

EPIC Y-Grade Pipeline, LP

Rules and Regulations Governing the Interstate Transportation by Pipeline of Natural Gas Liquids

Rules and Regulations published herein apply only under tariffs which make specific reference by number to this tariff; such reference will include successive issues hereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

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Issued and Compiled by:

Jeff Dorrow
Vice President, Business Development
EPIC Y-Grade Pipeline, LP
18615 Tuscany Stone, Suite 275
San Antonio, Texas 78258
Phone: 210-587-6039

TABLE OF CONTENTS

Rule	Subject	Page No.
1	Definitions	3
2	Acceptance of NGLs	7
3	Additives	8
4	Storage	8
5	Receipt Facilities Required	8
6	Destination Facilities Required	8
7	Rejection of NGLs Subject to Dispute, Liens, and Charges; Warranty of Title	8
8	Measurement	9
9	Evidence of Receipts and Deliveries	9
10	Duty of Carrier	9
11	Application of Rates from and to Intermediate Points	9
12	Line Fill Requirements; Third Party Access Agreements	9
13	Prorating of Pipeline Capacity	10
14	Nominations; Minimum Quantity	13
15	Application of Rates	13
16	Legality of Shipments	13
17	Payment of Carrier Charges; Adequate Assurance	13
18	Limitation of Liability/Damages; and Indemnity by Parties	16
19	Scheduling of Delivery	17
20	Pipeage or Other Contracts	17
21	Volume Commitment Incentive Program	17
22	Balancing	20

Rules and Regulations

Rule 1: Definitions

Affiliate	Any Person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with another Person. The term “control” (including its derivatives and similar terms) means possessing the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. Without limiting the foregoing, any Person shall be deemed to be an Affiliate of any specified Person if such Person owns more than fifty percent (50%) of the voting securities of the specified Person, or if the specified Person owns more than fifty percent (50%) of the voting securities of such Person, or if more than fifty percent (50%) of the voting securities of the specified Person and such Person are under common control.
Assignee Shipper	Means as set forth in Rule 21(H).
ASTM	American Society for Testing Materials.
Barrel	Forty-two (42) U. S. Gallons measured at sixty degrees (60°) Fahrenheit and at the vapor pressure of the liquid being measured.
Business Day	Means any Day other than a Saturday or Sunday that commercial banks in Houston, Texas are open or permitted to be open for business with the public.
Capacity	The quantity of NGLs the Pipeline Segment at issue is capable of transporting under the current operating conditions.
Carrier	EPIC Y-Grade Pipeline, LP.
Commercially Reasonable Efforts	Means, with respect to the efforts to be expended by a Person with respect to any objective under this Tariff, reasonable, diligent, good faith efforts to accomplish such objective as such Person would normally use to accomplish a similar objective as expeditiously as reasonably possible under similar circumstances exercising reasonable business judgment, it being understood and agreed that such efforts will include the exertion of efforts and utilization of resources that would be used by such Person in support of one of its own wholly-owned businesses.
Committed Shipper	Means either a Primary Committed Shipper or a Secondary Committed Shipper.
Common Stream	NGLs moved through the Pipeline and Pipeline facilities which are commingled or intermixed with NGLs of like quality and characteristics as may be determined by Carrier based on NGL samples and other pertinent analytical data.

Connecting Carrier	A connecting pipeline company as named or referred to herein.
Consignee	The Party to whom a Shipper has ordered the delivery of NGLs.
Contract Operator	An operator of Carrier's owned or leased facilities used in rendering transportation services pursuant to this Tariff.
Daily Volume Commitment	The amount a Committed Shipper agrees to deliver, in the aggregate, each Day, as set forth in its respective T&D Agreement.
Day(s)	Means a period of twenty-four (24) consecutive hours, commencing at 7:00 a.m., Central Time, on a calendar day and ending at 7:00 a.m., Central Time, on the next succeeding calendar day.
Deficiency Payment	Means as set forth in Rule 17(B)(ii).
Delivery Point(s)	A point named in the Tariff at which point Carrier will deliver NGLs to Shipper or its Consignee after transportation from an Origin Point(s).
Emergency Condition	Means a condition or situation that presents an imminent threat of physical harm to life, health or material property, or that requires suspension of transportation services or a partial or whole shutdown of the Pipeline.
FERC	Federal Energy Regulatory Commission.
Force Majeure	Means any cause not reasonably within the control of the Party claiming suspension. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, including but not limited to lightning, earthquakes, fires, explosions, tornadoes, hurricanes, storm warnings, landslides, or other weather events that cause disruption, breakage or damage to, or necessitate the precautionary shut-down or operating reduction of, wells, plants, pipelines, gathering systems, loading facilities, refineries, terminals, ports or any portion thereof, or other related facilities; (ii) brine handling constraints; (iii) weather related events affecting an entire geographic region or causing the evacuation thereof, such as low temperatures that cause freezing or failure of wells, lines of pipe, or processing facilities; (iv) interruption, allocation, and/or curtailment of Carrier services, including maritime perils, collisions and other similar events; (v) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; (vi) governmental actions such as necessary for compliance with any court order, law, statute, ordinance, regulation or policy having the effect of law promulgated by a Governmental Authority having jurisdiction and (vii) a declared Force Majeure or Emergency Condition by a downstream entity. Notwithstanding the foregoing, an event of Force Majeure will not include: (A) economic hardship, (B) the non-availability of financing or (C) fluctuations in market prices. A Party claiming Force Majeure shall make

Commercially Reasonable Efforts to mitigate or avoid the adverse impacts of Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

