

FERC ICA OIL TARIFF

**F.E.R.C. No. 65.13.0
Cancels F.E.R.C. No. 65.12.0**

HOLLY ENERGY PARTNERS – OPERATING, L.P.

**LOCAL and PROPORTIONAL
PIPELINE TARIFF**

CONTAINING

RATES, RULES AND REGULATIONS

GOVERNING THE TRANSPORTATION AND HANDLING
OF
PETROLEUM PRODUCTS

TRANSPORTED BY PIPELINE

TABLE OF RATES (In Cents Per Barrel)		
FROM	TO	RATE
HollyFrontier El Dorado, KS Refinery	El Dorado East, KS	[U] 6.62

The rates named in this Tariff are expressed in cents per barrel of forty-two (42) United States Gallons and are subject to change as provided by law.

Governed, except as otherwise provided herein, by rules and regulations shown in Holly Energy Partners - Operating, L.P. F.E.R.C. No. 53.1.0 or reissues thereof.

[N] Issued in compliance with 18 CFR § 341.3 – Form of Tariff

~~[C]The rates in this tariff are being established in accordance with the Commission’s January 20, 2022 order in Docket No. RM20-14-001, which reduced the index for the current five-year review period from PPI-FG + 0.78 percent to PPI-FG – 0.21 percent (the “March 2022 Index”). To the extent that all or any portion of that order is reversed on rehearing or appeal and the index for the current five-year period is increased from the March 1-Index level, the Carrier reserves the right to collect from shippers the positive difference, if any, between the rates resulting from application of the March 2022 Index and the rates resulting from application of the new index, for all barrels shipped from March 1, 2022 forward.~~

Special Permission Requested. Issued on less than thirty (30) days’ notice under authority of 18 C.F.R. § 314.14. This tariff publication is conditionally accepted subject to refund pending a 30-day review period.

ISSUED: March 23, 2022

EFFECTIVE: March 23, 2022

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

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GENERAL RULES AND REGULATIONS

ITEM 15 – DEFINITIONS

"**Barrel**" means forty-two (42) United States gallons at sixty (60) degrees Fahrenheit.

"**Carrier**" means and refers to Holly Energy Partners – Operating, L.P. (HEP).

"**Consignee**" means and refers to the party having ownership of Petroleum Product transferred to them.

"**Consignor**" means the party, which tendered Petroleum Products to Carrier.

"**Destination**" means El Dorado-East, KS

"**Inventory Owner**" means and refers to the party, either Shipper or Consignee, holding title to Petroleum Product(s) in Carrier's terminal.

"**Origin**" means the facility of Carrier at which Carrier receives Petroleum Products into Carrier's pipeline.

"**Origin Release**" means the written commitment of a Consignor to schedule a batch of Petroleum Products into Carrier's facilities.

"**Petroleum Products**" means the commodities more specifically defined in Item 20 and meeting the specifications referenced in Item 40.

"**Shipment Request**" represents a commitment by an established Shipper to receive Petroleum Product from an Origin point into the Carrier's system.

"**Shipper**" means the party who contracts with the Carrier for transportation of Petroleum Products pursuant to the terms of this tariff.

"**Tender**" means an offer by a Shipper to a Carrier of a stated quantity of Petroleum Products from a specified Origin or Origins to a specified Destination or Destinations pursuant to the terms of this tariff.

"**Transit Time**" means the time a shipment would take to move from Origin to Destination.

ITEM 20 - PETROLEUM PRODUCTS DEFINED

Where the term Petroleum Products is used, the same refers to:

Unleaded Gasolines

Jet Fuels – Commercial

Petroleum Fuel Oil Distillates

Jet Fuels - Military

Gasoline Feedstock

ITEM 28 – TRANSMIX HANDLING

Transmix occurring in the Carrier's system that cannot be combined with compatible products shall be retained in Carrier's custody for disposal by the Carrier on behalf of the Shippers to ensure efficient operations of the pipeline.

