

TX No. 1.2.0
(Cancels TX No. 1.1.0)

ENERGY TRANSFER SPINDLETOP LLC
LOCAL PIPELINE TARIFF
FOR
REGULAR SHIPPER AND COMMITTED SHIPPER SERVICE
APPLYING TO INTRASTATE TRANSPORTATION BY PIPELINE
OF
ETHYLENE
FROM AND TO POINTS NAMED HEREIN

Carrier will accept and transport Ethylene offered for intrastate transportation through Carrier's Facilities within the State of Texas only as provided by law at the rates and pursuant to the Rules and Regulations published herein, as the same may be modified from time to time as provided by law in supplements hereto and reissues hereof.

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

EFFECTIVE: JULY 1, 2024

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Operated under Texas Railroad Commission Form P5 ID No. 100240 and T-4 Permit No. 09783

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The rates and terms and conditions of service published in this Tariff, as it may be modified from time to time, apply in their entirety to the services covered by this Tariff, that is, to the intrastate transportation of Ethylene from the Origins to the Destinations named herein within the State of Texas. Carrier does not provide gathering services within the meaning of 16 TEX. ADMIN. CODE § 3.71 (8). Copies of the Measurement Procedures, Specifications and Ethylene Transportation Prorating Policy referred to in this Tariff are available through Carrier's Website at the address provided in Item 5 or can be requested from the official of Carrier listed on the front page of this Tariff.

Item 5 Definitions

Allocated Quantity – The term "Allocated Quantity" means the quantity of capacity allocated to a Shipper pursuant to Item 75.

API – The term "API" refers to the American Petroleum Institute.

Carrier – The term "Carrier" refers to Energy Transfer Spindletop LLC.

Carrier's Website – The term "Carrier's Website" refers to the internet web page available at <https://www.energytransfer.com/tariffs/>.

Committed Shipper – The term "Committed Shipper" means a Shipper which has committed to transport a minimum quantity of Ethylene on Carrier's system and with which Carrier has entered into a quantity commitment agreement in accordance with Item 110.

Committed Shipper Program – The term "Committed Shipper Program" has the meaning ascribed to it in Item 110.

Consignee – The term "Consignee" means a party to which Ethylene is consigned during the time period when Carrier is transporting the Ethylene.

Destination – The term "Destination" means the specific delivery location(s) on Carrier's system designated herein.

Ethylene – The term "Ethylene" means Ethylene that meets the component requirements and limitations of Item 10.

Ethylene Spot Price – The term "Ethylene Spot Price" means, as to any month, the North America Ethylene Spot-Delivered Basis price (in cents/pound) reported in Monomers Market Report ("MMR") published by IHS Markit ("IHS"); provided that if IHS publishes more than one edition of the MMR in a month, the average of such spot prices reported in any of such editions shall be used to establish the Ethylene Spot Price for such month. If in any edition of the MMR, such spot price is expressed as a range, the average of the range shall apply for purposes of the preceding sentence. In addition, if for any period for which prices reported in the MMR are required for the purpose of calculating the Ethylene Spot Price, (a) the MMR is not published, (b) IHS does not otherwise publish such spot price, or (c) IHS ceases to exist, the Carrier and Shipper shall negotiate in good faith to select an alternate publication containing a price reference to use as the Ethylene Spot Price hereunder, which price reference shall, to the greatest extent possible, reflect the spot price for ethylene in the Gulf Coast market.

IUPAC – The term "IUPAC" refers to the International Union of Pure and Applied Chemistry.

Measurement Procedures – The term "Measurement Procedures" means the procedures for measurement of Ethylene, as specified in the document "Measurement Procedures for Ethylene" posted on Carrier's Website.

New Shipper – The term "New Shipper" means a Shipper that is not a Regular Shipper or a Committed Shipper. Unless the New Shipper becomes a Committed Shipper, a New Shipper shall remain a New Shipper for twelve (12) consecutive months, with such twelve consecutive month period commencing during the first month in which Shipper Tenders Ethylene for transportation on Carrier's system.

Off-Specification Ethylene – The term "Off-Specification Ethylene" means ethylene which does not meet the component and limitations of Ethylene as defined by Item 10.

