Sunoco Pipeline L.P.
Accounting Policies and Procedures
July 3, 2024

Section 1: Transit Variation Policy

During the course of normal operations, Sunoco Pipeline L.P. "Carrier" may over deliver or under deliver products versus what is received into the system. Positive transit variations (over deliveries) will result in charges to the Shipper and negative transit variations (under deliveries) will result in credits to the Shipper. Transit variations will be accounted for on a monthly basis and the calculation method is described below. Settlement prices are determined by the carrier and will consider product value, location, and pipeline operation.

Transit Variation Volume Calculation

A Shipper's beginning/ending inventories at the open/close of the month, receipts and deliveries on each SPLP sub-system (Table A) will be aggregated by product to calculate total transit variation. Transit variation will not be considered for "transfer movements" which are defined as only utilizing one meter for receipt and delivery ticketing.

Table A

SPLP Sub-Systems
Eastern Products
Harbor Pipeline
Allegheny Access
Toledo North

For each system the transit variation will be calculated as the following for each product:

Transit Variation = (Ending Inventory + Deliveries) – (Beginning Inventory + Receipts)

The transit variations for each product will be summed to create the Total Transit Variation (Over/Short). See the example below (all amounts in barrels):

Product	Begin-Inv	Receipts	Deliveries	End-Inv	Over/(Short)
15MV2	0	10,000	9,400	500	-100
93CB155	0	20,000	19,700	0	-300
87CB155	1,000	10,000	11,200	0	200
TRNSMX	0	0	100	0	100
Total	**1,000**	**40,000**	**40,400**	**500**	**-100**

Settlement Price Determination

Each product shipped will be assessed by the Carrier and will be assigned a value which the Carrier deems representative of the market value of the product, and accounts for normal pipeline operations. The Settlement Price will be the arithmetic monthly average of the low daily quotation of the postings listed in Table B.1 and Table B.2 rounded to the fourth decimal place. If a product is not listed below or a specific product impacts pipeline operations, Carrier will assess and assign a value at its sole discretion.

Table B.1-Settlement Price Basis for Sub-Systems:
Eastern Area, Harbor Pipeline, Toledo North

Product Description	Product Code	Price Marker
Diesel	15EXP2/15MV2	Argus Diesel ULSD Buckeye pipe fob prompt Prmpt
Diesel non-RVO	15HO2/15NTDF2	Argus Heating oil ULSH Colonial 67 pipe fob cycle 1 - Houston close
Kerosene	15MV1	Argus Kerosine Buckeye pipe fob prompt Prmpt
Jet Fuel	JETA/JETAFTZ	Argus Jet fuel Buckeye pipe fob Prmpt
Heating Oil	---	Argus Heating oil NYH barge fob prompt Prmpt - Houston close
Generated Transmix	TRNSMX	Weighted Average Value of Products Received & Beginning Inventory
Received Transmix	STMIX	Transmix Settlement Price: Montello
Regular Gasolines	87CB/87RB	Low of 7.8, 9.0, Winter: Argus Gasoline reg CBOB Buckeye
Premium Gasolines	93CB/93RB/94CB/94RB	Low of 7.8, 9.0, Winter: Argus Gasoline prem CBOB Buckeye
Naphtha	NAPH	Low of 7.8, 9.0, Winter: Argus Gasoline reg CBOB Buckeye
Butanes	MIXBUT/ISO/BBUTY	Low of OPIS Mont Belvieu TET/NON-TET Normal Butane
Propane/Propylene	PROP/PRPL	Low of 7.8, 9.0, Winter: Argus Gasoline reg CBOB Buckeye
Gasoline Components	GASCOMP	Low of 7.8, 9.0, Winter: Argus Gasoline reg CBOB Buckeye
Distillate Components	DISTCOM	Argus Diesel ULSD Buckeye pipe fob prompt Prmpt