Force Majeure Event	An event caused by Force Majeure.
Governmental Authority	Means any federal, state or local government, municipality, city, town or township, commonwealth or any other political subdivision thereof, or any entity exercising any executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, or any other authority, agency, department, board, commission or instrumentality of the United States, any state of the United States, or any political subdivision thereof, or any court, tribunal or arbitrator(s) of competent jurisdiction, or any governmental or quasi-governmental regulatory organization, body, agency or authority.
Incentive Rate	The rate paid by a Committed Shipper.
Law(s)	Means any federal, state, tribal or local law, statute, regulation, code, ordinance, license, permit, compliance requirement, order, writ, injunction, decision, directive, judgment, policy or decree of any Governmental Authority, and any judicial or administrative interpretations thereof, or any agreement, concession or arrangement with any Governmental Authority applicable to either Party or either Party's performance under this Agreement, and any amendments or modifications to the foregoing.
Line Fill	See Rule 12.
Losses	Means any actual loss, cost, expense, liability, sanction, fine, penalty, assessment, damage (including personal injury or property damage claims) or demand, including those that arise from suits, claims, cause of actions, court or arbitration judgments, orders or awards, audits, settlements or liens, and all court costs and litigation expenses related thereto, including reasonable attorneys' fees, as such may be awarded by a court.
Maximum Daily Quantity	Means, as to a given Committed Shipper, a volume which Carrier will hold open for such Committed Shipper, subject to Rule 21 and the Shipper's T&D Agreement.
Month	Means a period of time beginning at 7:00 a.m., Central Time, on the first Day of the calendar month and ending at 7:00 a.m., Central Time, on the first Day of the next succeeding calendar month.
Monthly Deficiency Volume	Means what is set forth in Rule 17(B)(i).
Monthly Volume Commitment	The amount Committed Shipper agrees to deliver, in the aggregate, each Month, as set forth in its T&D Agreement.

NGLs or Product	Means unfractionated, demethanized mix containing primarily of ethane, propane, normal butane, isobutane, natural gasoline, and all mixtures thereof conforming to Carrier's specifications.
Nomination	A notice from Shipper to Carrier requesting that Carrier transport for Shipper in a given Month a stated volume of Shipper's NGLs from the Origin Point(s) to the Delivery Point(s) as provided in these Rules and Regulations.
Origin Point or Point(s)	A point named in the Tariff at which point Carrier will accept NGLs for transportation.
Party	Shipper and Carrier are sometimes be referred to herein individually as "Party," and collectively as the "Parties."
Person	Means any individual, firm, corporation, trust, partnership, limited partnership, master limited partnership, limited liability company, association, joint venture, unincorporated organization or any other legal entity.
Pipeline	Carrier's pipeline extending from the Origin Points to the Delivery Points, including owned and leased pipeline facilities.
Pipeline Loss Allowance or "PLA"	means the actual volume of Product lost on the Pipeline among all Shippers due to evaporation, measurement, or other losses in transit.
Primary Committed Shipper	See Rule 21(A).
Proration Policy	Means the rules and procedures set forth in Rule 13, as it may be amended from time-to-time.
Product Component	Means one or more combination of hydrocarbons in the Product including, but not limited to, ethane, propane, normal butane, isobutane, pentane, naphtha, and natural gasoline.
Reid Vapor Pressure	The absolute vapor pressure exerted by a liquid at 100° F (37.8°C), as determined by the test method ASTM-D-323.
Scheduled Maintenance	Means any routine or schedule maintenance, expansion of the capacity on the Pipeline, testing, inspections or repairs, for which Carrier shall exercise commercially reasonable efforts to provide Shipper with at least thirty (30) Days advances notice, but in no event less than ten (10) Days advance notice.
Secondary Committed Shipper	See Rule 21(A).

Segment	Section of Carrier's Pipeline, the limits of which are defined by two geographically identifiable points, that, because of the way that section of Carrier's Pipeline is designed and operated, must be treated as a unit for purposes of determining Capacity.
Shipper	A party who contracts with Carrier for transportation of NGLs, as defined herein and under the terms of this Tariff, including a Third Party Shipper.
Shipper History	See Rule 21(H).
Tariff	This FERC Tariff, as it may be superseded from time to time.
T&D Agreement	A throughput and deficiency agreement executed by a Committed Shipper.
Tender	A delivery by a Shipper to Carrier of a stated quantity and grade of NGLs, under a Nomination accepted by Carrier, for transportation in accordance with these Rules and Regulations.
Term	See Rule 21(A).
Terminal Services Agreement	Any terminal services agreement with a company, which is an Affiliate of Carrier, that provides terminal services where such terminal services are required to deliver NGLs at an Origin Point.
Third Party Shipper	A Person, other than Shipper and/or its Affiliate(s), designated by Shipper to transport NGLs under this Tariff and a T&D Agreement.
Uncommitted Shipper	Each Shipper not participating in the Volume Incentive Program in Rule 21, and who pays the Uncommitted Transportation Rate.
Uncommitted Transportation Rate	The rate paid by a Shipper who does not participate in the Volume Incentive Program in Rule 21.

Rule 2: Acceptance of NGLs

- (A) Carrier reserves the right to refuse to accept any quantity of NGLs for transportation service which do not conform to Carrier's NGLs specifications (such specifications are listed on Exhibit "A") or which are not good and merchantable NGLs readily acceptable for transportation through Carrier's existing facilities. As a prerequisite to transportation service, Shipper's NGLs must also conform to its nominated Delivery Point specifications.
- (B) Shipper may be required to furnish Carrier with a certificate setting forth the specifications of each shipment of NGLs to be transported in Carrier's facilities and Shipper shall be liable for any contamination or damage to other liquids in Carrier's custody or to Carrier's pipeline or other facilities caused by failure of the NGLs tendered to meet the specifications stated in Shipper's certificate. Carrier reserves the right to sample and/or test any such shipment prior to acceptance or during receipt, and if there is a variance between Shipper's certificate and Carrier's test, the latter shall prevail.

(C) Carrier may waive the requirements set forth in Sections (A) and (B) of this Rule 2 on a non-discriminatory basis. If Carrier agrees in writing to accept NGLs that do not meet the applicable quality specifications in this Rule 2, then, as to such NGLs (but only as to the specifications waived), Shipper shall be deemed to be in compliance with this Rule 2 but only until such time as Carrier may withdraw any such agreement or waiver. Carrier will actively monitor deliveries of all Shippers' Product into its Pipeline, and it will work with all Shippers to bring off-specification Product into specifications. If such cooperative efforts between any such Shipper and Carrier do not result in on-specification deliveries within a mutually-agreed, reasonable period of time, Carrier will have the right to reject such shipper's continuing off-specification deliveries.

