

Cushing Connect Pipeline Holdings LLC

LOCAL TARIFF

Containing
RULES AND REGULATIONS
Governing
THE TRANSPORTATION
and
DIVERSION AND RECONSIGNMENT
of
CRUDE PETROLEUM
By Pipeline

The rules and regulations published herein apply only under tariffs making specific reference by OCC number to this tariff, such reference will include supplements hereto and successive issues hereof.

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

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GENERAL APPLICATION

Rules and regulations published herein apply only under tariffs which make specific reference by OCC number to this tariff; such reference will include supplements hereto and successive issue hereof.

Crude Petroleum will be transported through Carrier's facilities only as provided in this rules and regulations tariff, except that specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

RULES AND REGULATIONS

Crude Petroleum will be transported through Carrier's facilities only as provided in these rules and regulations.

ITEM NO.	SUBJECT	RULES AND REGULATIONS
5	ABBREVIATIONS AND DEFINITIONS	<p>As used in these rules and regulations, the following terms have the following meanings:</p> <p>"a.m." means a time of day after midnight and before noon</p> <p>"Barrel" means forty-two United States gallons.</p> <p>"Carrier" means and refers to Cushing Connect Pipeline Holdings LLC.</p> <p>"Crude Petroleum" means either the direct liquid products of oil wells, or a mixture of all direct liquid products of oil wells or with the indirect liquid products of oil or gas wells, including gasoline and liquefied petroleum gases, as provided in Item 15, or Synthetic Crude Oil.</p> <p>"No." means number.</p> <p>"OCC" means the Oklahoma Corporation Commission.</p> <p>"p.m." means a time of day after noon and before midnight.</p> <p>"Synthetic Crude Oil" means Crude Petroleum that is produced from oil sands.</p> <p>"Tender" means an offer by a shipper to the Carrier of a stated quantity of Crude Petroleum for transportation from a specified origin or origins to a specified destination or destinations in accordance with these rules and regulations.</p>
10	COMMODITY	The Carrier is engaged in the transportation of Crude Petroleum by pipe line and will not accept any other commodity for transportation.
15	MIXTURES	<p>(a) The indirect liquid products of oil or gas wells, including gasoline and liquefied petroleum gases, hereinafter referred to as indirect products, will be accepted and transported as a mixture with the direct liquid products of oil wells, hereinafter referred to as direct products, provided the vapor pressure of the resulting mixture does not exceed that permitted by Carrier's facilities and operating conditions.</p> <p>(b) The indirect products portion of the mixture will be accepted for transportation at reception points other than the one at which the direct products portion of the same mixture is received, provided that the consignee and destination are the same, and that operating conditions and the Carrier's facilities permit the indirect products portion to be mixed with the direct products of the same consignee. The rate to be assessed on each portion of the mixture shall be the rate applicable from the point at which each is received.</p> <p>(c) The direct and indirect products will be measured and tested separately, and must be shown separately on the Tender form.</p> <p>(d) Mixtures will be transported and delivered as Crude Petroleum. Nothing in this item is to be construed to waive provisions of Item 30 of this tariff or to require the Carrier to receive, transport and deliver unmixed indirect products, except that unmixed indirect products will be gathered for subsequent mixing with direct products in accordance with this rule where facilities exist for performing a gathering service for such products.</p>
20	TENDERS	<p>(a) Crude Petroleum will be transported only under a Tender accepted by the Carrier, from origins (or from facilities connected to Carrier's gathering system when gathering service is to be performed by the Carrier) to destinations when a tariff covering the movement is lawfully in effect and on file with the Federal Energy Regulatory Commission and/or with the OCC.</p> <p>(b) Any shipper desiring to Tender Crude Petroleum for transportation shall make such Tender to the Carrier on or before the 23rd day of the month preceding the month during which the transportation under the Tender is to begin. When the 23rd day of the month falls on a weekend, nominations will be required on the previous workday. When the 23rd day of the month falls on a holiday, nominations will be required three workdays prior to the holiday. The nomination may be e-mailed or faxed. Unless such notification is made, the Carrier will be under no obligation to accept Crude Petroleum for transportation. However, if operating conditions permit, Tenders for Crude Petroleum may be accepted for transportation after the 23rd day of the month preceding the month during which the transportation under the Tender is to begin.</p>
ITEM NO.	SUBJECT	RULES AND REGULATIONS