Origin – The term "Origin" means the specific receipt location(s) on Carrier's system designated herein.

Regular Shipper – The term "Regular Shipper" means a Shipper which is (x) not a Committed Shipper and has shipped on Carrier's system within the twelve (12) month period preceding the first day of a month in which the system or a portion of the system is prorated and (y) first shipped on Carrier's system more than twelve (12) months prior to the first day of the month in which the pipeline system is prorated.

RRC – The term "RRC" refers to the Railroad Commission of Texas.

Shipper – The term "Shipper" means any party which Tenders and ships Ethylene through Carrier's system.

Specifications – The term "Specifications" means the component requirements and limitations of Ethylene as set forth in the Ethylene Specifications.

Storage Facility – The term "Storage Facility" means the underground ethylene storage facility located at 6045 Highland Avenue in Beaumont, Texas.

Storage Services – The term "Storage Services" refers to the injection of Ethylene into, the storage of Ethylene within, and the withdrawal of Ethylene from, the Storage Facility under a Storage Services Agreement.

Storage Services Agreement – The term "Storage Services Agreement" means an agreement between Carrier and a Storage Shipper under which Carrier provides Storage Services.

Storage Shipper – The term "Storage Shipper" means any Shipper that has contracted with Carrier for Ethylene Storage Services under a Storage Services Agreement.

Tariff – The term "Tariff" means this document and numbered revisions thereto filed with the RRC containing rates, routes and terms and conditions of service for intrastate transportation of Ethylene within the State of Texas on Carrier's system.

Tender – The term "Tender" and any derivative thereof means the delivery by a Shipper to Carrier at an Origin of a stated quantity of Ethylene for transportation from an Origin to a Destination.

Item 10 Quality Specifications for Ethylene

Except as otherwise provided herein, no Ethylene will be accepted for transportation unless its kind and quality are the same as that otherwise being received by Carrier, and delivery of such Ethylene will not result in any damage to the quality or characteristics of other Ethylene deliveries. Carrier reserves the right to refuse to accept any Ethylene for transportation through Carrier's facilities if the Ethylene does not meet the Specifications. Carrier reserves the right to modify its Specifications in order to maintain the integrity of Carrier's pipeline system.

Upon its first shipment of Ethylene and on subsequent shipments if requested by Carrier to maintain quality of shipments, Shipper shall be required to furnish Carrier with certified laboratory results that show that the composition of the Ethylene to be transported in Carrier's facilities satisfies Carrier's Specifications. Carrier reserves the right to sample and/or test any such shipment prior to acceptance or during receipt and, in the event of a variance between Shipper's certificate and the results of Carrier's test, the latter shall prevail.

If, upon investigation, Carrier determines that Shipper has delivered to Carrier's facilities Ethylene that has contaminated the common fungible stream, thereby rendering all or a portion of the fungible stream undeliverable, Carrier reserves the right to treat or otherwise dispose of all contaminated Ethylene in any commercially reasonable manner at Shipper's sole expense.

Nothing contained in this Tariff, any pipeage contract, connection agreement or other document, nor any temporary receipt of any Off-Specification Ethylene by Carrier (either unknowingly or as a temporary accommodation), shall be construed to affect Carrier's right, at any time and from time to time, to reject any Off-Specification Ethylene and/or to refuse or suspend receipt of such Off-Specification Ethylene until it is established to Carrier's reasonable satisfaction that subsequent deliveries of Ethylene will conform to the Specifications.

Item 15 Off-Specification Ethylene Charges

In addition to Shipper's obligation to deliver Ethylene meeting Carrier's Specifications, and subject to Carrier's right to dispose of Off-Specification Ethylene as provided for herein, Shipper shall pay any fees incurred by Carrier, including the cost to replace any Ethylene, for the incident and shall indemnify, defend, reimburse, and hold Carrier harmless from and against all claims, penalties, losses, costs, expenses, extra expenses, business interruption expenses, treating or blending fees, losses to Carrier's property, losses to the property of others (including other Shippers), liabilities or damages of any kind or nature whatsoever (including reasonable attorney fees and court costs associated therewith) (collectively, "Losses"), whether the Losses be suffered by Carrier or any third party, arising out of or related to Shipper's tender to Carrier of Off-Specification Ethylene. The indemnity provided for in this Item 15 shall not apply to the extent any of such Losses are attributable to the negligence of other Shippers, or to the extent any of such Losses are proximately caused by the sole negligence of Carrier.