Rule 3: Additives

NGLs shall be free of any additives and inhibitors, including drag reducing agents, unless expressly approved by Carrier on a non-discriminatory basis.

Rule 4: Storage

Carrier does not furnish any terminalling, tankage, or any other form of storage at origins, destinations, or any other location within Carrier's facilities. Shipper is solely responsible for securing storage at an Origin Point or Delivery Point.

Rule 5: Receipt Facilities Required

All NGLs will be shipped in accordance with the requirements of this Tariff. Carrier shall have no obligation to provide the storage facilities necessary to ship NGLs at an Origin Point.

Rule 6: Destination Facilities Required

Carrier will refuse to accept NGLs for transportation unless documentary evidence is furnished that the Shipper or Consignee has provided the necessary facilities for the prompt receipt of NGLs. If the Shipper or Consignee is unable or refuses to receive such NGLs as they arrive at a Delivery Point, Carrier reserves the right to make arrangements for disposing such NGLs as it deems appropriate (including sale of same, pursuant to the procedures set forth in Rule 17(F), in order to clear the Carrier's Pipeline). Any additional expenses incurred by Carrier in making such arrangements shall be borne by the Shipper or Consignee.

Rule 7: Rejection of NGLs Subject to Dispute, Liens, or Charges; Warranty of Title

Carrier will reject any NGLs which, when nominated for transportation, may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by lien or charge of any kind unless the Shipper provides documentary evidence of the Shipper's unencumbered title or satisfactory indemnity bond to protect Carrier. By nominating NGLs, the Shipper warrants and guarantees that it owns or controls, has the right to deliver or have delivered for its account, such NGLs, and agrees to defend, indemnify, and hold Carrier harmless for any and all loss, cost, liability, damage, and/or expense resulting from failure of ownership or control thereto, provided that acceptance for transportation by Carrier shall not be deemed: (a) a representation by Carrier as to ownership or control or (b) a waiver of Carrier's rights hereunder.

Rule 8: Measurement

NGLs tendered to Carrier for transportation shall be measured by mutually accepted custody transfer facilities. Shipper and Consignee shall have the privilege of being present or represented during measuring and testing of shipments by Carrier. Measurement by the Carrier is final, regardless of whether Shipper or Consignee is present. The method of measurement under this Rule 8 is to be in Carrier's sole discretion.

Corrections will be made for temperature from observed degrees Fahrenheit to 60 degrees Fahrenheit.

Rule 9: Evidence of Receipts and Deliveries

NGLs received from Shipper and NGLs delivered to Consignee shall, in each instance, be evidenced by custody transfer meter containing data essential to the determination of quantity.

Rule 10: Duty of Carrier

- (A) Carrier shall not be required to transport NGLs except with reasonable diligence, considering the quality of the NGLs, the distance of transportation, and other material elements, and will not accept NGLs to be transported in time for any particular market. Carrier will not be required to deliver the identical NGLs received. Carrier reserves the right to commingle Shipper's NGLs with other NGLs in the Pipeline and shall have no obligation to deliver NGLs at a Delivery Point with the same or similar content of Product Components, as that received at an Origin Point.
- (B) Carrier may suspend transportation services on the Pipeline in order to comply with applicable Laws of any Governmental Authority, to perform Scheduled Maintenance, expand the Capacity of the Pipeline, or to prevent an Emergency Condition, or harm to the environment, without incurring any obligation for any liabilities (except as otherwise provided in a T&D Agreement). Carrier will provide Shipper with advance notice of at least thirty (30) Days of any Scheduled Maintenance on the Pipeline.

Rule 11: Application of Rates from and to Intermediate Points

For NGLs accepted for transportation from any point on Carrier's lines not named in this Tariff, which is intermediate to a point for which rates are published in Carrier's F.E.R.C. No. 2.0.0 or reissues thereof, Carrier will apply the rates published in such tariff for the next more distant point specified in the tariff. For NGLs accepted for transportation to any point not named in the tariff which is intermediate to a point for which rates are published in Carrier's F.E.R.C. No. 2.0.0 or reissues thereof, the rate published therein for the next more distant point specified in the tariff will apply, and Carrier shall make a filing to add any such point to the tariff, if and as required by Section 341.10(a)(2) of the FERC's regulations.

Rule 12: Line Fill Requirements; Third Party Access Agreements

Shipper shall supply a *pro rata* share of NGLs necessary for pipeline fill to ensure efficient operation of the pipeline system prior to delivery ("Line Fill"). NGLs provided by a Shipper for this purpose may be withdrawn only after: (1) shipments have ceased and the Shipper has notified Carrier in writing to discontinue shipments in Carrier's system; and (2) the Shipper's

balances have been reconciled between all Shippers and Carrier; or alternatively, subject to both conditions precedent being met, Carrier may, at a mutually agreeable price, purchase Shipper's NGLs in the pipeline system which constitute Line Fill. Carrier, at its reasonable discretion, may require advance payment of transportation charges on the volumes to be cleared from Carrier's system, and any unpaid accounts receivable, before final delivery will be made. In the event a Shipper is more than ninety (90) Days deficient on making any payment owed hereunder, Carrier may sell any Line Fill belonging to such Shipper and apply the proceeds of such sale towards such owed amounts and remit the excess of any proceeds (if any) to Shipper. Unless Shipper has not made any required payment, or unless otherwise prevented by Force Majeure or actions of the Shipper, Carrier shall have a reasonable period of time, not to exceed 60 Days, from the receipt of the Shipper's written notice to Carrier, to complete administrative and operational requirements incidental to Shipper's withdrawal.