25	QUANTITIES	<p>(a) A Tender will be accepted only when the total quantity covered by such Tender will be made available for transportation within the month when the Tender is to begin.</p> <p>(b) Any quantity of Crude Petroleum will be accepted from lease tanks or other facilities to which the Carrier is connected, if such quantity can be so consolidated with other Crude Petroleum that Carrier can make a single delivery of not less than five thousand Barrels, and Carrier will not be obligated to make any single delivery of less than five thousand Barrels. The term "single delivery" as used herein means a delivery of Crude Petroleum in one continuous operation to one or more consignees into a single facility, furnished by such consignee or consignees, to which Carrier is connected.</p>
30	SEGREGATION AND VARIATIONS IN QUALITY AND GRAVITY	<p>The following rules and regulations covering Crude Petroleum quality apply to Carrier's Crude Petroleum system as a whole. Any geographic area to which specific quality requirements apply in addition to these rules and regulations is so identified below.</p> <p>(a) As part of its common stream transportation, Carrier will not accept any Crude Petroleum which does not meet the quality criteria of the common stream. Carrier will monitor the quality of its common streams and shall investigate suspected abuses of common stream criteria violations. Monitoring of common streams will include gravity and sulfur testing and could include simulated distillation and other testing to determine quality.</p> <p>(b) If abuses of the common stream quality are determined, the shipper causing such abuses shall be advised to cease and desist all such actions. Failure to desist or failure to cooperate in ending such practices shall result in that shipper being barred from shipping in the common stream where such abuses occurred. Before such shipper is allowed to regain its shipper status in the common stream where the abuses occurred, the shipper will be required to provide Carrier with assurances that such abuses will not recur.</p> <p>(c) Carrier will work with connecting carriers regarding Carrier's quality issues and will advise such connecting carriers that any Crude Petroleum found to be a detriment to Carrier's common stream will be rejected for further transportation on Carrier's system.</p> <p>(d) Since variations in gravity and/or quality of common stream Crude Petroleum are inherent in common stream operations, Carrier will not be liable for such variations occurring while Crude Petroleum is in its custody, nor is Carrier under any obligation to deliver the identical Crude Petroleum received, but will make delivery out of such common stream.</p> <p>(e) When requested by the shipper and if operationally feasible, Carrier will endeavor to segregate Crude Petroleum of a kind and/or quality not currently transported through Carrier's facilities. Carrier will, to the best of its abilities, make delivery of such Crude Petroleum at destination which is substantially the same Crude Petroleum as that received by Carrier at origin. For such segregated batches, shipper must provide Crude Petroleum in such quantities (see Note 1) and at such specified times as may be necessary to permit such segregated movements via Carrier's existing facilities. Further, Carrier will not be liable for failure to deliver the identical Crude Petroleum or for any variations in the gravity and/or quality of Crude Petroleum occurring while such segregated crude is in Carrier's custody.</p> <p>Note 1 - The quantity to be accepted and transported under the provisions of this paragraph will be determined by Carrier in accordance with current operations through its existing facilities involved in the segregated movements, but in no event shall the quantity for a single delivery be less than the minimum quantity provided in Item 25.</p>
35	DESTINATION FACILITIES	<p>No duty to transport will arise until evidence satisfactory to the Carrier has been furnished that consignee has provided necessary facilities to which Carrier is connected and has made necessary arrangements for accepting delivery of shipments promptly on arrival at destination, as provided in these rules and regulations.</p>
ITEM NO.	SUBJECT	RULES AND REGULATIONS

