# MAGELLAN PIPELINE COMPANY, L.P.

IN CONNECTION WITH THE PARTICIPATING CARRIERS SHOWN HEREIN

# LOCAL AND JOINT VOLUME INCENTIVE PIPELINE TARIFF

CONTAINING

# RATES

## GOVERNING THE TRANSPORTATION AND HANDLING OF

# **PETROLEUM PRODUCTS**

TRANSPORTED BY PIPELINE FROM

# **CENTRAL ORIGINS**

## TO POINTS NAMED HEREIN

All rates contained herein are incentive rates, below the corresponding base rates found in F.E.R.C. No. **[W]** <u>160.43.0</u> <u>160.41.0</u> or F.E.R.C. No. 186.10.0, which all associated base rates are issued under authority of 18 CFR 342.3 – *indexing*, or 18 CFR 342.4(b) – *market-based* – pursuant to the Commission's finding of lack of market power in Opinion No. 391 (68 FERC ¶ 61,136) and in Opinion No. 391-A (71 FERC ¶ 61,291).

Rates herein are governed by the Rules and Regulations provided in Magellan Pipeline Company, L.P.'s Tariff F.E.R.C. No. **[W]** <u>157.31.0</u> <u>157.30.0</u>, Supplements thereto and reissues thereof.

The rates named in this Tariff are expressed in cents a barrel of 42 U.S. Gallons and are subject to change as provided by law.

The matter published herein will have no adverse effect on the quality of the human environment.

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### **ITEM NO. 111**

## **TWO-YEAR INCENTIVE PROGRAM**

## Origins:

From Points in; Duncan, OK; McPherson, KS; Kansas; Minneapolis, MN; Oklahoma-Central; Superior, WI; Wichita, KS; and Wynnewood, OK

### **Destinations**:

To: Sioux Falls, SD

- 1. Rates corresponding to this Item (Items 113 herein) apply to deliveries of Petroleum Products to a single Incentive Destination from any Incentive Rate Origin or Origin Group as defined in Item 113 herein. The Incentive Destinations under this Item shall be defined as any of Carrier's destinations identified in Paragraph 3 of this Item. Shippers desiring to avail themselves of the Incentive Rates as set forth herein must enter into a prior written commitment with Carrier. The Total Guaranteed Committed Volume shall be greater than or equal to the amount for each Incentive Destination listed in Paragraph 3 of this Item. The term of the commitment for the Two-Year Program shall be twenty-four (24) months, but not longer than the effective Date of this commitment will be no sooner than the first day of the first calendar month following receipt by Carrier of an executed written commitment from the Shipper. The written commitment must specify the single Incentive Destination and the actual consecutive twenty-four (24) month period of the Commitment Term (*i.e.*, the Effective Date through the termination date).
- 2. If required, the Shipper shall furnish security in a form satisfactory to Carrier and adequate and sufficient to guarantee any payments, which may come due under this commitment.
- 3. The Total Guaranteed Committed Volume (barrels) for each Destination shall be greater than or equal to the following:

Destinations	Two-Year Commitment Barrels
Sioux Falls, SD	4,000,000

- 4. The Incentive Rate will only be applied to volumes delivered at the Incentive Destination, which were delivered by Carrier for the Shipper during the Commitment Term. Two-Year Incentive Rates under this Program are set out in Item 113 herein.
- 5. Carrier will invoice the Shipper at the time of shipment and at rates set out in the following tariff publication as applicable: Items 200, 201, 203, 204, 205, 206, 240 and 255 of MPL's F.E.R.C. No. [W] <u>160.43.0</u> <u>160.41.0</u>, and any successive issues, reissues and amendments thereto of this tariff publication. After the end of each month, Carrier will calculate the difference between the rate invoiced and the Incentive Rate for volumes delivered during the previous month at the Incentive Destination for the Shipper from all eligible Incentive Rate Origins or Origin Groups, and will issue a payment to Shipper. Shipper will bear all other applicable charges in MPL's F.E.R.C. No. [W] <u>157.31.0</u> <u>157.30.0</u>, and any successive issues, reissues and amendments thereto.
- 6. Participating Shipper may at any time elect an option to automatically renew the volume incentive commitment. If Shipper elects this option, Carrier will notify Shipper of the expiration date. The

commitment will automatically renew under the existing terms for an additional Commitment Term beginning with the termination date of the current Commitment Term, unless Shipper returns notification to Carrier specifying that Shipper wishes to terminate commitment within thirty (30) days after the scheduled expiration date of the previous commitment.

- 7. At the end of the Commitment Term, if the Shipper did not meet the Total Guaranteed Committed Volume, Shipper will pay a Commitment Reversion equal to the lesser of: (1) the difference between the Total Guaranteed Committed Volume and the actual volume delivered during the Commitment Term multiplied by the Shipper's volume weighted average Incentive Rate, plus compounded interest charges applying the interest rate specified in Item 75 of MPL's F.E.R.C. No. [W] <u>157.31.0</u> <u>157.30.0</u>, as applicable, Supplements thereto and reissues thereof, averaged over the Commitment Term; or (2) the corresponding base rate in MPL's F.E.R.C. No. [W] <u>160.43.0</u> <u>160.41.0</u>, Supplements thereto and reissues thereof, minus the Incentive Rate multiplied by the barrels actually delivered during the Commitment Term from each Incentive Rate Origin or Origin Group, plus compounded interest charges applying the interest rate specified in Item 75 of MPL's F.E.R.C. No. [W] <u>157.31.0</u> <u>157.30.0</u>, as applicable, Supplements thereto and reissues thereof, minus the Incentive Rate Origin or Origin Group, plus compounded interest charges applying the interest rate specified in Item 75 of MPL's F.E.R.C. No. [W] <u>157.31.0</u> <u>157.30.0</u>, as applicable, Supplements thereto and reissues thereof, averaged over the Commitment Term.
- 8. If a Shipper fails to meet the Total Guaranteed Committed Volume and that failure is the direct result of the Carrier's inability to provide service, the Total Guaranteed Committed Volume shall be reduced prorata on a day for day basis for each day that the Carrier was unable to provide service. The Shipper must assert its claim of Carrier's failure to provide service in writing to Carrier within the first ten (10) days of the month following the event of Carrier's failure to provide service. The Shipper will bear the burden of proof in showing that Carrier's failure to provide service did, in fact, result in the Shipper's failure to meet its commitment obligations.
- 9. Carrier may increase the Incentive Rates set out in Item 113 at any time by the same percentage increase as the corresponding base rate is increased. If Carrier elects not to take an allowed increase in a given year, Carrier may take the cumulative allowed increases in any subsequent year. Escalation of the Incentive Rates is contingent upon the effectiveness of such rates as allowed by the Federal Energy Regulatory Commission. If for any reason, the Federal Energy Regulatory Commission of Carrier's tariff, Carrier shall have the right to terminate its obligations under this Item by providing sixty (60) days written notice to Shipper. Carrier may terminate this commitment upon ninety (90) days prior written notice if the Carrier sells any or all of its pipelines connecting or supplying the Incentive Destination and such sale would significantly impair Carrier's ability to perform its obligations under this Item.