The total Transmix accumulated in Carrier's system will be allocated to all Shipper's in proportion to each Shipper's barrels received into the system from all Shipper's in a calendar month. Carrier shall dispose of the Transmix for Shippers and provide each Shipper's net proceeds from the disposition of the Transmix.

ITEM 30 - VOLUME CORRECTIONS AND TENDER DEDUCTIONS

SECTION A. In measuring the quantity of Petroleum Products received and delivered, correction shall be made from volume at actual or observed temperature to volume at sixty (60) degrees Fahrenheit.

ITEM 35 – COMMODITY

Carrier is engaged in the transportation of Petroleum Products specified and described in Item 20 and therefore will not accept any other commodities for transportation. No Petroleum Products will be received for transportation except good merchantable Petroleum Products of substantially the same kind and quality as that being currently transported through the same facilities for other Shippers. Consignor and Shipper warrant to Carrier that any Petroleum Products tendered to Carrier conform with the specifications for such Petroleum Products and are merchantable. Petroleum Products of substantially different grade or quality will be transported only in such quantities and upon such terms and conditions as Carrier and Shipper may agree. Shipper shall be liable for any contamination or damage to other Petroleum Products being transported or to Carrier's pipeline or other facilities in the event products tendered are substandard to the specifications stated on Shipper's laboratory certificate. In the event of variance between Carrier's test and Shipper's certificate, Carrier's test results shall prevail.

ITEM 45 – NOMINATIONS & SCHEDULING OF SHIPMENTS

SECTION A. Carrier is under no obligation to accept Petroleum Products for transportation in any month unless Shipper submits a nomination on or before the fifteenth (15th) day of the calendar month preceding the desired shipment date. If the fifteenth (15th) day of the month falls on a weekend or holiday, nominations are due on the last workday before the fifteenth (15th). The nomination may be submitted to Carrier by e-mailed or fax. A nomination must specify, for each shipment, the quantity, product grade, Origin, Destination, Supply source(s) and Shipper.

SECTION B. Petroleum Products shall be accepted for transportation at such time as Petroleum Products of the same specifications are currently being transported from point of Origin to a Destination or Destinations in accordance with schedules of shipments and consignments to be issued from time to time to each Consignor by the Carrier. Such schedules may be modified from time to time in the manner and to the extent reasonably desirable to facilitate the efficient and economical use and operation of the Carrier's facilities and to reasonably accommodate Consignor's needs for transportation.

ITEM 50 – PRORATION OF PIPELINE CAPACITY

When the total volume of the various commodities offered for shipment on Carrier's facilities, in accordance with the procedures for scheduling of shipments, is greater than can be transported within the period covered by such schedules, then commodities offered by each Shipper, including any new Shipper, for transportation will be transported in such quantities and at such times, to the limit of Carrier's normal operating capacity, so as to avoid unjust discrimination or undue preference among Shippers and to fulfill requirements of governmental agencies.

New Shippers [i.e., Shippers without a loading history over the preceding twelve (12) months], in aggregate, shall be allocated capacity up to a maximum of 5% of the pipeline capacity. All subsequent allocations of capacity shall be based on the history developed by the Shipper.

ITEM 60 – ACCEPTANCE FREE FROM LIENS AND CHARGES

The Carrier shall have the right to reject any Petroleum Products when tendered for shipment which may be involved in litigation, the title of which may be in dispute, or which may be encumbered by lien or charge of any kind. Further, Carrier will require Shipper's proof of perfect and unencumbered title or a satisfactory indemnity bond.

ITEM 65 – CORROSION INHIBITORS

Consignor may be required to inject oil-soluble corrosion inhibitor, approved by Carrier, in the Petroleum Products to be transported.