Shipper will at all times retain title to its NGLs in transit and Carrier will provide a monthly statement to Shipper of Shipper's NGLs held as Line Fill. If Shipper's inventory balance drops below its pro rata portion of the volume of NGLs necessary for the efficient operation of Carrier's Pipeline system (including working tankage), Carrier will require Shipper to provide the necessary volume to meet its pro rata portion of such volume of NGLs. If Shipper's inventory balance exceeds its pro rata portion of the volume of NGLs necessary for the efficient operation of Carrier's Pipeline system (including working tankage), Carrier will return the excess volume of NGLs to Shipper within a period of time not to exceed 60 Days.

Carrier will have the contractual right to require (or, in its reasonable judgment, waive the requirement for) Shipper or its representative to execute an interconnect agreement or access agreement to any of Carrier's facilities of and from any person, including Shipper's contractors, designated Third Party Shippers, or other designees.

Rule 13: Prorating of Pipeline Capacity

When a quantity of NGLs is nominated by Shippers to Carrier which exceeds the Capacity of any Pipeline Segment from an Origin Point to a Delivery Point, NGLs nominated by each Shipper for transportation from that Origin Point to that Delivery Point will be transported in such quantities and at such times to the limit of Carrier's Capacity in a manner determined in accordance with the following rules ("Proration Policy"). Except as provided in Rule 21, Carrier will not prorate Capacity to Committed Shippers:

(A) Definitions.

- (1) "New Shipper" means a Shipper that, with respect to the volumes in question, is not a Committed Shipper, as defined in Rule 1, and has not delivered NGLs to any Delivery Point on the Pipeline Segment to be prorated, during each month of the Base Period.
- (2) "Regular Shipper" means a Shipper that has delivered NGLs to any Delivery Point on the Pipeline Segment to be prorated during each month of the Base Period.
- (3) "Current Nomination Basis" means that the portion of Capacity available (pursuant to Section B(2) of this Rule) to New Shippers to be allocated among all New Shippers in proportion to the volumes of NGLs nominated by each New Shipper for the month in which volumes are to be prorated.
- (4) "Base Period" is the 12-calendar-month period just preceding the Calculation Month.

- (5) "Base Shipment" for each Regular Shipper is the total deliveries of NGLs to all Delivery Point(s) on the Pipeline Segment to be prorated for a Regular Shipper during the Base Period.
- (6) "Base Shipment Percentage" for each Regular Shipper shall be a percentage equal to such Regular Shipper's Base Shipment divided by all Regular Shippers' Base Shipments.
- (7) "Calculation Month" is the calendar month immediately preceding the month for which Capacity is being prorated.
- (8) "Good Faith Nomination" is defined in Rule 13(B)(7).

(B) Prorating of Capacity.

- (1) When Capacity will be Prorated. Subject to Rule 21, Carrier will allocate Capacity among all Shippers for any month for which the Carrier determines, in its reasonable discretion, that the aggregate volume of NGLs that all Shippers have nominated to all Delivery Point(s) in a Pipeline Segment exceeds Capacity. Prorating will be applied separately to each Pipeline Segment where a need for prorating shall arise.
- (2) Availability and Allocation of Capacity to New Shippers. Up to ten percent (10%) of Capacity shall be made available to New Shippers and will be prorated among them on a Current Nomination Basis.
- (3) Availability of Capacity to Regular Shippers. After the allocation of the portion of Capacity to New Shippers that is required by Section (B)(2) of this Rule, the remaining portion of Capacity for that month, after application of Rule 21, shall be available to Regular Shippers who have nominated volumes for that month.
- (4) Allocation to each Regular Shipper. Such remaining portion of Capacity shall be allocated among Regular Shippers in proportion to their respective Base Shipment Percentages. In the event that the volume of NGLs that would be allocated to a Shipper on the basis of its Base Shipment Percentage is greater than the volume it nominates, the difference between its volume calculated on the basis of its Base Shipment Percentage and its volume nominated will be reallocated among all other Regular Shippers in proportion to their respective Base Shipment Percentages. Any remaining prorated allocation of Capacity, available after this reallocation among all Regular Shippers in proportion to their Base Shipment Percentages, shall be made available to New Shippers (if and to the extent New Shippers' volumes were prorated) and will be prorated among them on a Current Nomination Basis.
- (5) Allocation of Capacity to New Shippers and Regular Shippers during Force Majeure Event. During a Force Majeure Event, Rules 13(B)(2), 13(B)(3), and 13(B)(4) will be replaced with this Rule 13(B)(5). After application of Rule 21, any remaining Available Capacity (as defined in Rule 21) shall be made available to both New Shippers and Regular Shippers, and shall be allocated based upon the percentage that each such Shipper's most recent nominated monthly volume (preceding the Event) bears to the total of the most recent nominated monthly volumes for all New Shippers and Regular Shippers.
- (6) Basis of Allocation; Notification. When prorating is in effect, Capacity shall be allocated among eligible Shippers on a monthly basis. If prorating is expected to extend to the next calendar month, Carrier shall use reasonable efforts to notify each Shipper entitled to an allocation of a portion of Capacity of the amount of its

allocation no later than the 25th Day of the month proceeding the month for which the allocation is made.