Item 20 Nominations

All Shippers wishing to Tender Ethylene for transportation through Carrier's facilities shall furnish a written nomination to Carrier at least five (5) business days before the end of each month for the transportation of Ethylene during the next month. Nominations shall specify the quantity of Ethylene to be transported, the Origin of the Ethylene, the Destination of the Ethylene, and any other information required by Carrier. Shipper nominations shall be made on a ratable basis, meaning that they will be made in equal amounts each day over the number of days in the month.

Nominations shall be transmitted to Carrier to the attention of Scheduler, Energy Transfer Spindletop LLC by electronic mail.

If Shipper does not furnish such written nomination on time, Carrier shall be under no obligation to accept Ethylene from Shipper for transportation.

Item 25 Minimum Tender at Origin

Ethylene will be accepted for transportation at the Origin in quantities of not less than five million (5,000,000) pounds per month from one Shipper, of quality and Specifications as described herein.

Item 30 Origin and Destination Facilities

Ethylene will be accepted for transportation only when Shipper has provided equipment and facilities for receipts, deliveries and/or storage at both the Origin and the Destination that comply with design requirements necessary to protect the safety, security, integrity and efficient operation of Carrier's facilities. Shipper's pumping pressures and rates must meet Carrier's requirements. Carrier may require satisfactory evidence that the necessary facilities are available at the Origin and Destination before Carrier is obligated to accept Tenders for transportation.

If the facilities provided by or on behalf of Shipper at any Origin or Destination fail to meet any or all of Carrier's requirements, Carrier may refuse to commence service or, if service has already commenced, may discontinue service to or from such facility until all requirements have been met; provided, however, that Carrier may continue service to a facility not in compliance with this Item 30 to avoid disruption of its pipeline system or to avoid any other unsafe condition. Any decision to make or continue a delivery shall not be construed as a waiver by Carrier of Shipper's breach of this Item and shall not affect Shipper's obligations pursuant to this Tariff. Carrier's acceptance and delivery of Ethylene to any facility provided by Shipper shall not be construed as evidence of Carrier's approval of the adequacy of the facilities or the competency of Shipper's personnel, and responsibility for such facilities and Shipper's personnel shall be exclusively that of Shipper.

Item 35 Measurement

Mass measurement procedures are employed for measurement of Ethylene transported through Carrier's facilities, and mass measurement is accomplished utilizing differential pressure, flowing pressure, and flowing temperature with density determination as required by the Measurement Procedures or applicable contractual document as set forth below. The mass measurement procedures used will be those set forth in the Measurement Procedures, unless there are specific measurement procedures included as part of a pipeage contract or connection agreement between Carrier and Shipper; in which case the measurement procedures included in the pipeage contract or connection agreement will be used. In the event of a conflict between the provisions of the Measurement Procedures and this Tariff or any pipeage contract or connection agreement, this Tariff shall govern to the extent of the conflict.

Item 40 Overages and Shortages

Carrier shall account to each Shipper for one hundred percent (100%) of Ethylene received, as adjusted in accordance with the provisions of this Tariff. Any overages or shortages not due to the negligence of the Carrier, including loss for shrinkage and evaporation, in any calendar month, will be allocated on a monthly accrual basis among Shippers in the proportion that the total number of pounds delivered from the entire system for each Shipper bears to the total number of pounds delivered from the entire system for all Shippers.

Item 45 Identity of Ethylene

Ethylene will be accepted for transportation only on condition that the Ethylene shall be intermixed with Ethylene delivered by other Shippers and shall be subject to such changes in quality while in transit as may result from the mixture of such Ethylene with other Ethylene in the lines of Carrier. In view of the impracticability of maintaining the exact identity of Ethylene at all times, Carrier reserves the right at any time to substitute and deliver Ethylene of like kind as the Ethylene accepted for transportation. To enhance flow on Carrier's system, to protect Carrier's system, and/or to comply with applicable rules and regulations, Carrier may take actions that affect the quality of Ethylene in Carrier's pipeline (including injection of substances, such as corrosion inhibitor or odorant compounds).

