

# PORTLAND PIPE LINE CORPORATION LOCAL TARIFF

The rates and charges named in this tariff are for the transportation and delivery of

## PETROLEUM

by pipeline subject to the rules and regulations published herein.

FROM	TO	RATES IN CENTS PER BBL.
SOUTH PORTLAND, MAINE	INTERNATIONAL BOUNDARY (North Troy, Vermont)	[D] 29.22¢

[D] TERMINAL CHARGE – In addition to the above, a charge of nineteen and fifty seven hundredths cents (19.57¢) per barrel will be made as a terminal charge for handling at the terminal, South Portland, Maine.

RATE FOR HIGH VISCOSITY PETROLEUM – In addition to all other charges provided herein, Petroleum having a viscosity greater than 1,000 Seconds Saybolt Universal (S.S.U.) at sixty degrees Fahrenheit (60°F.) will be subject to an added charge of six and sixty five hundredths cents (6.65¢) per barrel.

This tariff is applicable only on United States movement of Petroleum tendered at South Portland, Maine, for delivery by Montreal Pipe Line Limited at Montreal East, Quebec.

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

ISSUED: NOVEMBER 30, 2009

EFFECTIVE: JANUARY 1, 2010

ISSUED BY  
D. E. CYR, Secretary - Treasurer  
PORTLAND PIPE LINE CORPORATION  
P. O. Box 2590  
SOUTH PORTLAND, MAINE 04116-2590  
207-767-0450

## RULES AND REGULATIONS

### 1. DEFINITIONS

As used in this tariff, the following terms have the following meanings:

- a) "Petroleum" means the direct product of oil wells and the indirect petroleum products resulting from refining crude petroleum or from the operation of gasoline or distillate recovery plants when mixed with the direct product of oil wells, but does not include natural gas liquids or refined petroleum products.
- b) "Barrel" means forty-two (42) United States gallons, or 34.972 Imperial gallons, at a temperature of sixty degrees (60°F.) Fahrenheit.
- c) "Carrier" means Portland Pipe Line Corporation.
- d) "Connecting Carrier" means Montreal Pipe Line Limited.
- e) "Consignee" means the party named by the Shipper to receive the Shipper's Petroleum delivered by the Connecting Carrier.
- f) "Shipper" means the party that contracts with the Carrier for the transportation of Petroleum under the terms of this tariff.
- g) "Tender" means an offer by a Shipper of a stated quantity of Petroleum for transportation from South Portland, Maine, to the International Boundary at North Troy, Vermont, for further movement via Montreal Pipe Line Limited to Montreal East, Quebec.
- h) "Viscosity" means the viscosity determined by the Saybolt method.
- i) "Working Stock" means the volume of Petroleum required by the Carrier for efficient operations and scheduling of Petroleum prior to delivery.

### 2. COMMODITY TRANSPORTED

The carrier is engaged in the transportation of Petroleum as defined above and therefore reserves the right to refuse any other commodity for transportation.

### 3. DUTY OF CARRIER

Subject to any applicable governmental regulations, the Carrier will accept Tenders for trunk line transportation of Petroleum in accordance with the terms of this tariff. The Carrier will transport Petroleum with reasonable diligence, considering the quantity of Petroleum being transported by the Carrier, the safety of operation, and other material factors.

### 4. DESTINATION FACILITIES

Petroleum will be received for transportation only when the Shipper or Consignee has made the necessary arrangements with Connecting Carrier (including the assignment of adequate capacity) for further shipment beyond the International Boundary.

### 5. MINIMUM TENDERS AND ACCEPTANCES

The Carrier will receive for transportation all such Petroleum tendered by the Shipper, individually or by him and others, provided the Petroleum is of the same kind and quality and shall amount in the aggregate to not less than 80,000 barrels. Each tanker cargo shall be handled under a separate Tender.

### 6. IDENTITY OF OIL

Petroleum will be accepted for transportation only on condition that it shall be subject to such changes in gravity or quality while in transit as may result from the mixture of said Petroleum with other Petroleum in the pipelines or tanks of the Carrier or Connecting Carrier or connecting delivery lines of Consignee. Carrier shall be under no obligation to deliver the identical Petroleum received but, subject to applicable provisions in Connecting Carrier's tariff, may make delivery out of common stock or out of Carrier's pipeline stream of substantially like Petroleum.

