incident to shipment. However, Company shall not be held liable for delivery messages away from its office, for delays in transmission, or for interruption of service.

**Rule 12. Notice of Claims** - Notice of claims for loss, damage, or delay in connection with the shipment of the Petroleum Products must be made in writing to the Company within ninety-one (91) days after the damage, loss, or delay occurred. If the claim is for failure to make delivery, the claim must be made ninety-one (91) days after a reasonable time has elapsed.

**Rule 13. Pipage Contracts** - Separate pipage contracts in accord with this tariff and these regulations covering further details may be required by this Company before any duty for transportation shall arise.

**Rule 14. 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 Platt's, Argus or another industry recognized publication, at the time Shipper informs Carrier in writing to 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 settlement of the Shipper's inventory balance. In the event the grade being settled is not assessed by Platt's, Argus or another industry publication, the assessment for the most similar grade will be used with an appropriate adjustment to determine the fair market value of the grade being settled.

#### **EXPLANATION OF ABBREVIATIONS**

N.G.P.A. means Natural Gas Processors Association.  
ASTM means American Society for Testing Materials.  
IP means Institute of Petroleum (Great Britain).  
API means American Petroleum Institute.

**[I]** Increase

**[W]** Change in wording only