Item 50 Ethylene Involved in Litigation

When any Ethylene Tendered for transportation is involved in litigation, disputed ownership or encumbrance by lien or charge of any kind, Shipper shall so advise Carrier in writing. Carrier may refuse to accept such Ethylene or may require that Shipper(s) provide an indemnity bond or other form of financial undertaking to protect Carrier against any and all loss.

Item 55 Delivery at Destination & Demurrage

Upon arrival at the Destination, the Ethylene will be delivered to pipelines or a storage facility designated by Shipper or Consignee, through the facilities provided by Shipper or Consignee. If Carrier has accepted Ethylene for transportation in reliance upon Shipper's representations as to acceptance at a Destination, and Shipper or its Consignee fails to accept such Ethylene promptly at the Destination as provided in this Tariff, then and in such event Carrier shall have the right to divert, consign, or make whatever arrangements for disposition of the Ethylene that Carrier deems appropriate to clear its pipeline facilities, including the right to sell, for the account of Shipper, the Ethylene at a private or public sale. Carrier may pay itself all applicable transportation charges and other necessary expenses for caring for and maintaining the Ethylene pending such sale.

Item 60 Scheduling

For each calendar month, Carrier will establish a sequence for transporting Ethylene and will schedule the approximate time when Ethylene Tendered for shipment will be received by Carrier at each Origin and delivered by Carrier at each Destination. Carrier will inform each Shipper of the time within each calendar month when Ethylene will be received from such Shipper at each Origin, and will inform each Shipper or its Consignee of the approximate time within each calendar month when Ethylene will be delivered to such Shipper or Consignee at each Destination.

Item 65 Rates and Terms Applicable

Transportation of Ethylene through Carrier's system shall be subject to the rate in effect on the date the Ethylene is received by Carrier for transportation or, where applicable, the rate specified in (or calculated in accordance with) the agreement for Ethylene transportation service between Carrier and Shipper in effect on such date. Likewise, the terms and conditions of service which govern the transportation of Ethylene shall be those terms and conditions of service in effect on the date the Ethylene is received by Carrier for transportation.

Carrier may elect each year to adjust its Tariff transportation rates, included herein, utilizing the Federal Energy Regulatory Commission's indexation methodology as described in 18 C.F.R. § 342.3 or its successor regulation. Transportation rates or transportation rate calculation methodologies specified in any agreement for Ethylene transportation service between Carrier and Shipper shall be adjusted in accordance with such Ethylene transportation service agreement.

Item 70 Payment of Transportation and Other Charges

Transportation charges will be computed and collected at the applicable rate on the quantity of Ethylene received by Carrier for transportation as determined pursuant to this Tariff.

On or before the fifth (5th) day of each month, Carrier shall render to Shipper an invoice for amounts payable by Shipper to Carrier for the transportation charges during the immediately preceding month. Payment of the undisputed portion of such invoice is due within ten (10) days after Shipper's receipt of the invoice by wire transfer, Automated Clearing House (ACH) or electronic funds transfer to an account designated by Carrier. If charges are not paid by the due date determined by this Item, Carrier shall have the right to assess finance charges on the entire past due balance (including principal and accumulated but unpaid finance charges) until paid in full, at an annual rate equal to the lesser of the following: (a) the U.S. prime rate of interest published under the heading "Money Rates" by The Wall Street Journal on the last day of the prior calendar month (Prime Rate) plus three percent (3%) per annum or (b) the maximum lawful amount of interest, until the date of payment.

Shipper shall be responsible for all charges applicable to the particular shipment and, if required by Carrier (pursuant to Item 105), shall prepay all charges or furnish guaranty of payment satisfactory to Carrier. Carrier shall have a security interest in all Ethylene accepted from Shipper under this Tariff. This security interest shall secure payment of: (i) all transportation and any other charges due or to become due from Shipper under the terms of this Tariff; and (ii) all costs and expenses of Carrier in exercising any of its rights pursuant to this Tariff, including, but not limited to, attorney fees and court expenses, storage charges, and settlement of conflicting liens. The security interest provided herein shall be in addition to any lien provided by statute or common law.