In the event of termination at less than full term, the Total Guaranteed Committed Volume shall be reduced so that it is equal to the Total Guaranteed Committed Volume under the written commitment multiplied by a Proration Fraction, where the numerator is the number of days between the Effective Date and the termination date and the denominator is the number of days in the original Commitment Term. A Shipper meeting or exceeding the prorated Total Guaranteed Committed Volume shall have no further obligation. A Shipper failing to meet the prorated Total Guaranteed Committed Volume shall pay to Carrier a Commitment Reversion as defined in Paragraph 7 of this Item. For the purpose of determining the applicable Commitment Reversion when a commitment has been prorated, the volumes listed in Paragraph 7 of this Item will be multiplied by the Proration Fraction.

10. Carrier shall not be obligated during any one calendar month to accept for transportation more than one hundred twenty-five percent (125%) of the prorated monthly Total Guaranteed Committed Volume, based on volumes set out in Paragraph 3 above.

- 11. Only those volumes to which a Participating Shipper holds title, in its name, at the time of delivery from the Incentive Destinations as set forth hereinabove, will be counted toward the Total Guaranteed Committed Volume or eligible for Incentive Rates. Title transfer of eligible barrels from another Shipper or Shippers to Participating Shipper must occur prior to time of delivery from the Incentive Destinations.
- 12. In the event Shipper experiences Force Majeure that delays delivery of product to Carrier at point of origin, Carrier may, at its sole discretion, upon written notification of circumstances from Shipper, extend the Commitment Term. Such extension period shall in no event, individually or cumulatively, exceed a total of thirty (30) days over the Commitment Term. Force Majeure shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, wars, insurrections, riots, lighting, earthquakes, fires, floods, storms, washouts and any other causes, not within the control of Shipper.

## **Incentive Rates**

## (Rates in Cents Per Barrel) [U] Unchanged. All rates on this page are unchanged.

TWO-YEAR INCENTIVE RATES TO: Sioux Falls, SD			
ITEM NO.	FROM	RATE	
	Duncan, OK	329.74	
	Kansas (Coffeyville / El Dorado)	245.47	
	OK Central (Ponca City, Tulsa)	245.47	
113	Minneapolis, MN (Pine Bend, St. Paul Park, Minneapolis (Roseville), Rosemount)	245.47	
	Superior, WI	297.69	
-	Wichita, KS	320.39	
	McPherson, KS	263.19	
	Wynnewood, OK	324.01	

Rates in this Table are governed by the Rules and Regulations provided in F.E.R.C. No. **[W]** <u>157.31.0</u> <u>157.30.0</u>, Supplements thereto and reissues thereof.

## ITEM NO. 135 TWO-YEAR TIERED INCENTIVE PROGRAM

## Origins:

From Points in Duncan, OK; McPherson, KS; Kansas; Minneapolis, MN; Oklahoma-Central; Superior, WI; Wichita, KS; and Wynnewood, OK

### **Destinations**:

To: Chippewa Falls, WI

1. Rates corresponding to this Item as contained in Item 136 herein apply to deliveries of Petroleum Products to a single Incentive Destination from any Incentive Rate Origin or Origin Group as defined in Item 136 herein. The Incentive Destination under this Item shall be defined as Carrier's Chippewa Falls, WI.

Any Shipper desiring to avail itself of the Incentive Rates as set forth herein must satisfy all of the following provisions.

- a. Shipper must enter into a prior written commitment with Carrier.
- b. The Commitment Term shall be twenty-four (24) months, but not longer than the effectiveness of this Item or any successive issues, reissues and amendments thereto.
- c. The Effective Date of this commitment will be no sooner than the first day of the first calendar month following receipt by Carrier of an executed written commitment from the Shipper.
- d. The Total Guaranteed Committed Volume shall be greater than or equal to 5,500,000 barrels delivered at Chippewa Falls, WI over the Commitment Term.
- 2. Only those volumes to which a Participating Shipper holds title, in its name, at the time of delivery from the Incentive Destinations as set forth hereinabove, will be counted toward the Total Guaranteed Committed Volume or eligible for Incentive Rates. Title transfer of eligible barrels from another Shipper or Shippers to Participating Shipper must occur prior to time of delivery from the Incentive Destinations. However, volumes moved under any other Item of this Tariff will not apply towards the Total Guaranteed Committed Committed Committed Committed Committed Volume required under this Item.
- 3. Chippewa Falls, WI: Two-Year Tiered Incentive Rates.

	Tier Threshold	Incentive Rate
First Tier Incentive Rate	0 – 5,500,000 barrels	Rates listed in Item 136
Second Tier Incentive Rate	> 5,500,000 barrels	Rates listed in Item 136

- 4. The Incentive Rates will only be applied to volumes delivered at the Incentive Destination, which were delivered by Carrier for the Shipper during the Commitment Term. Two-Year Incentive Rates under this Program are set out in Item 136 herein.
- 5. If required, the Shipper shall furnish security in a form satisfactory to Carrier and adequate and sufficient to guarantee any payments, which may come due under this commitment.
- In addition to the terms and conditions contained in this Item, all applicable rules and regulations in MPL's' F.E.R.C. No. [W] <u>157.31.0</u> <del>157.30.0</del>, supplements thereto and reissues thereof, also apply.