- (7) Good Faith Nominations. Carrier will accept only good faith Nominations from Shippers, and Carrier shall use whatever reasonable means necessary to determine whether Nominations are made in good faith. Good Faith means the non-contingent ability and willingness of Shipper to deliver to Carrier at the Origin Point(s) specified in the Nomination all of the Barrels to be tendered during the month for which the Nomination is made.
- (8) Failure to Use Allocated Portion of Capacity. Notwithstanding the foregoing provisions of this Rule, if a New Shipper making a Good Faith Nomination fails to deliver, at the Origin Point(s) specified by it in its Nomination, NGLs sufficient to fill the portion of Capacity allocated to it and such failure has not been caused by Force Majeure, as substantiated in a manner satisfactory to the Carrier, Carrier will reduce such Shipper's allocation for the next prorating period (after the end of the month during which such failure occurred) for which such Shipper nominates NGLs, by the allocated portion of Capacity not utilized. In addition, if a New or Regular Shipper Tenders a volume greater than or equal to ninety-five percent (95%) of its binding Nomination, then such Shipper will be invoiced based on its delivered volumes. If a New or Regular Shipper Tenders less than ninety-five percent (95%) of its binding Nomination, then such Shipper shall be invoiced for its delivered volumes that month, plus the product of the applicable tariff and volume equal to the difference between the actual volume Tendered and a volume equal to ninety-five percent (95%) of such Shipper's binding Nomination or such Shipper's prorated binding Nomination, as adjusted by further prorating or operational factors.
- (9) Transfer of Base Shipment Percentage or Allocated Portion of Capacity; Use of Affiliates. Subject to Rule 21, neither a Shipper's Base Shipment Percentage nor volumes allocated to it during a period when prorating is in effect shall be assigned, conveyed, loaned, transferred to, or used in any manner by, another Shipper, and any such attempt to make such an assignment shall be void. However, a Shipper's Base Shipment Percentage or its allocation may be transferred as an incident of the bona fide assignment of a transportation service agreement or a material portion of the assets of a Shipper relating to a transportation service agreement or to a successor to the Shipper's business by the operation of Law, such as an executor or trustee in bankruptcy. A Shipper may not use an affiliated or cooperating entity to increase its Base Shipment Percentage or its allocated portion of Capacity.
- (10) Enhancement of Allocation. In no event will an allocation to a Shipper be used in such a manner that will enhance the allocation of another Shipper beyond the allocation that such Shipper would be entitled to under this policy. Carrier may require written assurances from a responsible officer of Shipper regarding its use of its allocated portion of Capacity stating that Shipper has not violated this policy. Notwithstanding the foregoing provisions of this Rule, in the event any Shipper shall, by any device, scheme, or arrangement whatsoever, attempt to transfer all or any part of its allocated portion of Capacity to any other Shipper in violation of this policy, or in the event any Shipper shall attempt to receive and use such portion of Capacity, the portion of Capacity allocated to such Shipper will be reduced, in the next month that is subject to prorating after the date that the violation is discovered, by a volume equal to such attempted transfer.

Rule 14: Nominations; Minimum Quantity

NGLs will be transported by Carrier only under a Nomination accepted by Carrier. Any Shipper desiring to tender NGLs for transportation shall make or cause to make such Nomination to Carrier in writing on or before 4:15 PM central standard time, the last Business Day prior to the 20th Day of the month preceding the month during which the transportation under the Nomination is to begin; except that, if space is available for current movement and at the reasonable discretion of Carrier, a Shipper may submit a Nomination after such 4:15 PM central standard time deadline.

Nominations for the transportation of NGLs for which Carrier has facilities will be accepted under the Tariff in quantities of not less than the following:

Type of Nomination:	Minimum Aggregate Nomination:
Common Stream	2,000 Barrels per Day

from one Shipper to one Consignee, and Delivery Point as operations permit, and provided such NGLs is of similar quality and characteristics as is being transported from Origin Point(s) to Delivery Point(s).

Before Carrier will accept a Nomination from a new Shipper, such Shipper must: (i) comply with Rule 17(A); (ii) demonstrate to Carrier the adequacy of such Shipper’s arrangements and facilities as referenced in Rule 4, Rule 5, and Rule 6; and (iii) provide any other information reasonably requested by Carrier.

Rule 15: Application of Rates

NGLs accepted for transportation shall be subject to the rates in effect on the date of the Tender in Carrier’s F.E.R.C. 2.0.0 rate tariff (and periodic reissues thereof).

Rule 16: Legality of Shipments

Carrier will reject NGLs where the Shipper or Consignee have failed to comply with any applicable Laws, rules, and regulations made by any Governmental Authority regulating shipments of NGLs, unless this Rule is waived by Carrier on a non-discriminatory basis.

Rule 17: Payment of Carrier Charges; Adequate Assurance

- (A) In the event Shipper has a credit rating of at least BBB- by S&P or Baa3 by Moody’s, then the following terms of this Rule 17(A) shall not apply. If Carrier has reasonable grounds for insecurity regarding the ability of Shipper to provide indemnities or perform other obligations (including minimum insurance requirements) under a prospective T&D Agreement, or Shipper’s creditworthiness is or becomes unsatisfactory to Carrier, or if Shipper’s title to any Shipper’s NGLs is disputed, Carrier may require Shipper to provide adequate assurance of performance. As adequate assurance, Carrier, at its option, may require Shipper to provide: (a) an irrevocable stand-by letter of credit from a bank reasonably acceptable to Carrier, with terms reasonably acceptable to Carrier, and in an amount reasonably acceptable to Carrier; (b) a parent guaranty with terms reasonably acceptable to Carrier; or (c) prepayment at least ten (10) calendar Days prior to the first

Day of each Month of an amount of money reasonably calculated by Carrier to cover all charges or liabilities under the applicable T&D Agreement likely to be incurred by Shipper during such Month. If Carrier requires Shipper to provide adequate assurance, Carrier will provide Shipper with written notice. If Shipper fails to provide the required adequate assurance within five (5) Business Days of its receipt of such notice from Carrier, then Carrier may terminate the applicable T&D Agreement, without liability to Shipper, upon notice to Shipper and Carrier may declare the deficiency payment(s), which are deemed to be considered actual damages, due for all remaining Months in the Initial Term or Additional Term(s) following the Month in which Shipper fails to provide the required adequate assurance. Notwithstanding the foregoing, Committed Shippers will be subjected to higher creditworthiness requirements than those set out in this Rule 17(A) as further described in the T&D Agreement.

(B) Minimum Payments for Committed Shippers.

(i) Definition. For purposes of this Tariff, a “Monthly Deficiency Volume” for a particular Month means the amount (in Barrels), determined as of the end of such Month, by which the Monthly Volume Commitment exceeds the total volume (in Barrels) of Shipper’s NGLs received by Carrier at any Origin Point during such Month under the applicable T&D Agreement.

Should the Commencement Date not fall on the first Day of a Month or should the Term end on a Day other than the last Day of a Month, the Monthly Deficiency Volume, if any, shall be proportionately adjusted.