ITEM 70 – FACILITIES REQUIRED AT ORIGIN AND DESTINATION

SECTION A. The Carrier will not provide storage or other tankage facilities at points of Origin and/or at Destination. Petroleum Products will be accepted for transportation only when Consignor has provided equipment and facilities satisfactory to the Carrier, including but not limited to the facilities necessary to meet Carrier's mainline pumping rate at the origin, and when Consignor or Consignee has ascertained from the Carrier or has furnished evidence satisfactory to the Carrier that there are adequate facilities at Destination, which are available for receipt of the shipment as it arrives without delay.

SECTION B. In the event Consignor or Consignee fails to provide adequate facilities at the Destination for receipt as provided in Section A hereof, Carrier shall have the right, on 24 hours notice, to divert or re consign, 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 clear the Carrier's facilities, including the right of private sale for the best price reasonably obtainable. The Carrier may be a purchaser at such sale. Out of the proceeds of said sale, the Carrier shall pay itself all transportation and other applicable lawful charges and necessary expenses of the sale and the expense of caring for and maintaining the Petroleum Products until disposed of and the balance shall be held for whomsoever may be lawfully entitled thereto.

ITEM 75 - PAYMENT OF TRANSPORTATION AND OTHER CHARGES

The transportation and all other applicable lawful charges, except demurrage charges, accruing on Petroleum Products accepted for transportation shall be paid before release of Petroleum Products from the custody of Carrier. If required by Carrier, Shipper shall either prepay all such charges or furnish guaranty of payment satisfactory to Carrier. Petroleum Products accepted for transportation shall be subject to a carrier's lien, as provided by Article 7 of 12A Okla. Stat. (as such article may be amended from time to time), for all applicable, lawful charges.

If such charges are not paid by the due date stated on the invoice, the balance due on the entire past due balance (including principal and accumulated but unpaid finance charges) shall bear interest from that due date until paid in

full at the rate equal to the lesser of 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.

In addition to all other liens, statutory or otherwise, to which Carrier is entitled and unless the following grant is expressly prohibited by the terms of one or more security agreements or credit agreements creating prior, perfected security interests in the hereinafter-defined Collateral, Shipper hereby grants to Carrier a first priority, continuous and continuing security interest in all of the following, whether now or hereafter existing or acquired, as collateral for the prompt and complete payment and performance of Shipper's Obligations (as defined below): (a) All Petroleum Products accepted by Carrier for transportation, terminaling, storage, or otherwise; (b) all other property of Shipper now in the possession of and at any time and from time to time hereafter delivered to Carrier or its agents; (c) all of Shipper's pre-payments, deposits, balances, and credits with, and any of its claims against, Carrier, at any time existing; and (d) all products and proceeds of any of the foregoing property in any form. The property described or referred to in subsections (a) through (c) above is collectively referred to as the "Collateral." This grant secures the following (collectively the "Obligations"): (a) all antecedent, current and future transportation, storage, terminaling, special, ancillary and other lawful charges arising under or related to this tariff or the contracts entered into in connection with this tariff; (b) the repayment of any amounts that Carrier may advance or spend for the maintenance, storage or preservation of the Collateral; (c) all amounts owed under any modifications, renewals or extensions of any of the foregoing obligations; and (d) all other amounts now or in the future owed by Shipper to Carrier, whether or not of the same kind or class as the other obligations owed by Shipper to Carrier. Shipper authorizes Carrier to file such financing statements or other documents necessary to perfect and maintain the security interest herein granted.

Upon a default by the Shipper under this tariff or the contracts entered into in connection with this tariff, Carrier may, without further notice, setoff (including by set off, offset, recoupment, combination of accounts, deduction, retention, counterclaim, or withholding across or within each or all of such tariff and contracts, collectively "Setoff") (a) any amounts owed by Carrier to the Shipper under any other agreements, instruments or undertakings between the Shipper and Carrier against (b) any amounts owed by the Shipper to Carrier under any other agreements, instruments or undertakings between the Shipper and Carrier. Carrier shall give the Shipper notice of any Setoff pursuant to this paragraph, as soon as practicable thereafter, provided that failure to give such notice shall not affect the validity of the Setoff.