- 7. Carrier will invoice the Shipper at the time of shipment and at rates set out in the following publications as applicable: Item 200, 201, 203, 204, 205, 206, 240 and 255 of MPL's' F.E.R.C. No. [W] 160.43.0 160.41.0, and any successive issues, reissues and amendments thereto of this tariff publication. After the end of each month, Carrier will calculate the difference between the rate invoiced and the Incentive Rate for volumes delivered during the previous month at the Incentive Destination for the Shipper from all eligible Incentive Rate Origins or Origin Groups, and will issue a payment to Shipper. Shipper will bear all other applicable charges in MPL's' F.E.R.C. No. [W] 157.31.0 157.30.0, and any successive issues, reissues and amendments thereto.
- 8. Participating Shipper may at any time elect an option to automatically renew the volume incentive commitment. If Shipper elects this option, Carrier will notify Shipper of the expiration date at least thirty (30) days in advance of that date. The commitment will automatically renew under the existing terms for an additional Commitment Term beginning with the termination date of the current Commitment Term, unless Shipper returns notification to Carrier specifying that Shipper wishes to terminate commitment, within thirty (30) days after the scheduled expiration date of the previous commitment.
- 9. At the end of the Commitment Term, if the Shipper did not meet the Total Guaranteed Committed Volume, Shipper will pay a Commitment Reversion equal to the lesser of: (1) the difference between the Total Guaranteed Committed Volume and the actual volume delivered during the Commitment Term multiplied by the Shipper's volume weighted average Incentive Rate, plus compounded interest charges applying the interest rate specified in Item 75 of MPL's F.E.R.C. No. [W] 157.31.0 157.30.0, supplements thereto and reissues thereof, averaged over the Commitment Term; or (2) the corresponding base rate in MPL's F.E.R.C. No. [W] 160.43.0 160.41.0, supplements thereto and reissues thereof, minus the Incentive Rate multiplied by the barrels actually delivered during the Commitment Term from each Incentive Rate Origin or Origin Group, plus compounded interest charges applying the interest rate specified in Item No. 75 of MPL's F.E.R.C. No. [W] 157.31.0 157.30.0, supplements thereto and reissues thereof, averaged over the barrels actually delivered during the Commitment Term from each Incentive Rate Origin or Origin Group, plus compounded interest charges applying the interest rate specified in Item No. 75 of MPL's F.E.R.C. No. [W] 157.31.0 157.30.0, supplements thereto and reissues thereof, averaged over the Commitment Term.
- 10. If a Shipper fails to meet the Total Guaranteed Committed Volume and that failure is the direct result of the Carrier's inability to provide service, the Total Guaranteed Committed Volume shall be reduced prorata on a day-by-day basis for each day that the Carrier was unable to provide service. The Shipper must assert its claim of Carrier's failure to provide service in writing to Carrier within the first ten (10) days of the month following the event of Carrier's failure to provide service. The Shipper will bear the burden of proof in showing that Carrier's failure to provide service did, in fact, result in the Shipper's failure to meet its commitment obligations.
- 11. Carrier may increase the Incentive Rates set out in Item 136 at any time by the same percentage increase as the corresponding base rate is increased. If Carrier elects not to take an allowed increase in a given year, Carrier may take the cumulative allowed increases in any subsequent year. Escalation of the Incentive Rates is contingent upon the effectiveness of such rates as allowed by the Federal Energy Regulatory Commission. If for any reason, the Federal Energy Regulatory Commission of Carrier's tariff, Carrier shall have the right to terminate its obligations under this Item by providing sixty (60) days written notice to Shipper. Carrier may terminate this commitment upon ninety (90) days prior written notice if the Carrier sells any or all of its pipelines connecting or supplying the Incentive Destination and such sale would significantly impair Carrier's ability to perform its obligations under this Item.

In the event of termination at less than full term, the Total Guaranteed Committed Volume shall be reduced so that it is equal to the Total Guaranteed Committed Volume under the written

commitment multiplied by a Proration Fraction, where the numerator is the number of days between the Effective Date and the termination date and the denominator is the number of days in the original Commitment Term. A Shipper meeting or exceeding the prorated Total Guaranteed Committed Volume shall have no further obligation. A Shipper failing to meet the prorated Total Guaranteed Committed Volume shall pay to Carrier a Commitment Reversion as defined in Paragraph 10 of this Item. For the purpose of determining the applicable Commitment Reversion when a commitment has been prorated, the volumes listed in Paragraph 10 of this Item will be multiplied by the Proration Fraction.

- 12. Carrier shall not be obligated during any one calendar month to accept for transportation more than one hundred twenty-five percent (125%) of the prorated monthly Total Guaranteed Committed Volume, based on volumes set out in Paragraph 3 above.
- 13. In the event Shipper experiences Force Majeure that delays delivery of product to Carrier at point of origin, Carrier may, at its sole discretion, upon written notification of circumstances from Shipper, extend the Commitment Term. Such extension period shall in no event, individually or cumulatively, exceed a total of thirty (30) days over the Commitment Term. Force Majeure shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, wars, insurrections, riots, lightning, earthquakes, fires, floods, storms, washouts and any other causes, not within the control of Shipper.

## **Incentive Rates**

(Rates in Cents Per Barrel) [U] Unchanged. All rates on this page are unchanged.

Rates in Item 136 are governed by the Rules and Regulations provided in F.E.R.C. No. **[W]** <u>157.31.0</u> <u>157.30.0</u>, Supplements thereto and reissues thereof.

ITEM NO.		FIRST TIER INCENTIVE RATES (0 – 5,500,000 bbls)	SECOND TIER INCENTIVE RATES (> 5,550,000 bbls)
	FROM	T( ‡ Chippew	D: a Falls, WI
	Duncan, OK	521.43	492.50
	Kansas (Coffeyville, El Dorado)	438.73	414.36
	OK Central (Ponca City, Tulsa)	438.73	414.36
136	Minneapolis, MN (Pine Bend, St. Paul Park, Minneapolis (Roseville), Rosemount)	122.10	115.33
	Superior, WI	264.66	249.94
	Wichita, KS		469.58
	McPherson, KS	457.85	432.40
	Wynnewood, OK	514.33	485.73

#### **ITEM NO. 165**

## TEN-YEAR INCENTIVE PROGRAM

## Origins:

From Incentive Origins: Duncan, OK; Kansas; Oklahoma-Central; Wynnewood, OK; McPherson, KS and Minneapolis

## **Destinations**:

To Incentive Destinations: Des Moines, IA; Kansas City, KS (Fairfax and/or Olathe); Omaha (MPL), NE; Tulsa, OK and Wichita, KS

1. Rates corresponding to this Item (Item 166: Ten Year Incentive Rates herein) apply to Supplier deliveries of Petroleum Products at the Incentive Destinations from any Incentive Rate Origins or Origin Groups as defined in Item 166 herein. The Incentive Destinations under this Item shall be defined as any of the Carrier's destinations identified in Paragraph 3 of this Item.

Any Supplier, the authorized party via Carrier's ATLAS system who delivers Petroleum Products out of the system, desiring to avail themselves of the Incentive Rates as set forth herein must satisfy all of the following provisions to be a "Participating Supplier":

- a. A Participating Supplier must enter into a prior written commitment with Carrier,
- b. The Commitment Term shall be ten-years (120 months), but not longer than the effectiveness of this Item or any successive issues, reissues and amendments thereto,
- c. The Effective Date of this commitment will be no sooner than than the first day of the first calendar month following receipt by Carrier of the executed written commitment from Participating Supplier, and
- d. The Total Guaranteed Committed Volume shall be equal to the amounts specified in Paragraph 3 of this Item.
- 2. In addition to the terms and conditions contained in this Item, all applicable rules and regulations in MPL's F.E.R.C. No. **[W]** <u>157.31.0</u> <del>157.30.0</del>, supplements thereto and reissues thereof, also apply.
- 3. The Total Guaranteed Committed Volume under this Item shall be equal to 90,885,000 barrels over the ten year (120 month) Commitment Term. The Total Guaranteed Committed Volume shall be comprised of all the barrels delivered by Carrier for the Participating Supplier to the following Carrier destinations.

Incentive Destinations	Des Moines, IA
	Kansas City, KS (Fairfax and/or Olathe)
	Omaha (MPL), NE
	Tulsa, OK
	‡ Wichita, KS

In addition to the Total Guaranteed Committed Volume requirement, Carrier must deliver for Participating Supplier a Minimum Two-Year (24 month) Destination Guaranteed Committed Volume equal to 18,177,000 barrels comprised of the following Incentive Destinations over a consecutive two-year (24 month) period.