Table B.2-Settlement Price Basis for Sub-Systems:
Allegheny Access

Product Description	Product Code	Price Marker
Diesel	15EXP2/15MV2	Argus Diesel ULSD Buckeye pipe fob prompt Prmpt
Diesel non-RVO	15HO2/15NTDF2	Argus Heating oil ULSH Colonial 67 pipe fob cycle 1 - Houston close
Generated Transmix	TRNSMX	Weighted Average Value of Products Received & Beginning Inventory
Received Transmix	STMIX	Transmix Settlement Price: Delmont
Regular Gasolines	87CB/87RB	Low of 7.8, 9.0, Winter: Argus Gasoline reg CBOB Buckeye
Premium Gasolines	93CB/93RB/94CB/94RB	Low of 7.8, 9.0, Winter: Argus Gasoline prem CBOB Buckeye

Settlement Charge/Credit Calculation

For each Shipper in a subsystem, the Carrier will calculate a settlement charge/credit for each Shipper's total transit variation in the subsystem. The settlement charge/credit will be calculated by multiplying the total transit variation by the weighted average settlement price for each Shipper. The weighted average settlement price will be calculated from the Settlement Prices listed in Table B.1, B.2 and the sum of Receipts and Beginning Inventory. The example below details the calculation of the settlement charge/credit.

Product	Sum of Receipts, Begin-Inv (bbls)	Settlement Price	Over/(Short) (bbls)	Settlement Charge/(Credit)
15MV2	10,000	$76.2978	-100	
93CB155	20,000	$75.6454	-300	
87CB155	11,000	$80.7213	200	
TRNSMX			100	
Total	**41,000**	**77.1663**	**-100**	**$ (7,717)**

In the example above, the Shipper would be credited a settlement of $7,717 for the loss of product.

Settlement charges/credits will be included in a Shipper's monthly invoice. If transit variation can be readily attributed to specific batches from a Shipper, or which can be attributed to discrete actions taken by the Shipper, the Shipper will be responsible for any expenses associated with the variation.

Section 2: Transmix Allocation Procedure

Allocation of Transmix Generated on Pipeline Segments

During the course of normal operations an interface (i.e. "transmix") between batches of dissimilar products is created. In order to protect product integrity upon receipt and delivery into and out of each pipeline segment, it is often necessary for the Carrier to separate the interface from the adjacent batches. The volume of transmix generated between batches varies in volume and content depending upon the two products involved and their routing through the pipeline system. Routes through the pipeline system are defined by the pipeline segments used to move the products from their receipt point to their destination in the system. The pipeline segments move product from an origin or intermediate point to a destination or another intermediate point as defined by the Carrier.

For pipeline segments mentioned in the list of Points of Accumulation in the Eastern Area, Harbor Pipeline and Allegheny Access sub-systems, the total Carrier inventory of transmix shall be held in Carrier's custody for disposal for the account of the Shippers. Generally, transmix shall be allocated at the end of each month and the allocation procedure for transmix held in the Carrier's custody is detailed in a later section. Transmix may be allocated directly to the Shipper for which the generation of the transmix can be readily attributed to specific batches from a Shipper, or to discrete actions taken by the Shipper. Transmix may also be allocated directly to the Shipper for shipments on pipeline segments not mentioned in the list of Points of Accumulation.

Points of Accumulation and Identification of Associated Delivering Line Segments

Transmix collected at Akron (Point of Accumulation) is delivered on the following pipeline segment: (Hudson to Akron).

Transmix collected at Montello (Point of Accumulation) is delivered on the following pipeline segments: (Point Breeze to Montello, Twin Oaks to Montello, Delmont to Montello and Laurel Pipeline to Montello).

Transmix collected at Buffalo and Rochester (Points of Accumulation) is delivered on the following pipeline segments: (Montello to Buffalo and Rochester; Caledonia to Buffalo and Rochester).

Transmix collected at Delmont (Point of Accumulation) is delivered on the following pipeline segments: (Salem Jct. receipts and Fostoria to Delmont).