(ii) Deficiency Payments. During the Term, if a Monthly Deficiency Volume exists as of the end of any Month, then Shipper shall pay to Carrier an amount equal to the product of (i) the Monthly Deficiency Volume for such Month and (ii) the applicable throughput fee (as set forth in Carrier’s F.E.R.C. No. 2.0.0) in effect for such Month (such product being the “Deficiency Payment”). Any Deficiency Payment due by Shipper hereunder shall be paid by Shipper in the manner provided in the applicable T&D Agreement.

(C) Shipper shall pay all transportation and other fees and lawful charges accruing on NGLs delivered to and accepted by Carrier for shipment as measured at the Origin Points by the due date stated in Carrier's invoice.

(D) No later than the fifteenth (15th) Day of each month, Carrier shall deliver to Shipper a statement for transportation services in the preceding month setting forth (i) the volumes of Shipper’s NGLs (in Barrels) received at the Origin Point(s), (ii) the Incentive Rate or Uncommitted Transportation Rate, as applicable, for that month, (iii) any adjustments for prior periods, and (iv) all other amounts due by Shipper hereunder, including any Deficiency Payments. Carrier’s invoices shall include information reasonably sufficient to explain and support any estimates and charges reflected therein, the reconciliation of any estimates made in a prior month to any actual measurements, and any adjustments to prior period volumes and quantities. Shipper shall remit to Carrier amounts due by wire

transfer by the later of (i) ten (10) Days after Shipper's receipt of the statement referenced above and (ii) the twentieth (20th) Day of each month, to the bank account specified by Carrier. If such due date is not a business Day, payment is due on the next business Day following such date.

- (E) All undisputed amounts owed to Carrier, which are not timely paid to Carrier, shall bear interest from the date due until paid. Such interest will be assessed at a rate equal to: (a) one and one-half percent (1.5%) per month, or (b) the highest rate permitted by Law, whichever is less, for any invoice or portion of an invoice not paid pursuant to the terms of this Tariff. If any amount is disputed, interest will accrue from the date due until the date paid but will only be due after the dispute is resolved and based on the amount found or agreed to be due. If Shipper disputes any portion of an invoice, Shipper shall promptly notify Carrier in writing (no later than the payment due date) and give reasons, with reasonable detail, for the disputed matters. Carrier and Shipper shall then endeavor to resolve the disputed amount in accordance with the provisions of the T&D Agreement, if applicable. Any payment due resulting from such dispute resolution shall be due within five (5) Business Days following the receipt by Shipper of an amended invoice relating to such resolution. If the Shipper has not entered into a T&D Agreement, Carrier and Shipper shall each have the right to pursue claims against the other in a court of competent jurisdiction.
- (F) Carrier shall have the right to withhold an amount of NGLs belonging to Shipper from delivery that would be sufficient to cover all unpaid charges due to Carrier from Shipper until all such unpaid charges have been paid. Furthermore, Carrier shall retain a perfected possessory lien under the Texas Bus. & Comm. Code, Title 1, Chapter 9 (section 9.101, *et seq.*), as applicable, on an amount of a Shipper's NGLs in Carrier's possession sufficient to secure payment of any and all amounts owed by such Shipper to Carrier. Carrier reserves the right to set-off any such charges against any monies owed to Shipper by Carrier on any NGLs of Shipper in Carrier's custody. If said charges remain unpaid five (5) Days after the due date therefor, Carrier shall have the right, through an agent, to sell such NGLs at public auction, on any Day not a legal holiday, in not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town or city where the sale is to be held, stating the time, place of sale, and the quantity and location of NGLs to be sold. At said sale, Carrier shall have the right to bid, and if the highest bidder, to become the purchaser. From the proceeds of said sale, Carrier will pay itself the transportation and all other lawful charges, including expenses incident to said sale, and the balance remaining, if any, shall be paid to Shipper.
- (G) In addition to the rates and fees payable under this Rule 17, Shipper will be responsible for providing its pro rata share of, or for reimbursing Carrier for its pro rata share of reasonable third party charges or other reasonable out-of-pocket costs incurred by Carrier for, utilities or utility services required to operate the Pipeline each Month, based on actual volumes shipped each Month by Shipper (as compared to the total volumes shipped in such Month on the Pipeline). In the event that third party utility services are not available at any location where power is required, Carrier shall notify Shipper and provide a budget for the estimated costs for Carrier to install and operate power generation equipment at such location for Shipper's review and approval, which Shipper shall not unreasonably withhold, delay or condition. Such costs may include, without limitation, reasonable third party charges for rental of generating equipment leased by Carrier, charges for servicing generating equipment owned, leased or operated by Carrier and the cost of fuel for such generating equipment (including, without limitation, diesel and natural gas), all of which

shall be without mark-up by Carrier. Charges for such equipment, fuel or services provided by Carrier or any of its affiliates shall not exceed market rates charged by unaffiliated third parties. If Shipper does not approve such budget, it shall timely and promptly provide (or cause to be provided) to Carrier, at no cost to Carrier, Shipper's pro rata share of power required to operate the Pipeline each Month, based on actual volumes shipped each Month by Shipper (as compared to the total volumes shipped in such Month on the Pipeline). In each Monthly invoice, Carrier will include an itemization of the utilities used and third party charges or other power related costs permitted as set forth above incurred by Carrier in the Month covered by the invoice and the allocation of the utilities charges and costs between Shipper and other shippers using the Pipeline.

- (H) In addition to the rates and fees payable under this Rule 17, Shipper conveys to Carrier each Month, free of charge, Shipper's allocated share of PLA, as determined by Carrier.