	Minimum Two-Year (24 month)
Incentive Destinations	Destination Guaranteed
	Committed Volumes (barrels)
Des Moines, IA	1,204,500
Kansas City, KS (Fairfax and/or Olathe)	9,855,000
Omaha (MPL), NE	547,500
Tulsa, OK	4,380,000
‡ Wichita, KS	2,190,000
TOTAL Minimum Two-Year (24 month) Commitment	18,177,000

- 4. Qualifying volumes that will apply toward the Total Guaranteed Committed Volume and the Minimum Two-Year (24 month) Destination Guaranteed Committed Volume obligation during the Commitment Term shall include:
  - a. All volumes delivered from any origin at the Incentive Destinations defined in Paragraph 3 by Carrier for the Participating Supplier, and
  - b. All volumes delivered from any origin at the Incentive Destinations defined in Paragraph 3 by Carrier for a supplier other than Participating Supplier, for which the volume is delivered to a final destination owned by the Participating Supplier and who is identified as the consignee on the bill of lading. Carrier may require Participating Supplier to provide satisfactory documentation for verification of any volumes delivered pursuant to this provision.
- 5. Any volumes delivered by Carrier for Participating Shipper under this Item shall not be eligible for any other Item of this Tariff.
- 6. Volumes moved under the corresponding Volume Incentive Program in Item 265 of K.C.C. No. [W] <u>46</u> 45, and Item 265 of O.C.C. No. [W] <u>14.23.0</u> <u>14.21.0</u>, supplements thereto and reissues thereof, may apply towards the Total Guaranteed Committed Volumes and the Minimum Two-Year (24 month) Destination Guaranteed Committed Volumes in this Item. Similarly, volumes moved under this Item may apply towards the Total Guaranteed Committed Volume and the Minimum Two-Year (24 month) Destination Guaranteed Committed Volumes in this Item. Similarly, volumes moved under this Item may apply towards the Total Guaranteed Committed Volume and the Minimum Two-Year (24 month) Destination Guaranteed Committed Volume in the corresponding Volume Incentive Program in the intrastate tariff publications listed hereinabove, supplements thereto and reissues thereof.
- 7. The Incentive Rate will be applied only to volumes delivered by Carrier for Participating Supplier that Participating Supplier is the named supplier at the Incentive Destinations defined in Paragraph 3 from the eligible Incentive Rate Origins or Origin Groups as defined in Item 166 herein during the Commitment Term. No volumes that qualify under 4(b) above will receive the Incentive Rate.
- 8. Carrier may adjust the Incentive Rates set out in Item 166 at any time by the same percentage change as the corresponding base rate is adjusted. If Carrier elects not to take an allowed increase in a given year, Carrier may take the cumulative allowed increases in any subsequent year. Adjustment of the Incentive Rates is contingent upon the effectiveness of such rates as allowed by the Federal Energy Regulatory Commission. If for any reason, the Federal Energy Regulatory Commission orders an investigation or suspension of Carrier's tariff, Carrier shall have the right to terminate its obligations under this Item by providing sixty (60) days written notice to Participating Supplier. Carrier may terminate this commitment as to any Incentive Destination upon ninety (90) days prior written notice if the Carrier sells any or all of its pipelines connecting or supplying the

Incentive Destination and such sale would significantly impair Carrier's ability to perform its obligations as to such Incentive Destination under this Item.

- 9. Carrier will invoice at the time of shipment and at rates set out in the following tariff publications as applicable: Items 200, 201, 203, 204, 205 and 255 of MPL's F.E.R.C. No. [W] <u>160.43.0</u> <del>160.41.0</del>, and any successive issues, reissues and amendments thereto of these tariff publications. After the end of each month, Carrier will calculate the difference between the rate invoiced and the applicable Incentive Rate defined in Item 166 for volumes delivered in the Participating Supplier's name during the previous month at the Incentive Destinations from all eligible Incentive Rate Origins or Origin Groups, and will issue a payment to Participating Supplier.
- 10. At the end of each two-year (24 month) period from the commitment Effective Date, if the Participating Supplier did not meet the Minimum Two-Year (24 month) Destination Guaranteed Committed Volume at one or more Destinations, the Participating Supplier will pay a Commitment Reversion equal to the difference between the total Minimum Two-Year (24 month) Destination Guaranteed Committed Volume for each Destination requirement and the actual qualifying volumes, as defined in Paragraph 4(a) and 4(b) above, delivered to that Destination during the two-year (24 month) period multiplied by the Incentive Rate defined in Item 166 from Kansas Origins to the respective Destination in effect at the end of the two-year (24 month) period. No volumes shall be carried forward to meet the Minimum Two-Year (24 month) Destination Guaranteed Committed Volume in subsequent years.
- 11. Carrier shall not be obligated during any one calendar month to deliver more than one hundred fifty percent (150%) of the prorated monthly Minimum Two-Year (24 month) Destination Guaranteed Committed Volume, based on volumes set out in Paragraph 3 above.
- 12. If a Participating Supplier fails to meet the Minimum Two-Year (24 month) Destination Guaranteed Committed Volume, and that failure is the direct result of the Carrier's inability to provide service, the Total Guaranteed Committed Volume and/or the Minimum Two-Year (24 month) Destination Guaranteed Committed Volume, shall be reduced prorata on a day for day basis for each day that the Carrier was unable to provide service. The Participating Supplier must assert its claim of Carrier's failure to provide service in writing to Carrier within the first ten (10) days of the month following the event of Carrier's failure to provide service. The Participating Supplier will bear the burden of proof in showing that Carrier's failure to provide service did, in fact, result in the Participating Supplier's failure to meet its commitment obligations.
- 13. In the event Participating Supplier withdraws all business activities as a result of the sale of assets to a non-affiliated third party within a market area defined herein, Participating Supplier shall provide to the other party Carrier, a 90 day prior written notification of such sale and/or event. The notification must detail the circumstances involved in the exiting of the defined market area. Upon Carrier's receipt of notification, Carrier shall reduce the Total Guaranteed Committed Volume and/or the Minimum Two-Year (24 month) Destination Guaranteed Committed Volume for the defined market area on a prorated basis. The Commitment Reversion defined in paragraph 10 herein, shall be administered on a prorated basis subject to the provisions of this paragraph.
- 14. In the event Participating Supplier experiences Force Majeure that delays delivery of product to Carrier at point of origin, Carrier may, at its sole discretion, upon written notification of circumstances from Participating Supplier, extend the Commitment Term. Such extension period shall in no event, individually or cumulatively, exceed a total of thirty (30) days over the Commitment Term. Force Majeure shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, wars, terrorists, insurrections, riots, lightning, earthquakes,

fires, floods, storms, washouts and any other causes, not within the control of Participating Supplier.

## **Ten-Year Incentive Rates**

(Rates in Cents per Barrel)

**[U]** Unchanged. All rates on this page are unchanged.

Rates in Table 166 are governed by the Rules and Regulations provided in F.E.R.C. No. **[W]** <u>157.31.0</u> <u>157.30.0</u>, Supplements thereto and reissues thereof.