This item shall be construed in accordance with and governed by the laws of the State of Oklahoma (including without limitation the Uniform Commercial Code, 12A Okla. Stat. § 1-101 et seq., as it may be amended from time to time), without regard to any choice of law rules which may direct the application of the laws of any other jurisdiction.

ITEM 80 - TAX REGISTRATION

Consignors and Consignees shall be required to provide proof of registration with or tax exemption from the appropriate Federal and/or State tax authorities related to the collection and payment of fuels excise tax or other similar taxes, levies, or assessments. Failure of the Consignor and Consignee to do so shall not relieve the Consignor or Consignee from the obligation to pay any such tax, levy, or assessment. Any tax, levy, assessment, or other charge imposed by such authority against Carrier as the result of such failure shall be collected by Carrier under the provisions of Item 75.

ITEM 90 - PIPEAGE CONTRACTS REQUIRED

Separate pipeage contracts in accordance with this tariff and these regulations covering further details may be required of a Shipper before any duty to transport shall arise.

ITEM 95 - MINIMUM SHIPMENT

SECTION A. A shipment of 25,000 Barrels or more of Petroleum Products, of the same required specifications only, shall be accepted for transportation at one point of Origin from one Consignor.

SECTION B. A shipment of not less than 5,000 Barrels of Petroleum Products, of the same specifications only, shall be accepted for transportation at one point of Origin from one Consignor subject to delay until Carrier has accumulated at receiving point the minimum shipment described in Section A of the same specifications from the same or other Consignors.

ITEM 120 - APPLICATION OF RATES FROM OR TO INTERMEDIATE POINTS

Shipments of Petroleum Products accepted for transportation from any Origin or to any Destination not named in any tariff making reference hereto, which Origin or Destination is directly intermediate to any Origin or Destination from or

to which a rate applying though such unnamed point is published, the Carrier will apply, from or to such unnamed intermediate point, the rate published from or to the next more distant point specified in the tariff.

ITEM 125 - IDENTITY OF SHIPMENT

Because it is impracticable to maintain the identity of each shipment or consignment of Petroleum Products, substitution of barrelage, but not substitution of one kind of Petroleum Product for another by Carrier, shall be permitted.

ITEM 135 - DELIVERY TO DESTINATION

Upon arrival at Destination, Petroleum Products shall be delivered into terminal or other facilities provided by the Consignor or Consignee, or into terminal facilities furnished by the Carrier where Carrier furnishes terminal facilities, pending receipt by Carrier from Consignor or Consignee of instructions relative to the further transportation thereof.

ITEM 145 - DEMURRAGE CHARGES

In order to provide space for delivery of succeeding shipments in Carrier's tankage or to otherwise prevent or relieve congestion at Destinations where Carrier provides tankage, Carrier may give notice to Consignors or Consignees to remove Petroleum Products from such terminal facilities. Petroleum Products specified in the notice which are not removed at the close of a five (5) day period, beginning the day after such notice is sent by the Carrier, shall be subject to a demurrage charge of five cents (5¢) per Barrel per day until removed. Demurrage charges shall be payable upon presentation of an invoice by the Carrier.

ITEM 170 - CHARGES FOR SPILL COMPENSATION ACTS AND REGULATIONS

In addition to the transportation charges and all other charges accruing on Petroleum Products accepted for transportation, a per Barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against the Carrier in connection with such Petroleum Products 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 Petroleum Products within their jurisdiction for the purpose of creating a fund for the prevention, containment, clean up, and/or removal of spills and/or reimbursement of persons sustaining such costs or losses therefrom.

ITEM 180 - DUTY OF CARRIER

The Carrier shall transport and deliver into terminal facilities at Destination, with reasonable diligence, the quantity of Petroleum Product accepted for transportation, less the appropriate tender deduction.

In the event of non-delivery due to interface cuts or other operating losses in excess of the tender deduction, the Carrier shall have the right to satisfy any claim by product replacement or cash payment.