In the event Shipper fails to satisfy when due any obligation to Carrier, including without limitation making timely payments of any amounts due, prepaying charges, or furnishing guaranties of payment satisfactory to Carrier as may be required by this Item 70 or Item 105, Carrier shall have all of the rights and remedies accorded a secured party under the applicable law and in addition may take any or all of the following actions: (i) refuse to deliver Ethylene in its custody until all such obligations have been paid; (ii) suspend or terminate any agreements between Shipper and Carrier providing Committed Shipper Program service pursuant to Item 110; (iii) sell the Ethylene, in accordance with the applicable provisions of State law, and apply the proceeds to such obligations; (iv) store the Ethylene or arrange for storage of such Ethylene pending sale or other disposition, with the costs of such storage to be accrued at the highest rate for storage charged for storage of a comparable quantity of Ethylene in the same storage facility; and/or (v) take any other action Carrier deems necessary for the proper protection and sale of the Ethylene. Shipper shall be liable for all expenses (including attorney fees and court expenses) incurred by Carrier in taking any of these actions.

Item 75 Apportionment

Carrier will pro rate the capacity of its system, or a portion of its system, during any month as to which it determines, based upon the nominations properly submitted by Shippers, that the total quantity nominated by all Shippers for transportation on Carrier's system, or portion thereof, during that month exceeds the capacity of the system or portion thereof, whether due to total nominations, force majeure, maintenance, or otherwise. The methodology through which Carrier shall apportion its capacity to provide Ethylene transportation services is specified in Carrier's Ethylene Transportation Prorationing Policy which, as it may be modified from time to time.

Item 80 Liability of Parties

As a condition to Carrier's acceptance of Ethylene under this Tariff, Shipper agrees to hold harmless, indemnify and defend Carrier against claims or actions for injury and/or death of any and all persons and for damage to property of Carrier, Shipper, Consignee and/or any third party resulting from or arising out of (i) any breach of or failure to adhere to any provision of this Tariff by Shipper, Consignee, and their agents, employees or representatives, and/or (ii) the negligent act(s) or failure(s) to act of Shipper, Consignee, and their agents, employees or representatives in connection with delivery or receipt of Ethylene.

Carrier, while in possession of Ethylene as herein described, shall not be liable for any loss, damage, or delay caused by act of God, war, natural disasters (including, but not limited to, epidemics, landslides, lightning, earthquakes, fires, storms, or floods), act of public enemy, terrorism, quarantine, the authority of law, strikes, lockouts of employees, explosions, breakage or accident to machinery or pipe, riots, civil disorder, requisition or necessity of the Government of the United States or any other governmental authority, default of Shipper, Consignee, their agents, employees or representatives, or from any cause not within the sole control of Carrier. If there is a strike or lockout, Carrier shall not be required to resolve the labor dispute by acceding to the demands of employees if this is inadvisable in the sole discretion of Carrier.

In case of loss of any Ethylene from any such causes after the Ethylene has been received by Carrier for transportation and before the Ethylene has been delivered by Carrier to Shipper, such loss will be charged proportionally to each Shipper in the ratio that the Shipper's Ethylene, or portion thereof, received and undelivered at the time the loss occurs, bears to the total of all Ethylene then in the custody of Carrier for transportation via the lines or other facilities in which the loss occurs. Carrier will be obligated to deliver only that portion of such Ethylene remaining after deducting Shipper's proportion of such loss determined in accordance with this Tariff and transportation charges will be assessed only on the quantity delivered.

For Ethylene losses for which Carrier is liable, Carrier may obtain and deliver to Shipper other Ethylene meeting the Specifications, but Carrier shall not be obligated to do so. In the alternative, Carrier may compensate Shipper for such loss, by the 10th day of the month following such determination of the loss, in United States currency, such compensation to be calculated by applying the Ethylene Spot Price to the quantity of Ethylene lost.