		FROM					
ITEM TO NO.		Duncan, OK	Kansas Origins (Coffeyville, El Dorado)	Oklahoma- Central Origins (Ponca City, Tulsa)	Wynnewood, OK	McPherson, KS	Minneapolis Origins (Pine Bend, St. Paul Park, Minneapolis (Roseville), Rosemount)
	Des Moines, IA	305.41	242.52	242.52	299.99	257.80	242.52
166	Kansas City, KS (Fairfax and/or Olathe)	225.69	129.85 <sup>(b)</sup>	170.55	220.92	140.60 <sup>(b)</sup>	251.01
	Omaha (MPL), NE	232.19	179.61	179.61	227.68	191.13	177.55
	Tulsa, OK	104.12	52.44	52.44 <sup>(a)</sup>	99.69 <sup>(a)</sup>	63.76	
	‡ Wichita, KS	127.91	64.37 <sup>(b)</sup>	76.22	123.41		

#### **ITEM NO. 180**

## TEN-YEAR TIER INCENTIVE PROGRAM

## Origins:

From Points in; Duncan, OK; McPherson, KS; Kansas; Oklahoma-Central; Wichita, KS; and Wynnewood, OK Origins

### **Destinations**:

To: Des Moines, IA, Kansas City (Santa Fe), KS and Lincoln (BN), NE

1. Rates corresponding to this Item (Item 181: First Tier Incentive Rates and Item 182: Second Tier Incentive Rates herein) apply to deliveries of Petroleum Products to the Incentive Destinations from any Incentive Rate Origin or Origin Group as defined in Items 181 and 182 herein. The Incentive Destinations under this Item shall be defined as any of Carrier's destinations identified in Paragraph 3 of this Item.

Shippers desiring to avail themselves of the Incentive Rates, as set forth herein must satisfy all of the following provisions.

- Shippers must enter into a prior written commitment with Carrier.
- The Commitment Term shall be one-hundred twenty (120) months, but not longer than the effectiveness of this Item or any successive issues, reissues and amendments thereto.
- The Effective Date of this commitment will be on the first day of the first calendar month following receipt by Carrier of the executed written commitment.
- The Total Guaranteed Committed Volume shall be greater than or equal to the amounts specified in Paragraph 3 of this Item.
- 2. In addition to the terms and conditions contained in this Item, all applicable rules and regulations in MPL's F.E.R.C. No. **[W]** <u>157.31.0</u> <del>157.30.0</del>, supplements thereto and reissues thereof, also apply.
- 3. The Total Guaranteed Committed Volume under this Item shall be greater than or equal to 45,500,000 barrels over the one-hundred twenty (120) month Commitment Term. The Total Guaranteed Committed Volume shall be comprised of all the barrels delivered by Carrier for Shipper to the following destinations:

Destination	Total Destination Guaranteed Committed Volume (barrels)		
Des Moines, IA	7,000,000		
‡ Kansas City (Santa Fe), KS	14,000,000		
‡ Lincoln (BN), NE	20,000,000		

- 4. The Incentive Rate will only be applied to volumes delivered at the Incentive Destinations which were delivered by Carrier for the Shipper during the Commitment Term from any Incentive Rate Origin or Origin Group set out in Items 181 and 182 herein.
- 5. All volumes to which a Participating Shipper holds title, in its name, at the time of delivery at the Incentive Destination defined in Paragraph 3 hereinabove, will apply toward the Tier Rate Threshold, Total Guaranteed Committed Volume and Total Destination Guaranteed Committed Volume obligation during the Commitment Term. Title transfer of eligible barrels from another

Shipper or Shippers to Participating Shipper must occur prior to time of delivery at the Incentive Destination.

- 6. Volumes moved under any other Item of this Tariff will not apply towards the Tier Rate Threshold, Total Guaranteed Committed Volume and the Total Destination Guaranteed Committed Volume required under this Item. However, volumes moved under the corresponding Volume Incentive Program in Item 290 of K.C.C. No. [W] <u>46</u> 45, Supplements thereto and reissues thereof, may apply towards the Tier Rate Threshold, Total Guaranteed Committed Volume and the Total Destination Guaranteed Committed in this Item. Similarly, volumes moved under this Item may apply towards the Tier Rate Threshold, Total Guaranteed Committed Volume and the Total Destination Guaranteed Committed Volume in the corresponding Volume Incentive Program in the intrastate tariff publication listed hereinabove.
- 7. Any volumes delivered by Carrier for Shipper under this Item shall not be eligible for any other Item of this Tariff.
- 8. Carrier will invoice the Shipper at the time of shipment and at rates set out in Item 200, 201, 203, 204, 240 and 255 of MPL's F.E.R.C. No. [W] <u>160.43.0</u> <u>160.41.0</u>, and any successive issues, reissues and amendments thereto of these tariff publications. After the end of each month, Carrier will calculate the difference between the rate invoiced and the Incentive Rate for volumes delivered during the previous month at the Incentive Destination for the Shipper from all eligible Incentive Rate Origins or Origin Groups, and will issue a payment to Shipper. Shipper will bear all other applicable charges in MPL's' F.E.R.C. No. [W] <u>157.31.0</u> <u>157.30.0</u>, and any successive issues, reissues and amendments thereto.
- 9. Carrier may increase the rates set out in Item 181 and Item 182 if the corresponding base rate in Items 200, 201, 203, 204, 240 and 255 of MPL's F.E.R.C. No. [W] <u>160.43.0</u> <del>160.41.0</del>, and any successive issues, reissues and amendments thereto, is increased. The increase will be limited to the same percentage as the corresponding base rate increase. However, if Carrier elects not to take an allowed increase in a given year, then it may take the cumulative increase from the previous increase set forth in this Paragraph in subsequent Contract Years.
- 10. If required, the Shipper shall furnish security in a form satisfactory to Carrier and adequate and sufficient to guarantee any payments, which may come due under this commitment.
- 11. At the end of the Commitment Term, if the Shipper did not meet the Total Destination Guaranteed Committed Volume at one or more Destinations, the Shipper will pay a Destination Commitment Reversion equal to the difference between the Total Destination Guaranteed Committed Volume for each Destination requirement and the actual volume delivered to that Destination during the Commitment Term multiplied by the weighted average First Tier Incentive Rate in effect on the last day of the term to the respective Destination.

In addition, if the Shipper did not meet the Total Guaranteed Committed Volume during the Commitment Term, the Shipper will pay a Commitment Reversion equal to the difference between the Total Guaranteed Committed Volume and the actual volume delivered during the Commitment Term less any volume for which a Destination Commitment Reversion has already been paid for the respective Destinations during the Commitment Term, multiplied by the volume weighted average First Tier Incentive Rate in effect on the last day of the term.