ITEM 185 - LIABILITY OF CARRIER

The Carrier shall not be liable for any delay in transportation or terminaling services or loss of Petroleum Products caused by acts of God; storm, flood, extreme weather, fire, explosion; war, invasion, hostilities, rebellion, terrorism, insurrections, riots; strikes, picketing or other labor stoppages, whether of Carrier's employees or otherwise; electrical or electronic failure or malfunction; communications failure or malfunction; computer hardware and/or software failure, malfunction; breakage or accident to machinery or equipment; proration; temporary restraining orders, injunctions or compliance orders issued by courts or governmental agencies; seizure or destruction under quarantine or customs regulations, or confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade; or any cause not due to fault or negligence of Carrier. In the event of such loss, each owner shall bear the loss in the same proportion as its share of the total quantity of the kind of product involved in the loss in the custody of the Carrier at the time of such loss. Each Shipper or Consignee shall be entitled to receive only so much of its share remaining after its due proportion of the loss is deducted. The Carrier shall compute the quantities of loss and shall prepare and submit a statement to the Shippers or Consignees showing the apportionment of the loss among the Shippers or Consignees involved.

Carrier will transport and deliver Petroleum Products with reasonable diligence and dispatch, but will not be liable for delays in transportation of Petroleum Products to a particular market.

The Carrier shall not be liable for discoloration, contamination or deterioration of Petroleum Products transported unless such discoloration, contamination or deterioration results from the negligence of the Carrier. In the event of such damage, each Shipper's or Consignee's share of the damaged Petroleum Product shall be in the same proportion as its share of the total quantity of shipments involved and each such Shipper or Consignee shall be allocated only its proportionate share of damaged Petroleum Product.

Inventory Owner shall protect, indemnify, defend and hold Carrier, its parent and affiliates harmless from and against all claims, losses, suits, liabilities, fines, penalties, damages and expenses (including reasonable attorneys' fees and expenses) of any kind or character arising from or related to (1) negligent or willful acts or omissions on the part of Inventory Owner, its employees, agents or contractors (including, but not limited to, any contractors transporting products(s) to or from any location on Carrier's system), or (2) liability arising from the chemical characteristics of product(s), except to the extent such liability arises from Carrier's negligence.

Product(s) in this Item refers to any individual product, as defined in this Tariff (in Item 20 – Petroleum Products Defined), or any combination thereof, whether achieved via in-line (automated) or splash (manual) blending.

In no event shall Carrier be liable to any Shipper or Inventory Owner for any losses, liabilities or damages, including special, punitive, exemplary, consequential, incidental or indirect losses or damages howsoever caused, (including but not limited to loss of revenue, loss of profits or present or future opportunities) whether or not foreseeable, and irrespective of the theory or cause of action upon which such damages might be based, except for such actual losses or damages sustained as a result of, and to the extent of, Carrier's negligence.

ITEM 190 - CLAIMS: TIME FOR FILING

Claim for any delay, damage to, loss of or liability with respect to Petroleum Products must be made in writing to the Carrier within nine (9) months after delivery from the Carrier's facilities of the shipment involved at the Destination to which such shipment was consigned, or in case of failure by Carrier to deliver, then within nine (9) months after the date upon which delivery would have reasonably been completed by Carrier. Such written claim, as aforesaid, shall be a condition precedent to any suit.

Suit for any delay, damage to, loss of or liability with respect to Petroleum Products shall be instituted within two (2) years and one (1) day after notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim or any part thereof specified in the notice.

Claims or suits for delay, damage to, loss of or liability with respect to Petroleum Products not filed or instituted in accordance with the foregoing provisions will be deemed to have been waived and released by the applicable Shipper or Inventory Owner, will not be paid, and Carrier will not be liable.

Explanation of Symbols:

[U] – Unchanged Rate

[N] – New

EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS

EPA.....Environmental Protection Agency
F.E.R.C.....Federal Energy Regulatory Commission
No.....Number
Psi RVP.....Pounds per square inch Reid Vapor Pressure