40	GAUGING, DEDUCTIONS AND ADJUSTMENTS	<p>(a) Quantities for receiving, delivering, assessing charges and all other purposes will be corrected to a temperature of sixty degrees Fahrenheit, after deduction of impurities shown by tests made by the Carrier prior to receipt and upon delivery. Quantities may be computed from tank tables compiled or accepted by the Carrier.</p> <p>(b) Pursuant to Item 70, Crude Petroleum quantities transported may be adjusted to allow for inherent losses, including but not limited to shrinkage, evaporation, interface losses and normal "over and short" losses. A deduction of two-tenths of one percent (0.2%) will be made to cover evaporation and other normal losses during transportation ("Allowance Oil")</p> <p>(c) All Material tendered for shipment at fifty (50) degrees A.P.I. Gravity at sixty (60) degrees Fahrenheit or above shall be subject to a volume shrinkage deduction as set forth below:</p> <table border="1" data-bbox="678 472 1398 604"> <thead> <tr> <th>A.P.I. Gravity</th> <th>% Deduction</th> </tr> </thead> <tbody> <tr> <td>50.0 degrees through 59.9 degrees</td> <td>1%</td> </tr> <tr> <td>60.0 degrees through 64.9 degrees</td> <td>3%</td> </tr> <tr> <td>65.0 degrees through 79.9 degrees</td> <td>6%</td> </tr> <tr> <td>80.0 degrees and above</td> <td>20%</td> </tr> </tbody> </table> <p>On certain movements as specified in the individual tariffs referencing this tariff, Crude Petroleum, natural gas products and petroleum production injected into Carrier's system with an API gravity in excess of 84.9 degrees shall be subject to a deduction of 20%.</p> <p>(d) The net quantities as determined under paragraphs (a), (b) and (c) of this item will be the amounts accountable at destination.</p>	A.P.I. Gravity	% Deduction	50.0 degrees through 59.9 degrees	1%	60.0 degrees through 64.9 degrees	3%	65.0 degrees through 79.9 degrees	6%	80.0 degrees and above	20%
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45	DIVERSION OR RECONSIGNMENT	<p>Crude petroleum in transport may be diverted without an additional charge to a destination other than originally specified on the Tender, or Crude Petroleum in transport may be reconsigned without an additional charge to another shipper at point of destination only, provided such diversion or reconsignment is made in writing by the entered shipper prior to delivery at original destination. This will be allowed subject to the rates, rules and regulations applicable from point of origin to point of final destination, upon condition that no out-of-line or backhaul movement will be made.</p>										
50	STORAGE IN TRANSIT	<p>(a) The Carrier has working tanks required in the process of transporting Crude Petroleum, but has no other tankage and, therefore, 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 transit tariffs lawfully on file with the Federal Energy Regulatory Commission or with the OCC.</p> <p>(b) Each shipper will be required to furnish Crude Petroleum into inventory for their proportionate share of the line fill in such amount as deemed necessary by Carrier.</p>										
55	DELIVERY AND DEMURRAGE	<p>(a) Carrier will transport and deliver Crude Petroleum with reasonable diligence and dispatch, but will accept no Crude Petroleum to be transported in time for any particular market.</p> <p>(b) After any shipment has had time to arrive at destination, and on twenty-four hour notice to consignee, Carrier may begin delivery at its current rate of pumping.</p> <p>(c) Commencing after the first seven o'clock a.m. after expiration of said notice, a demurrage charge of 1.17 cents per Barrel per day of twenty-four hours shall accrue on any part of said shipment offered for delivery and not taken as prescribed in paragraph (b) of this item. After expiration of said notice, Carrier's liability for loss, damage, or delay shall be that of warehouseman only.</p>										
60	RATES APPLICABLE	<p>Crude Petroleum transported shall be subject to the rates in effect on dates such Crude Petroleum is received by the Carrier.</p>										
65	PAYMENT OF CHARGES	<p>The shipper shall be responsible for payment of transportation and all other charges applicable to the shipment, and if required, shall prepay such charges or furnish guaranty of payment satisfactory to the Carrier. The Carrier will have a lien on all Crude Petroleum accepted for transportation to secure the payment of all charges, including demurrage charges, and may refuse to deliver Crude Petroleum until all charges have been paid. If said charges or any part thereof shall remain unpaid five days, computed from the first seven o'clock a.m. after written notice is mailed to shipper of intention to enforce Carrier's lien as herein provided, or when there shall be failure to take the Crude Petroleum at the point of destination as provided in Item 55 within five days, computed from the first seven o'clock</p>										