12. If a Shipper fails to meet the Total Guaranteed Committed Volume and/or the Destination Guaranteed Commitment Volume, and that failure is the direct result of the Carrier's inability to provide service, the Total Guaranteed Committed Volume and/or the Total Destination

Guaranteed Committed Volume shall be reduced prorata on a day for day basis for each day that the Carrier was unable to provide service. The Supplier must assert its claim of Carrier's failure to provide service in writing to Carrier within the first ten (10) days of the month following the event of Carrier's failure to provide service. The Supplier will bear the burden of proof in showing that Carrier's failure to provide service did, in fact, result in the Supplier's failure to meet its commitment obligations.

- 13. Carrier shall not be obligated during any one calendar month to deliver more than one hundred twenty-five percent (125%) of the prorated monthly Total Destination Guaranteed Committed Volume, or the prorated monthly Total Guaranteed Committed Volume less the prorated monthly Total Destination Guaranteed Committed Volumes, based on volumes set out in Paragraph 3 above.
- 14. In the event Shipper experiences Force Majeure that delays delivery of product to Carrier at point of origin, Carrier may, at its sole discretion, upon written notification of circumstances from Shipper, extend the Commitment Term. Such extension period shall in no event, individually or cumulatively, exceed a total of thirty (30) days over the Commitment Term. Force Majeure shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, wars, insurrections, riots, lighting, earthquakes, fires, floods, storms, washouts and any other causes, not within the control of Shipper.

## **Incentive Rates**

(Rates in cents per Barrel) [U] Unchanged. All rates in Items 181 & 182 are unchanged.

Rates in Item 181 and 182 are governed by the Rules and Regulations provided in F.E.R.C. No. **[W]** 157.31.0 157.30.0, Supplements thereto and reissues thereof.

## **FIRST TIER INCENTIVE RATES**

(0-45,500,000 bbls)

			ТО			
ITEM NO.	FROM	Des Moines, IA	‡ Kansas City	‡ Lincoln (BN), NE		
		Des Mollies, IA	(Santa Fe), KS	+ LINCOIN (BN), NL		
	Duncan, OK	291.14	249.65	265.74		
	Kansas					
	(Coffeyville, El	230.71	143.47 <sup>(b)</sup>	210.34		
	Dorado)					
181	McPherson, KS	247.72	159.87 <sup>(b)</sup>	228.29		
	Oklahoma-Central	230.71	183.38	210.34		
	(Ponca City, Tulsa)					
	Wichita, KS	282.51	210.77	257.83		
	Wynnewood, OK	285.94	243.01	260.98		

## SECOND TIER INCENTIVE RATES

(>45,500,000 bbls)

		ТО			
ITEM NO.	FROM Des Moines, IA	‡ Kansas City (Santa Fe), KS	‡ Lincoln (BN), NE		
	Duncan, OK	276.03	233.42	245.25	
	Kansas (Coffeyville, El Dorado)	218.49	134.73 <sup>(b)</sup>	193.94	
182	McPherson, KS	235.59	151.06 <sup>(b)</sup>	211.98	
	Oklahoma-Central (Ponca City, Tulsa)	218.49	172.10	193.94	
	Wichita, KS	267.82	197.91	237.91	
	Wynnewood, OK	271.06	228.13	240.83	

## ITEM NO. 210 TWO-YEAR ANNUAL VOLUME INCENTIVE PROGRAM

### Origins:

From: Ponca City, OK; Tulsa, OK; Coffeyville, KS; El Dorado, KS; Duncan, OK; Wynnewood, OK; McPherson, KS; Houston, TX (East Houston, TX; Galena Park, TX; Pasadena-MVP, TX); Pasadena, TX (Phillips 66 Carrier, LLC Pasadena, TX; Kinder Morgan Pasadena, TX); TX; Texas City, TX (Galveston County)

## Destinations:

To: North Little Rock (MPL), AR; North Little Rock (Others), AR

## 1. Origins and Destinations

Rates set forth in this Item apply to deliveries of Petroleum Products from the origins identified below to North Little Rock (MPL), AR and North Little Rock (Others), AR.

## 2. Throughput Commitment

Any customer desiring to participate in the Two-Year Annual Volume Incentive Program must enter into a prior written Volume Incentive Agreement with Carrier on or before February 1, 2022.

## 3. Tariff Rules and Regulations.

In addition to the terms and conditions contained in this item, all applicable charges, rules and regulations in MPL's F.E.R.C. No. **[W]** <u>157.31.0</u> <del>157.30.0</del>, supplements thereto and reissues thereof, shall apply. For Petroleum Product accepted for transportation from Galena Park, TX East Houston, TX, Pasadena, TX (Phillips 66 Carrier, LLC Pasadena, TX; Kinder Morgan Pasadena, TX), Pasadena, TX-MVP, and Texas City, TX, the following exceptions will apply to MPL's F.E.R.C. No. **[W]** <u>157.31.0</u> <del>157.30.0</del>:

- Exception to Item 30 Volume Corrections and Tender Deductions, Section B: A tender deduction of one-tenth of one percent (0.1%) by volume will be made on the quantity of Petroleum Product accepted for transportation.
- Exception to Item 28 Transmix Handling: Transmix occurring in the Carrier's system for movements under this item that cannot be combined with compatible products shall be retained in Carrier's custody for disposal by the Carrier on behalf of the Shippers to ensure efficient operations of the pipeline. The total Transmix accumulated in Carrier's system will be allocated to all Shippers in proportion to each Shipper's barrels received into the system from all Shippers in a calendar month. Carrier shall dispose of the Transmix for Shippers and provide to each Shipper the net proceeds from such disposition.

## 4. Incentive Rates

Origins	<u>Volume Incentive Rates</u> Committed Volumes ≥ 547,500 Barrels/year Rates in cents per Barrel		
6	То:	То:	
	North Little Rock (MPL), AR	North Little Rock (Others), AR	
Oklahoma Central			
(Ponca City, OK; Tulsa, OK)			
or			
Kansas			
(Coffeyville, KS, El Dorado, KS)			
or	273.76	283.72	
McPherson, KS			
or			
Houston, TX			
(East Houston, TX; Galena Park,			
TX; Pasadena-MVP, TX)			
Duncan, OK			
or	263.80	273.75	
Wynnewood, OK			
Pasadena, TX			
(Phillips 66 Carrier LLC,			
Pasadena, TX	297.13	307.09	
or			
Kinder Morgan Pasadena, TX			
Texas City, TX (Galveston County)	299.20	309.16	

[U] Unchanged. All rates on this page are unchanged.

**ITEM NO. 240** 

## **TWO-YEAR INCENTIVE PROGRAM**

## Origins:

From: Wynnewood, OK

### **Destinations**:

To: Kansas City, KS (Fairfax and/or Olathe); Oklahoma City (MPL), OK; Springfield, MO, Tulsa, OK, and North Little Rock, AR (MPL and Others)

1. Rates corresponding to this Item, as contained in Item 241, apply to Supplier deliveries of Petroleum Products at the Incentive Destinations from the Incentive Origin of Wynnewood, OK. The Incentive Destinations under this Item shall be defined as any of the Carrier's destinations identified in Paragraph 3 of this Item.