Transmix collected at Kingston (Point of Accumulation) is delivered on the following pipeline segment: (Montello to Kingston).

Transmix collected at Fullerton (Point of Accumulation) is delivered on the following pipeline segments: (Point Breeze to Fullerton, and Twin Oaks to Fullerton).

Transmix collected at Newark (Point of Accumulation) is delivered on the following pipeline segments: (Point Breeze to Newark, and Twin Oaks to Newark).

Transmix collected at Linden (Point of Accumulation) is delivered on the following pipeline segments: (Girard Point/Eagle Point via Woodbury to Linden, Point Breeze to Linden and Twin Oaks to Linden).

Transmix collected at Blawnox (Point of Accumulation) is delivered on the following pipeline segment: (Fostoria to Delmont).

Transmix collected at Youngstown (Point of Accumulation) is delivered on the following pipeline segment: (Boardman to Youngstown).

Transmix collected at Eagle Point (Point of Accumulation) is delivered on the following pipeline segment: (Woodbury to Eagle Point)

Allocation and Settlement on Pipeline Segments

At each Point of Accumulation of transmix listed above, the total Carrier inventory of transmix shall be held in Carrier's custody for disposal for the account of the Shippers. The allocation of transmix to each Shipper shall be proportionate to the total barrels shipped that month on a delivering pipeline segment to each Point of Accumulation by each Shipper compared to the total volume shipped by all Shippers on that pipeline segment to that Point of Accumulation.

After the transmix is allocated, it may be sold on a bid or contractual basis by the Carrier for the account of Shippers, with each Shipper being credited with the sale proceeds corresponding to the transmix settlement price for the relevant segment(s). The transmix settlement price will take into account the pipeline tariff to the transmix collection point on the relevant pipeline segment, the transportation to the transmix processor, the processing cost, local market adjustments, and other incremental expenses that may from time to time develop. The settlement price for each segment will be determined annually. Additionally, the Shipper will be charged the pipeline tariff for the allocated transmix from the relevant origin to the Point of Accumulation.

For those pipeline segments allocated on a volumetric basis, and for pipeline segments for which the generation of the transmix can be readily attributed to specific batches from a Shipper, or which can be attributed to discrete actions taken by the Shipper, the Carrier may allocate the transmix directly to that Shipper.

Transmix Settlement Price Calculation

After the transmix is allocated, it may be sold on a bid or contractual basis by the Carrier for the account of Shippers, with each Shipper being credited with the sale proceeds corresponding to the transmix settlement price for the relevant segment(s). The transmix settlement price will be of the form:

$$\underline{(A \text{ x CBOB gasoline price} + (1\text{-}A) \text{ x ULSD price}) \text{ - the transmix adjustment};}$$

$$\underline{\text{where A is the fraction of gas in the transmix pricing and 1-A is the fraction of diesel.}}$$

The transmix adjustment will take into account the transportation to the transmix processor, the processing cost, local market adjustments, and other incremental expenses that may from time to time develop.

Point of Accumulation	A	1-A	Transmix Adjustment ($/barrel)
Akron [B]	0.40	0.60	8.82
Blawnox [B]	0.30	0.70	6.30
Buffalo	0.35	0.65	13.44
Delmont [B]	0.40	0.60	7.14
Eagle Point	0.35	0.65	20.58
Fullerton	0.35	0.65	15.54
Kingston	0.35	0.65	15.12
Linden [A]	0.35	0.65	20.16
Montello	0.35	0.65	11.76
Newark	0.35	0.65	16.80
Rochester	0.35	0.65	14.70
Youngstown [B]	0.45	0.55	6.30

[A] Linden transmix settlement price based on heating oil.

[B] Transmix settlement price: CBOB gasoline price is Argus Gasoline reg CBOB Chicago BCX fob and ULSD price is Argus Diesel ULSD Chicago BCX fob.