		a.m. after expiration of the notice therein provided, the Carrier shall have the right through an agent, to sell said Crude Petroleum at public auction for cash, between and not less than twenty-four hours after notice of the time and place of such sale and the quantity, general description, and location of the Crude Petroleum to be sold has been published in a daily newspaper of general circulation published in the town or city where the sale is to be held, and sent by telegraph to shipper. The Carrier may be a bidder and purchaser at such sale. Out of the proceeds of said sale Carrier may pay itself all transportation, demurrage, and other lawful charges, expense of notice, advertisement, sale, and other necessary expense, and of caring for and maintaining the Crude Petroleum, and the balance shall be held for whomsoever may be lawfully entitled thereto.
ITEM NO.	SUBJECT	RULES AND REGULATIONS
70	LIABILITY OF CARRIER	<p>(a) The Carrier, while in possession of any Crude Petroleum, will not be liable for any loss thereof, or damage thereto, or delay, caused by an act of God, the public enemy, quarantine, the authority of law, or of public authority, strikes, riots, insurrection, inherent nature of the goods, or the act or default of the shipper consignee.</p> <p>(b) Any losses of Crude Petroleum will be charged proportionately to each shipper in the ratio that his petroleum products, or portion thereof, received and undelivered at the time the loss occurs, bears to the total of all Crude Petroleum then in the custody of the Carrier for transportation via the lines or other facilities in which the loss occurs; and the Carrier will be obligated to deliver only that portion of such Crude Petroleum remaining after deducting shipper's proportion of such loss determined as aforesaid. Transportation charges will be assessed only on the quantity delivered.</p>
75	TITLE	A Tender of Crude Petroleum shall be deemed a warranty of title by the party Tendering, but acceptance shall not be deemed a representation by the Carrier as to title. The Carrier may, in the absence of adequate security, decline to receive any Crude Petroleum which is in litigation as dispute over title may exist, or which is encumbered by any lien of which the Carrier has notice.
80	TIME LIMITATION ON CLAIMS	As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with the Carrier within nine months and one day after delivery of the property, or in case of failure to make delivery, then within nine months and one day after reasonable time for delivery, based on Carrier's normal operations, has elapsed; and suits shall be instituted against the Carrier only within two years and one day from the day when notice in writing is given by the Carrier to the claimant that the 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, no Carrier hereunder will be liable, and such claims will not be paid.
85	COMMUNICATION FACILITIES	Shippers may use Carrier's private communication facilities without additional charge for messages incident to their shipments. The Carrier will not be liable for nondelivery of messages, or for errors or delays in transmission or interruption of the service.