Any Supplier, the authorized party via Carrier's ATLAS system who delivers Petroleum Products out of the system, desiring to avail themselves of the Incentive Rates as set forth herein must satisfy all of the following provisions:

- a. Suppliers must enter into a prior written commitment with Carrier on or before November 1, 2021.
- b. The Commitment Term shall be twenty-four (24) months), but not longer than the effectiveness of this Item or any successive issues, reissues, and amendments thereto.
- c. The Effective Date of this commitment will be no sooner than the first day of the first calendar month following receipt by Carrier of an executed written commitment from the Supplier.
- d. The Total Guaranteed Committed Volume shall be equal to the amounts specified in Paragraph 3 of this Item.
- 2. In addition to the terms and conditions contained in this Item, all applicable rules and regulations in MPL's F.E.R.C. No. **[W]** <u>157.31.0</u> <del>157.30.0</del>, supplements thereto and reissues thereof, also apply.
- 3. The Total Guaranteed Committed Volume under this Item shall be equal to 15,700,000 barrels over the twenty-four (24) month Commitment Term. The Total Guaranteed Committed Volume shall be comprised of all the barrels delivered by Carrier for the Supplier to the Carrier destinations of Kansas City, KS (Fairfax and/or Olathe), Oklahoma City (MPL), OK, Springfield, MO, Tulsa, OK, and North Little Rock, AR (MPL and Others).

Of the Total Guaranteed Committed Volume requirement, Carrier must deliver for Supplier, the following Total Destination Guaranteed Committed Volumes:

Destination	Total Destination Guaranteed Committed Volume (Barrels)
Kansas City, KS (Fairfax and Olathe)	1,700,000
Oklahoma City (MPL), OK	8,000,000
Springfield, MO	2,000,000
Tulsa, OK	2,000,000
North Little Rock (MPL), AR or North Little Rock (Others), AR	2,000,000

- 4. Volumes moved under the corresponding Volume Incentive Program in Item 240 of O.C.C. No. [W] <u>14.23.0</u> <u>14.21.0</u>, supplements thereto and reissues thereof, may apply towards the Total Guaranteed Committed Volumes and the Total Destination Guaranteed Committed Volumes in this Item. Similarly, volumes moved under this Item may apply towards the Total Guaranteed Committed Volume and the Total Destination Guaranteed Committed Volume in the corresponding Volume Incentive Program in the intrastate tariff publication listed hereinabove, supplements thereto and reissues thereof.
- 5. All volumes delivered from any Origin at the Incentive Destinations defined in Paragraph 3 by the Carrier for the Supplier will apply toward the Total Guaranteed Committed Volume and Total Destination Guaranteed Committed Volume obligation during the Commitment Term except for volumes delivered using prepaid transportation credits earned under any other Carrier incentive program or contract. However, the Incentive Rate will be applied only to volumes delivered by Carrier for Supplier at the Incentive Destinations defined in Paragraph 3 from the Incentive Rate Origin of Wynnewood, OK during the Commitment Term. For volumes delivered to North Little Rock (Others), AR, only, Supplier must also be the Inventory Owner at the time of shipment.
- 6. Any volumes delivered by Carrier for Supplier under this Item shall not be eligible for any other Item of this Tariff.
- 7. Carrier will invoice at the time of shipment and at rates set out in Item 204 of MPL's F.E.R.C. No. [W] <u>160.43.0</u> <del>160.41.0</del>, and any successive issues, reissues and amendments thereto. After the end of each month, Carrier will calculate the difference between the rate invoiced and the Incentive Rate for volumes delivered during the previous month at the Incentive Destinations from the Incentive Rate Origin, and will issue a payment to Supplier.
- 8. At the end of the Commitment Term, if the Supplier did not meet the Total Destination Guaranteed Committed Volume at one or more Destinations, the Supplier will pay a Destination Commitment Reversion equal to the difference between the Total Destination Guaranteed Committed Volume for each Destination requirement and the actual volume delivered to that Destination during the Commitment Term multiplied by the Incentive Rate to the respective Destination in effect at the end of the Commitment Term. In the event Supplier does not meet the Total Destination Guaranteed Committed Volume to the North Little Rock Incentive

Destination, Carrier will apply the Incentive Rate to the North Little Rock, AR (MPL) Incentive Destination to calculate the Commitment Reversion due.

- 9. Carrier shall not be obligated during any one calendar month to deliver more than one hundred twenty-five percent (125%) of the prorated monthly Total Destination Guaranteed Committed Volume, or the prorated monthly Total Guaranteed Committed Volume less the prorated monthly Total Destination Guaranteed Committed Volumes, based on volumes set out in Paragraph 3 above.
- 10. If a Supplier fails to meet the Total Guaranteed Committed Volume and/or the Destination Guaranteed Commitment Volume, and that failure is the direct result of the Carrier's inability to provide service, the Total Guaranteed Committed Volume and/or the Total Destination Guaranteed Committed Volume shall be reduced prorata on a day for day basis for each day that the Carrier was unable to provide service. The Supplier must assert its claim of Carrier's failure to provide service in writing to Carrier within the first ten (10) days of the month following the event of Carrier's failure to provide service. The Supplier will bear the burden of proof in showing that Carrier's failure to provide service did, in fact, result in the Supplier's failure to meet its commitment obligations.

## **Two-Year Incentive Rates**

(Rates in cents per Barrel)

**[U]** Unchanged. All rates on this page are unchanged.

Rates in this Item are governed by the Rules and Regulations provided in F.E.R.C. No. **[W]** <u>157.31.0</u> <u>157.30.0</u>, Supplements thereto and reissues thereof.

ITEM NO.	то	FROM WYNNEWOOD, OK
241	Kansas City, KS (Fairfax and/or Olathe)	276.16
	Oklahoma City (MPL), OK	110.88 <sup>(a)</sup>
	Springfield, MO	282.21
	Tulsa, OK	128.27 <sup>(a)</sup>
	North Little Rock (MPL), AR	255.47
	North Little Rock (Others), AR	268.52

#### **ITEM NO. 255**

## TEMPORARY INCENTIVE RATES

## **Origins:**

From: Oklahoma Central Origin Group; Kansas Origin Group; Wynnewood, OK and/or McPherson, KS

## **Destinations:**

To: Kansas City (Argentine), KS and Olathe-Kenneth (Sinclair), KS

1. Rates corresponding to this Item (the "Incentive Rates") apply to Shipper deliveries of Petroleum Products at the destinations of Kansas City (Argentine), KS and Olathe-Kenneth (Sinclair), KS (the "Incentive Destinations") from the Oklahoma Central origins, Kansas origins, Wynnewood, OK and/or McPherson, KS (the "Incentive Origins").

To qualify for the Incentive Rates in this Item, a shipper must ship and deliver, for its own account, at least 325,000 Barrels of Petroleum Products in a given month from any Incentive Origin to any Incentive Destination (the "Overall Monthly Threshold"), of which at least 100,000 Barrels of Petroleum Products in a given month to the Olathe-Kenneth (Sinclair), KS destination from the Incentive Origins (the "Olathe Monthly Threshold"). Any shipper who meets this volume requirement in a given month shall qualify for the Incentive Rates for such month.

