

Holly Energy Partners – Operating, L.P.

LOCAL PROPORTIONAL TARIFF

APPLYING ON TRANSPORTATION OF CRUDE PETROLEUM AND INDIRECT LIQUID PRODUCTS OF OIL AND GAS WELLS

The rate published in this tariff is for the intrastate transportation of Crude Petroleum and Indirect Pipeline Liquid Products of Oil and Gas Wells through the pipelines of Holly Energy Partners – Operating, L.P. within the state of New Mexico, being expressed in cents per barrel of 42 U.S. Gallons each, subject to the Rules and Regulations published in Holly Energy Partners – Operating, L.P.’s N.M.P.R.C. No. 43, supplements thereto and successive issues thereof.

FROM	TO
Whites City (Eddy County)	Artesia Delivery System (Eddy County) Beeson Station (Lea County)
Artesia Delivery System (Eddy County)	Beeson Station (Lea County)

The above rates covers transportation by trunk line only.

The rate decrease is filed as Settlement Rates.

[N] 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.

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

ISSUED: February 8, 2022

EFFECTIVE: March 1, 2022

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RATES IN CENTS PER BARREL OF 42 UNITED STATES GALLONS			
ORIGIN CARRIER'S RECEIVING POINT	DESTINATION	RATE	RATE TYPE

Whites City (Eddy County)	Artesia Delivery System (Eddy County)	[D] 96.25	Non-Incentive Rates
	Beeson Station (Lea County)		
Artesia Delivery System (Eddy County)	Beeson Station (Lea County)	[D] 96.25	Non-Incentive Rates

Whites City (Eddy County)	Artesia Delivery System (Eddy County)	[U] 59.39	10 Year Contract Incentive Rates
	Beeson Station (Lea County)		
Artesia Delivery System (Eddy County)	Beeson Station (Lea County)	[U] 59.39	10 Year Contract Incentive Rates

10 YEAR CONTRACT INCENTIVE RATE TERMS:

1. The Incentive Rates apply to Committed Volumes nominated by Participating Shippers have committed to a minimum revenue guaranty for each contract year pursuant to the terms of an executed Transportation Services Agreement (TSA). Participating Shippers qualifying for the Contract Incentive rate must satisfy all of the following general provisions:

- Participating Shippers must enter into a prior written TSA with Carrier.
- The commitment term of the TSA shall be for one hundred twenty (120) months, but not longer than the effectiveness of this Item or any successive issues, reissues and amendments thereof.
- The effective date of the commitment and the contract year will be determined within the executed TSA.
- The minimum revenue guaranty amount will be determined within the executed TSA.

2. The Incentive Rate will only be applied to volumes, as determined on a TSA contract year basis, delivered at the Incentive Rate Destination which were delivered by Carrier for the Shipper during the commitment term from the Incentive Rate Origin.

3. Carrier will invoice the Participating Shipper monthly at rates determined by the committed time period and minimum revenue guaranty set forth in the TSA.

4. If required, the Participating Shipper shall furnish security in a form satisfactory to Carrier and adequate and sufficient to guarantee any payments, which may come due under this commitment.

Explanation of Symbols:

- [D] – Decreased Rates
[U] – Unchanged Rates
[N] – New