Rule 18: Limitation of Liability/Damages; and Indemnity by Parties

- (A) Limitation of Liability. NEITHER PARTY WILL BE LIABLE OR OTHERWISE RESPONSIBLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING LOST PROFIT AND LOSS OF BUSINESS OPPORTUNITY, IN CONTRACT OR TORT (INCLUDING NEGLIGENCE, JOINT OR SEVERAL, OR STRICT LIABILITY), ARISING OUT OF THIS AGREEMENT, *PROVIDED* THAT NOTHING IN THIS RULE 18(A) SHALL BE CONSTRUED AS LIMITING ANY OBLIGATION OF EITHER PARTY TO INDEMNIFY THE OTHER PARTY AGAINST TORT CLAIMS ASSERTED BY THIRD PARTIES, INCLUDING CLAIMS OF SUCH THIRD PARTIES FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES.
- (B) Indemnification for Quality. Notwithstanding anything to the contrary herein, Shipper shall release, defend, indemnify, reimburse, and hold the Carrier, its parents and Affiliates, and its and their respective members, managers, partners, officers, directors, employees, and agents, including the operator and its parents and Affiliates, and its and their respective partners, officers, directors, employees, and agents harmless from and against any and all penalties, treating, or blending fees, or Losses of any kind or nature (including reasonable attorney's fees and court costs associated therewith) arising out of or related to Shipper's delivery to Carrier of NGLs not meeting the then applicable quality specifications pursuant to the Tariff.
- (C) Indemnification by Shipper. Subject to Rule 18(A), Shipper agrees that it will release, defend, indemnify, and hold harmless Carrier, its Affiliates, and its and their respective directors, officers, and employees, customers, contractors, and other representatives from and against all Losses resulting from Shipper's negligence, willful misconduct or gross negligence.
- (D) Indemnification by Carrier. Subject to Rule 18(A), Carrier agrees that it will release, defend, indemnify, and hold harmless Carrier, its Affiliates, and its and their respective directors, officers, and employees, customers, contractors, and other representatives from and against all Losses resulting from Carrier's negligence, willful misconduct or gross negligence.

- (E) Joint Liability. Under the foregoing indemnities, where the personal injury to or death of any Person or Loss of damage to property is the result of the joint or concurrent negligence, gross negligence, or willful acts or omissions of Shipper and Carrier, each Party's duty of indemnification will be in proportion to its share of such joint or concurrent negligence, gross negligence, or willful misconduct.
- (F) Taxes. Shipper shall pay any and all taxes levied on Shipper's NGLs including property taxes on Shipper's NGLs in the Pipeline. Carrier shall pay any and all taxes levied on the Pipeline. Shipper shall not be liable for any taxes assessed against Carrier based on Carrier's income, revenues, gross receipts, or ownership of the Pipeline, and all state franchise, license, and similar taxes required for the maintenance of Carrier's corporate existence.
- (G) Removal. If Shipper fails to make arrangements for the removal of its NGLs from Carrier's facilities upon delivery and a disruption of Carrier's operations or the operation of downstream facilities results, Shipper shall be liable for any actual damages incurred by Carrier as a result of such disruption.
- (H) Shipper's NGLs Loss or Damage from Force Majeure. Carrier shall not bear any risk for, or be liable for any damage, contamination, degradation, or loss of Shipper's NGLs resulting from an event of Force Majeure. If contamination, damage, degradation, or loss of Product from such causes occurs after Shipper's NGLs has been received by Carrier for transportation and before it has been delivered to Shipper, Shipper shall bear a loss in such proportion as the amount of Shipper's shipment is to all of the NGLs held in transportation by the Carrier at the time of such loss, damage, contamination, or degradation, and the Shipper shall be entitled to have delivered only such portion of Shipper's shipment as may remain after a deduction of Shipper's proportion of such loss, damage, contamination, or degradation. Carrier operates under this tariff solely as a common carrier and not as an owner, manufacturer, or seller of the NGLs transported hereunder, and Carrier expressly disclaims any liability for any express or implied warranty for NGLs transported hereunder including any warranty of merchantability or fitness for intended use.

Rule 19: Scheduling of Delivery

When Shippers request delivery from the Pipeline at a Delivery Point of a volume of NGLs greater than can be immediately delivered, Carrier shall schedule delivery. Carrier shall not be liable for any delay in delivery of any such volume resulting from such scheduling of delivery.

Rule 20: Pipeage or Other Contracts

Separate pipeage and other contracts, in accordance with this Tariff and these regulations covering further details, may be required by Carrier before any duty for transportation shall arise.

Rule 21: Volume Commitment Incentive Program

The rates applicable to this Rule 21 are listed in Carrier's F.E.R.C. No. 2.0.0 and reissues thereof, and are subject to the following conditions:

- (A) Term; Primary Committed Shippers; Secondary Committed Shippers. Each Shipper who executes a T&D Agreement with Carrier on or prior to March 2, 2018 containing an initial term of ten (10) years (the "Initial Term") and a one (1) year-long Daily Volume Commitment of the last twenty-five thousand (25,000) Barrels per day (out of a then-required Maximum Daily Quantity of forty-five thousand (45,000) Barrels per day) followed by a four (4) year and seven (7) Month-long Daily Volume Commitment of the last forty-five thousand (45,000) Barrels per day (out of a then-required Maximum Daily Quantity of sixty thousand (60,000) Barrels per day), is referred to herein as a "Primary Committed Shipper" and shall be entitled to the rights and benefits of Carrier's Volume Commitment Incentive Program which are granted to a Primary Committed Shipper as set forth in this Rule 21. Each Shipper who executes a T&D Agreement with Carrier on or prior to March 2, 2018 containing an initial term of ten (10) years (the "Initial Term") and a five (5) year-long Daily Volume Commitment of the last two hundred twenty thousand five hundred (220,500) Barrels per Day (out of a required Maximum Daily Quantity of two hundred forty five thousand (245,000) Barrels per Day), is referred to herein as a "Secondary Committed Shipper" and shall be entitled to the rights and benefits of Carrier's Volume Commitment Incentive Program which are granted to a Secondary Committed Shipper as set forth in this Rule 21. The Initial Term together with any extension under the terms of the T&D Agreement, as applicable, may collectively be referred to as the "Term". The T&D Agreement executed with Primary Committed Shippers will contain a clause stating that in the event of an expansion of the Pipeline, a Primary Committed Shipper will be given the right to receive service on such expansion at the best price charged to any other committed shipper on such expansion.
- (B) No Prorating of Capacity for Oversubscription for Primary Committed Shippers. Notwithstanding Rule 13, a tender of NGLs to Carrier by a Primary Committed Shipper that does not exceed such Primary Committed Shipper's Maximum Daily Quantity shall not be subject to prorating pursuant to Carrier's Proration Policy except (1) when an event of Force Majeure triggers the application of Subsection (E) below or as otherwise required by the Primary Committed Shipper's T&D Agreement.
- (C) Limited Prorating of Capacity for Oversubscription for Secondary Committed Shippers. After allocation of capacity to Primary Committed Shippers up to the Maximum Daily Quantity of such Primary Shippers, a Nomination of NGLs to Carrier by a Secondary Committed Shipper that does not exceed such Secondary Committed Shipper's Maximum Daily Quantity shall not be subject to prorating pursuant to Carrier's Prorating policy except when a Force Majeure Event triggers the application of Section (E) below or as otherwise required by the Secondary Committed Shipper's T&D Agreement.
- (D) Prorating on Volume in excess of Maximum Daily Quantity. Subject to Rule 21(B), any volume nominated by either a Primary Committed Shipper or a Secondary Committed Shipper in excess of such Shipper's Maximum Daily Quantity may be subject to prorating in accordance with Rule 13.
- (E) Effect of Force Majeure. If Carrier is unable to transport all of Shipper's daily volumes, due to a Force Majeure Event, the total Capacity of the Pipeline Segment that remains available or usable to transport NGLs during the continuation of the Force Majeure Event, net of the ten percent (10%) of such remaining Capacity