Carrier shall not be liable for any cost, expense, damage or liability arising out of or related to (i) discoloration, contamination or deterioration that occurs while Ethylene is in the custody of Carrier, (ii) untimely delivery of Ethylene by Carrier, or (iii) other Carrier actions including, but not limited to, Carrier's actions in apportioning service, terminating operations on all or a portion of its pipeline system, refusing to accept Shipper's Ethylene due to non-compliance with the Specifications, and untimely delivery of Ethylene. This exclusion of liability shall not apply if Carrier's conduct is determined to be the sole, proximate cause of the cost, expense, damage or liability incurred by Shipper as a result of Carrier's sole negligence.

Carrier will be obligated to deliver only that portion of such Ethylene remaining after deducting for all shrinkage, evaporation, and other physical product losses or charges contemplated under this Tariff. All such Ethylene losses shall be accounted for as provided pursuant to this Tariff. Carrier recognizes and accepts custody of all Ethylene accepted for shipment while such Ethylene is in pipeline facilities owned and operated by Carrier.

Without limiting any other rights of Carrier hereunder, for all services provided for and received under this Tariff, Shipper will indemnify and defend Carrier from any claims, liabilities, and losses (including costs of defense and attorney fees and court expenses and other fees), including claims for personal injury, death, or property damage involving Carrier, Shipper, Consignee, or third parties based on or arising out of Carrier's performance of such services where such services are performed in accordance with applicable Federal, State, or local statutes, regulations or ordinances. This indemnification shall include but not be limited to services such as the provision of emergency response numbers and shall include claims of any nature, legal or equitable, whether based on strict liability, negligence, breach of warranty, or any other causes of action. This indemnification obligation shall not apply to the negligent failure of Carrier to maintain and operate its facilities in a proper operating condition if Carrier's negligence is the sole, proximate cause of the pertinent claims, liabilities or losses.

Carrier operates under this Tariff solely as a provider of transportation services and not as an owner, manufacturer or seller of Ethylene transported by Carrier pursuant to this Tariff, and notwithstanding the "Applicable Law" section of this Tariff, Carrier expressly disclaims any liability for any express or implied warranty for Ethylene transported hereunder including any warranties of merchantability or fitness for a particular purpose or intended use.

NOTWITHSTANDING THE "APPLICABLE LAW" SECTION OF THIS TARIFF, CARRIER SHALL NOT BE LIABLE TO SHIPPER OR SHIPPER'S CUSTOMERS, AGENTS, EMPLOYEES OR REPRESENTATIVES FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES (INCLUDING LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES) OR SIMILAR DAMAGES BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE.

Item 85 Claims; Time for Filing

Claims for loss or damage must be made in writing with Carrier within ninety (90) days after delivery of the Ethylene, or in case of an alleged failure by Carrier to make delivery, then within ninety (90) days after a reasonable time for delivery has elapsed. Suits for loss or damage shall be instituted only within two hundred seventy (270) days after delivery of the Ethylene, or in the case of an alleged failure to make delivery, within two hundred seventy (270) days after a reasonable time for delivery has elapsed. If a claim has been duly filed with Carrier, suit must be brought within two hundred seventy (270) days after notice in writing is given by Carrier to the claimant that Carrier has disallowed

the claim for any part or parts thereof specified in the notice. Where claims for loss or damage are not filed or suits are not instituted thereon in accordance with this Tariff, the claims will not be paid and Carrier shall have no liability associated directly or indirectly with the claims.

Item 90 Pipeage Contracts Required

Separate contracts, in accordance with this Tariff, covering facilities rights of way, actual connection to facilities of Carrier, operational requirements, and other details, may be required by Carrier before any duty for transportation shall arise.

Item 95 Tax Registration

Shipper represents to Carrier that Shipper and its Consignee hold valid proof of registration with, or tax exemption from, the appropriate Federal and/or State tax authorities related to the collection and payment of excise tax or other similar taxes, levies or assessments and will furnish such proof upon request. Shipper will be responsible to reimburse Carrier for any taxes, levies or assessments, plus the cost of collection and related expenses (including attorney fees), if they should be imposed against Carrier with respect to any shipment of Shipper or the services provided under this Tariff to Shipper.