## RULES AND REGULATIONS

### 7. SPECIFICATIONS AS TO QUALITY

- The Carrier shall not accept Petroleum for transportation that, as determined by the Carrier, has on receipt: (i) a true vapor pressure which would result in Carrier's non-compliance with Federal, State or local requirements regarding hydrocarbon emissions; (ii) A Reid Vapor Pressure in excess of 12 pounds per square inch (psi) at one hundred degrees (100°F.) Fahrenheit; (iii) sediment and water in excess of 1.0 percent by volume as determined by the Karl Fischer Titration and sediment by extraction tests or by other methods agreed upon by the Carrier and Shipper; (iv) viscosity greater than 2,500 S.S.U. at a temperature determined in accordance with the Carrier's Oil Movements Procedures and Protocols dated January, 2010; (v) any organic chlorides; (vi) any lead; or (vii) physical or chemical characteristics that may render such Petroleum not readily transportable by the Carrier or that may materially affect the quality of other Petroleum transported by the Carrier or that may otherwise cause disadvantage to Carrier. A copy of the procedures are available upon request from the Carrier at the address noted on the tariff.
- [W] Carrier reserves the right to reject Petroleum containing, prior to receipt, or to inject in Petroleum after receipt, corrosion inhibitors, viscosity or pour point depressants, or other such additives in the Petroleum to be transported.
- [W] A Shipper shall, as required by the Carrier, provide to the Carrier a certificate with respect to the specifications of Petroleum to be received by the Carrier from such Shipper. If Shipper fails to provide the Carrier with such certificate, then the Carrier shall not be obligated to accept the Shipper's Petroleum.

### 8. PAYMENT OF CHARGES AND LIENS FOR UNPAID CHARGES

- A Shipper shall pay all transportation and other charges as provided for in this tariff relating to the transportation of the Shipper's Petroleum by the Carrier. The Shipper shall pay such transportation and other charges upon receipt of the Carrier's invoice respecting such transportation and other charges. If required by the Carrier, the Shipper shall pay such charges before delivery of the Shipper's Petroleum by the Carrier.
- The Carrier shall have a general lien on a Shipper's Petroleum that is in the possession of the Carrier to secure the payment of all transportation and other charges that are due to the Carrier by the Shipper. The Carrier may withhold the Shipper's Petroleum from delivery until all such transportation and other charges have been paid.
- If charges for the transportation of Shipper's Petroleum remain unpaid for ten days after notice of demand for payment of such charges is made to such Shipper by the Carrier, then the Carrier shall have the right to remove and sell in any lawful manner any and all of such Shipper's Petroleum that is in the possession of the Carrier.
- The Carrier shall pay from the proceeds of such sale all transportation and other charges accruing or due relating to the transportation of Shipper's Petroleum by the Carrier and all costs incurred by the Carrier with respect to the storage, transportation, removal, and sale of such Shipper's Petroleum. The remainder of such proceeds, if any, shall be held by the Carrier for the Shipper and any other party lawfully entitled to such proceeds.

### 9. EVIDENCE OF RECEIPTS

- Petroleum received from the Shipper shall be evidenced by tickets or other documents, showing quantity, type, temperature, sediment and water, A.P.I. gravity, and any other data essential to the determination of quantity. Such tickets or documents shall be signed by representatives of Carrier and shall constitute full receipt for the Petroleum received.

### 10. LIABILITY OF CARRIER

- The Carrier shall not be liable for any loss of Petroleum or damage thereto, or delay caused by fire, storm, flood, epidemics, acts of God, riots, strikes, nuclear contamination from any cause, insurrection, rebellion, war, act of the public enemy, acts of terrorism, quarantine, the authority of law, requisition or necessity of the Government of the United States in time of war, default of Shipper or owner, or from any other cause whatsoever not due to the negligence of the Carrier, except to the extent that the Carrier is indemnified by its insurers for all or any part of such loss. In the case of loss of any Petroleum from any such causes after it has been received for transportation and before same has been delivered to Shipper or Consignee, and provided that the Carrier is not indemnified by its insurers for all or any part of such loss, the Carrier may apportion such loss among all Shippers and each Shipper's share of the loss shall be in proportion to the amount that his shipment bears to all of the Petroleum then in the custody of the Carrier, and Connecting Carrier and the Shipper shall be entitled to have delivered only such portion of his shipment as may remain after deduction of his due proportion of such loss. The Shipper shall be required to pay transportation charges only upon the quantity of Petroleum delivered by the Connecting Carrier.