reserved for New Shippers ("FM Available Capacity") shall be allocated in the following order of priority:

(a) The FM Available Capacity shall first be allocated towards the Primary Committed Shippers. If the FM Available Capacity is insufficient to cover such allocated volumes, then each Primary Committed Shipper will be allocated a percentage of the FM Available Capacity equal to:

$$\frac{\text{[Primary Committed Shipper's Monthly Volume Commitment (for such Pipeline Segment)]}}{\text{[the aggregate of the Monthly Volume Commitment for all Primary Committed Shippers (for such Pipeline Segment)]}}$$

(b) In the event all Primary Committed Shippers' Nominations are able to be scheduled, the remaining FM Available Capacity, if any, shall be allocated towards the Secondary Primary Shippers. If the remaining FM Available Capacity is insufficient to cover such allocated volumes, then each Secondary Committed Shipper will be allocated a percentage of the remaining FM Available Capacity, if any, equal to:

$$\frac{\text{[Secondary Committed Shipper's Monthly Volume Commitment (for such Pipeline Segment)]}}{\text{[the aggregate of the Monthly Volume Commitment for all Secondary Committed Shippers (for such Pipeline Segment)]}}$$

(c) In the event all Primary Committed Shippers' Nominations and all Secondary Committed Shippers' Nominations are able to be scheduled, the remaining FM Available Capacity, if any, shall be allocated in accordance with Carrier's prorating policy, as stated in Rule 13.

- (G) Purpose and Revisions. The Volume Commitment Incentive Program is an incentive program to encourage volume commitments necessary in order for the Pipeline to be built. Carrier may, in its discretion, add Origin Points or Delivery Points to the Volume Commitment Incentive Program.
- (H) Shipper History. A Committed Shipper shall be entitled to include volumes shipped under the Volume Commitment Incentive Program, as well as any volumes shipped that exceed such shipper's Volume Commitment ("Shipper History") in establishing Regular Shipper eligibility and Base Period Percentages during any Month following the expiration of a qualified T&D Agreement. Shipper, as the primary obligor pursuant to the Volume Commitment Incentive Program, shall be credited with all Shipper History on the Pipeline attributable to the NGLs, whether shipped by Shipper or a designated Third Party Shipper. In the event that Shipper assigns the rights and obligations under the Volume Commitment Incentive Program, or a material portion of the assets of Shipper relating to this Program, to another person (and consent from Carrier is obtained, if required), Shipper may assign its Shipper History on the Pipeline to such person (Assignee Shipper). Carrier shall be given notice of such assignment in writing by the Shipper. For any purpose under this Tariff for which Shipper History is relevant, the assigned Shipper History shall apply to the Assignee Shipper as though it had been earned by the Assignee Shipper itself.

Rule 22: Balancing

Carrier has established a Balancing Policy to calculate, collect, and remit monetary adjustments among all Shippers tendering within the Common Stream from changes in Product Component composition within respective tenders of Product which result from Common Stream operations. Each Shipper shipping on the Common Stream will be required, as a condition of nominating NGLs, to adhere to this Balancing Policy. Each such Shipper agrees to pay to Carrier the computed adjustments due from such Shipper in accordance with these Rules and Regulations.

Exhibit “A” – Product Quality Specifications

EPIC Y-Grade Pipeline, LP Demethanized NGL Specifications				
		Minimum	Maximum	Test Method
1)	Composition - Liquid Volume % (LV%)			
	Carbon Dioxide ppmv		500	GPA 2177
	Methane LV% of Total Volume		0.5	GPA 2177
	Methane LV% in the Ethane		1.5	GPA 2177
	Aromatics wt% in Total Stream		1.0	GPA 2177
	Aromatics LV% in natrual gasoline		10	GPA 2177
	Olefins LV%		1.0	GPA 2186
2)	Vapor Pressure, psig @ 100F		600	ASTM D-6378
3)	Corrosion, Copper Strip @ 100F		No. 1	ASTM D-1838
4)	Total Sulfur, ppmw		150	ASTM D-2784
5)	Hydrogen Sulfide	pass		ASTM D-2420
6)	Existing Gum			
	Washed, mg/100 ml		<=1	ASTM D-381
	Unwashed, mg/100 ml		<=1	ASTM D-381
7)	Distillation, End Point, F		375	ASTM D-7344
8)	Color, Saybolt No.	+25		ASTM D-156
9)	Moisture Content			
	Free Water at delivery temperature		none	inspection
10)	Product Temperature			
	Minimum temperature, F	40		
	NGL containing 50% mole or more Ethane, F		90	
	NGL containing 50% mole or less Ethane, F		110	