Item 100 Applicable Law

This Tariff and any contracts of carriage arising hereunder shall be governed by and construed pursuant to the laws of the State of Texas.

Item 105 Creditworthiness of Shippers

All prospective Shippers must submit sufficient financial information to establish creditworthiness. If a prospective Shipper is not creditworthy, Carrier may require prepayment of transportation charges and/or a letter of credit from an appropriate financial institution in a form acceptable to Carrier or another form of credit assurance satisfactory to Carrier. Shippers shall periodically provide to Carrier that financial information or security deemed necessary by Carrier to support any credit extension. If Shipper's credit deteriorates or becomes unsatisfactory to Carrier, in the sole judgment of Carrier, advance cash payment or security satisfactory to Carrier shall be given by Shipper on demand of Carrier and deliveries may be withheld until such payment of security received.

The requirements of this Item 105 are in addition to, and do not limit, Carrier's right to prepayment or to require a Shipper to furnish a guaranty of payment under Item 70.

Item 110 Committed Shipper Program

Carrier offers a Committed Shipper Program to Shippers willing to commit to the transportation of certain minimum quantities of Ethylene on Carrier's facilities for an extended term or to pay the applicable rate for quantities not transported under the minimum required by the Committed Shipper's agreement. Shippers desiring to participate in the Committed Shipper Program must provide a written request to this effect to Carrier. Shippers participating in the Committed Shipper Program must enter into a separate quantity commitment agreement with Carrier (outlining the extended term and other details) prior to participation in the Committed Shipper Program. Notwithstanding any other provision of this Tariff, in no event will Carrier contract to provide to Committed Shippers in the aggregate a quantity of Ethylene transportation service which is greater than ninety percent (90%) of the capacity available in Carrier's system (net of capacity reserved for injections of Ethylene into Carrier's Storage Facility or withdrawals of Ethylene from Carrier's Storage Facility under Storage Services Agreements) to transport Ethylene.

Item 115 New Facilities Commitment Programs

In the event Carrier constructs new facilities to provide service to Shipper(s), in lieu of Shipper(s) reimbursing Carrier for such new facilities, Carrier may offer quantity commitment or revenue guarantee programs to Shippers. Such quantity commitment or revenue guarantee programs will require Shippers to either (i) commit to transport certain minimum quantities of Ethylene for a minimum term at agreed upon rates (which rates may be lower or higher than the transportation rates applicable to transportation of non-committed quantities in this Pipeline Tariff and may be derived through a different rate design) or pay the applicable rate for quantities not transported under the minimum required by the quantity commitment; or (ii) guarantee certain minimum revenues to Carrier for an extended term.

Ethylene Transportation Rates

**Services Not Subject to Ethylene Transportation Service Agreement;
Services Governed by Ethylene Transportation Service Agreement**

ORIGIN	DESTINATION	RATE IN CENTS PER U.S. POUND	CONTRACT RATES
South Header Transportation			
Storage Facility	Motiva Ethylene System	[I] 1.14	As specified in Ethylene transportation service agreement executed in accordance with Item No. 110 – Committed Shipper Program or Item No. 115 – New Facilities, or as otherwise agreed
Storage Facility	DowUCAR Ethylene System	[I] 1.14	
Motiva Ethylene System	Storage Facility	[I] 1.14	
DowUCAR Ethylene System	Storage Facility	[I] 1.14	
North Header Transportation			
ExxonMobil Pipeline Company	Storage Facility	[I] 1.14	As specified in Ethylene transportation service agreement executed in accordance with Item No. 110 – Committed Shipper Program or Item No. 115 – New Facilities, or as otherwise agreed
Storage Facility	ExxonMobil Pipeline Company	[I] 1.14	

Tender Deduction. A tender deduction of one half of one percent (0.5%) of the quantity of Ethylene received at each Origin shall be made in the quantity of Ethylene delivered at any Destination. The rates specified above shall be charged on quantities of Ethylene delivered for Shipper's or its Consignee's account at the Destination(s), not including the Tender Deduction.

Explanation of Reference Marks

[I] **Increased**