## RULES AND REGULATIONS

### 11. CLAIMS, SUITS AND TIME FOR FILING

As a condition precedent to recovery, claims must be filed in writing with the Carrier, within nine (9) months after delivery of the property, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery

has elapsed; and suits shall be instituted against the Carrier only within two (2) years and one (1) 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, the Carrier shall not be liable and such claims will not be paid.

### 12. MEASURING, TESTING, AND DEDUCTIONS

Prior to the acceptance of each Tender of Petroleum by a Shipper at South Portland, Maine, it shall be measured and tested by a representative of the Carrier. Upon delivery of each such Tender to a Consignee at Montreal East, it shall be measured

and tested by a representative of the Connecting Carrier.

The Shipper or Consignee shall have the right to have representatives present at such measuring and testing at South Portland at a time acceptable to the Carrier. Representatives of the Carrier shall have the right to enter upon tank vessels or other premises where such crude is received and have access to any and all tanks, compartments and other facilities necessary for the purpose of such measuring and testing, and to make any examination, inspection, measurement, or test authorized by these regulations.

Petroleum shall be measured and calculated in accordance with applicable A.P.I. Manual of Petroleum Measurement Standards. All shipments of Petroleum will be received and delivered as net standard volume, as the total volume excluding water and sediment, corrected by the appropriate volume correction factor for the observed temperature and A.P.I. gravity, relative density, or density to a standard temperature of sixty degrees (60°F) Fahrenheit. Metered volumes will also be corrected by applicable pressure correction factor and meter factor. If tank gauges are used, volumes shall be computed from correctly compiled tank tables on a one hundred percent (100%) volume basis. Karl Fischer Titration and sediment by extraction tests, or other methods agreed upon, shall be used for ascertaining the percentage of sediment and water in the Petroleum.

The Carrier shall, as deemed necessary by the Carrier, adjust the measured volume of Petroleum for shrinkage in accordance with A.P.I. Bulletin 2509 C or the latest revision to such Bulletin.

### 13. APPLICATION OF RATES AND CHARGES

Petroleum accepted for transportation shall be subject to the rates and charges in effect on the date of receipt of such Petroleum. Such rates and charges will be assessed only on the net quantities of such Petroleum delivered.

### 14. NORMAL OVERAGES AND SHORTAGES IN TRANSIT

The Carrier shall account to each shipper for all Crude Petroleum received. Any overage or shortage, including losses or gains resulting from shrinkage, evaporation, expansion or other Crude Petroleum losses or gains inherent in the

operation of a pipeline system shall be allocated at a frequency not to exceed three months. The allocation will be made among the shippers based on the total number of barrels delivered from the pipeline system for each shipper to the total number of barrels delivered from the pipeline system for all shippers. The net balance, after applicable deductions defined above, will be the quantity deliverable by the Carrier and upon which transportation charges will be assessed.

### 15. NOMINATIONS AND SCHEDULING

The Carrier is under no obligation to accept a Tender of Petroleum for shipment for any operating month unless the Shipper submits its nomination to the Carrier in accordance with the Carrier's Oil Movements Procedures and Protocols dated

January, 2010. A copy of the procedures are available upon request from the Carrier at the address noted on the tariff.

### 16. SHIPPING AGREEMENT

Before tendering Petroleum for shipment at Carrier's terminal at South Portland, Maine, Shipper must execute a Shipping Agreement relating to the delivery of

Petroleum at Carrier's facilities from cargo vessels. A copy of the required form of Shipping Agreement is available upon request from the Carrier at the address noted on the tariff.

### 17. INVENTORY REQUIREMENTS

A Shipper shall supply its share of Working Stock by types and volumes as determined from time to time by the Carrier. Petroleum provided by Shipper for this purpose may be withdrawn from Carrier's system in an operating month only

after shipments have ceased and if written notice to discontinue shipments in Carrier's system is received in accordance with the notification requirements of the Carrier's Oil Movements Procedures and Protocols dated January, 2010. A copy of the procedures are available upon request from the Carrier at the address noted on the tariff.

Explanation of Reference Marks:

[D] Denotes decrease.

[W] Denotes change in wording.