<p>95</p>	<p>FINANCIAL ASSURANCES</p>	<p>(a) At any time, upon the request of the Carrier, any prospective or existing shipper shall provide financial documentation and information to the Carrier that will allow the Carrier to determine the prospective or existing shipper's capacity to perform any financial obligations that could arise from the transportation of that shipper's Crude Petroleum under the terms of this tariff, including but not limited to the payment of transportation charges and the reasonably determined value of the Allowance Oil and negative shipper's balance positions. The Carrier shall not be obligated to accept Crude Petroleum for transportation from an existing or prospective shipper if the shipper or prospective shipper fails to provide the requested information to the Carrier or if the Carrier's review of the requested information reveals that the existing or prospective shipper may not have the capacity to perform the financial obligations that could arise from the transportation of that shipper's Crude Petroleum under the terms of this tariff, including but not limited to the payment of transportation charges and the reasonably determined value of the Allowance Oil and negative shipper's balance positions.</p> <p>(b) Subject to the provisions of paragraph (c) below, the Carrier upon notice to the prospective or existing shipper, may require one or more of the following Financial Assurances for the payment of all charges and costs as provided for in this tariff, or otherwise lawfully due to the Carrier to be provided at the expense of the shipper:</p> <ol style="list-style-type: none"> 1. prepayment; 2. a letter of credit in favor of Carrier in an amount sufficient to ensure payment of all costs and charges that could reasonably accrue due to the Carrier in a form and from an institution acceptable to Carrier; 3. a guaranty in an amount sufficient to ensure payment of all such costs and charges that could reasonably accrue due to the Carrier, in a form and from a third party acceptable to Carrier; or 4. such other enforceable collateral security including but not limited to security agreements over assets of the shipper, in a form acceptable to the Carrier, collectively "the Financial Assurances". <p>(c) In the event that the Carrier reasonably determines that:</p> <ol style="list-style-type: none"> 1. the existing or prospective shipper's financial condition is or has become impaired or unsatisfactory; 2. any Financial Assurances previously provided by a shipper no longer provide adequate security for the performance of the shipper's obligations that could arise from the transportation of its Crude Petroleum under the terms of this tariff; or 3. the Carrier otherwise determines that it is necessary to obtain Financial Assurances from the shipper, <p>then the shipper shall provide Financial Assurances for the payment of the charges and costs as provided for in this tariff or otherwise lawfully due to the Carrier relating to the transportation of the shipper's Crude Petroleum by the Carrier.</p> <p>For the purpose of this tariff, and without limiting the generality of the charges and costs lawfully due to the Carrier relating to the transportation of the shipper's Crude Petroleum, those charges and costs shall include but are not limited to transportation charges, negative shipper's balance positions and the Allowance Oil. The Carrier shall not be obligated to accept Crude Petroleum for transportation from an existing or prospective shipper if the shipper or prospective shipper fails to deliver the Financial Assurances to Carrier.</p>
<p>105</p>	<p>COMMON STREAM PETROLEUM CONNECTING CARRIERS</p>	<p>When both receipts from and deliveries to a connecting Carrier of substantially the same grade of Crude Petroleum are scheduled at the same interconnection, the Carrier reserves the right, with the cooperation of the connecting carrier, to offset like volumes of such common stream Crude Petroleum in order to avoid the unnecessary use of energy which would be required to physically pump the offsetting volumes. The Carrier will apply to such offsetting of volumes the applicable tariff rate. When this rate is exercised, the Carrier will make the further deliveries for the shipper involved from its common stream Crude Petroleum.</p>
<p>110</p>	<p>PRORATION PROCEDURES</p>	<p>When there shall be Tendered to the Carrier for transportation on the Carrier's pipeline system or any part thereof under applicable tariffs, more Crude Petroleum than can be currently transported, the transportation furnished by the Carrier shall be apportioned among shippers in a fair and equitable manner so as to avoid discrimination among shippers and so as not to adversely affect the reasonable operations of the Carrier's facilities.</p> <p>Individual proration procedures as identified below, will be utilized to effectively handle proration on the affected line segment.</p> <ol style="list-style-type: none"> 1. Cushing Connect Pipeline Holdings LLC Proration Procedures – refer to Proration Policy effective October 1, 2019, available upon request.

		<p>Space allocated to a shipper may be neither assigned to nor used to the benefit of another shipper. To discourage shippers from inflating nominations, when Carrier has reason to believe that nominations have been inflated, Carrier shall require written certification and assurance from responsible officials of shippers that shipper has title to, custody of and intends to Tender all of the nominated grades and volumes between the origins and destinations indicated in its nomination and that provision of this apportionment section have not been violated. In the event such provisions are violated, the allocated space for all shippers involved in the violation shall be reduced by the amount of the unauthorized space obtained; the reduction being effective for the remainder of the current month as well as the next month of proration.</p>
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