- 2. In addition to the terms and conditions contained in this Item, all applicable rules and regulations in MPL's F.E.R.C. No. **[W]** <u>157.31.0</u> <del>157.30.0</del>, supplements thereto and reissues thereof, also apply.
- Volumes moved under the corresponding Temporary Incentive program in Item 255 of K.C.C. No.
  [W] <u>46</u> 45, supplements thereto and reissues thereof, shall count toward the Overall Monthly Threshold and, if shipped to the Olathe-Kenneth (Sinclair), KS destination, the Olathe Monthly Threshold.
- 4. Any volumes delivered by Carrier for Shipper under this Item shall not be eligible for any other Item of this Tariff.
- 5. Carrier will invoice the Shipper at the time of shipment and at rates set out in Item 200, 201, 204 and 255 of MPL's F.E.R.C. No. [W] <u>160.43.0</u> <del>160.41.0</del>, supplements thereto and reissues thereof. After the end of each month, Carrier will calculate the difference between the rate invoiced and the Incentive Rate for volumes delivered during the previous month at the Incentive Destinations for the Participating Shipper from all eligible Incentive Rate Origins, and will issue a payment to Participating Shipper. Participating Shipper will bear all other applicable charges in MPL's F.E.R.C. No. [W] <u>157.31.0</u> <del>157.30.0</del>, supplements thereto and reissues thereof.

## **Temporary Incentive Rates**

(Rates in cents per Barrel)

**[U]** Unchanged. All rates on this page are unchanged.

Rates in this Item are governed by the Rules and Regulations provided in F.E.R.C. No. **[W]** <u>157.31.0</u> <u>157.30.0</u>, Supplements thereto and reissues thereof.

		FROM			
ITEM NO.	то	Oklahoma Central (Ponca City or Tulsa)	Kansas (Coffeyville or El Dorado)	Wynnewood, OK	McPherson, KS
255	Kansas City (Argentine), KS	209.71	158.18 <sup>(b)</sup>	276.82	172.53 <sup>(b)</sup>
255	Olathe-Kenneth (Sinclair), KS	235.92	171.87	311.42	187.48

#### [C] ITEM NO. 260

#### FIVE YEAR INCENTIVE PROGRAM

#### Origins:

From: Incentive Origins: Duncan, OK; Kansas Origin Group; Oklahoma Central Origin Group; McPherson, KS; and Wynnewood, OK

#### Destinations:

To: Incentive Destination: Rochester, MN

 Rates corresponding to this Item (Item 261: Five Year Incentive Rates herein) apply to Supplier deliveries of Petroleum Products to a single Incentive Destination from any Incentive Origins or Origin Groups as defined in Item 261 herein. The Incentive Destination under this Item shall be defined as Carrier's Rochester, MN.

Any Supplier, the authorized party via Carrier's ATLAS system who delivers Petroleum Products out of the system, desiring to avail themselves of the Incentive Rates as set forth herein must satisfy all of the following provisions to be a "Participating Supplier":

- a. A Participating Supplier must enter into a prior written commitment with Carrier,
- b. The Commitment Term shall be five years (60 months), but not longer than the effectiveness of this Item or any successive issues, reissues and amendments thereto,
- c. The Effective Date of this commitment will be no sooner than the first day of the first calendar month following receipt by Carrier of the executed written commitment from Participating Supplier, and
- d. The Total Guaranteed Committed Volume shall be equal to the amounts specified in Paragraph 3 of this Item.
- 2. In addition to the terms and conditions contained in this Item, all applicable rules and regulations in MPL's F.E.R.C. No. **[W]** <u>157.30.0</u> 157.29.1, supplements thereto and reissues thereof, also apply.
- 3. The Total Guaranteed Committed Volume under this Item shall be equal to 4,562,500 barrels over the five year (60 month) Commitment Term, which shall equate to a Minimum Annual Guaranteed Committed Volume under this Item of 912,500 barrels per year over the Commitment Term. The Total and Minimum Annual Guaranteed Committed Volume shall be comprised of all the barrels delivered by Carrier for the Participating Supplier from only the Incentive Origins in Item 261 to the single Incentive Destination defined as Rochester, MN. Any volume in excess of the second tier volume threshold specified in the table in Item 261, from the Incentive Origins to the Incentive Destination will be assessed the applicable Base Rate, under F.E.R.C. No. [W] <u>160.41.0</u> 160.39.2, and any successive issues, reissues and amendments thereto of these tariff publications.
- 4. Qualifying volumes that will apply toward the Total Guaranteed Committed Volume and the Minimum Annual Guaranteed Committed Volume obligation during the Commitment Term shall include only (a) volumes delivered from the Incentive Origins in Item 261, and (b) volumes delivered from the Ardmore, OK origin defined in F.E.R.C. No. [W] 160.41.0 160.39.2, Item No. 230, supplements thereto and reissues thereof, to the Incentive Destination defined in this program by Carrier for the Participating Supplier.

- 5. Any volumes delivered by Carrier for Participating Supplier under this Item shall not be eligible for any other Item of this Tariff.
- 6. The Incentive Rate will be applied only to volumes delivered by Carrier for Participating Supplier that Participating Supplier is the named supplier at the Incentive Destination defined in Paragraph 3 from the eligible Incentive Origins as defined in Item 261 herein during the Commitment Term.
- 7. Carrier may adjust the Incentive Rates set out in Item 261 at any time by the same percentage change as the corresponding base rate is adjusted. If Carrier elects not to take an allowed increase in a given year, Carrier may take the cumulative allowed increases in any subsequent year. Adjustment of the Incentive Rates is contingent upon the effectiveness of such rates as allowed by the Federal Energy Regulatory Commission. If for any reason, the Federal Energy Regulatory Commission of Carrier's tariff, Carrier shall have the right to terminate its obligations under this Item by providing sixty (60) days written notice to Participating Supplier.
- 8. Carrier will invoice at the time of shipment and at rates set out in the following tariff publications as applicable: Items 200, 201, 203, 204 and 255 of MPL's F.E.R.C. No. [W] <u>160.41.0</u> 160.39.2, and any successive issues, reissues and amendments thereto of these tariff publications. After the end of each month, Carrier will calculate the difference between the rate invoiced and the applicable Incentive Rate defined in Item 261 for volumes delivered in the Participating Supplier's name during the previous month at the Incentive Destination from all eligible Incentive Origins or Origin Groups, and will issue a payment to Participating Supplier.
- 9. Annually, on the anniversary of the commitment Effective Date, if the Participating Supplier did not meet the Minimum Annual Guaranteed Committed Volume for volumes delivered at the Incentive Destination from any of the defined Incentive Origins in Item 261 herein and/or any volumes delivered from the Ardmore, OK origin as referenced in F.E.R.C. No. [W] 160.41.0 160.39.2, Item No. 230, supplements thereto reissues thereof, the Participating Supplier will pay a Commitment Reversion equal to the difference between the Minimum Annual Guaranteed Committed Volume and the actual qualifying volumes, as defined in Paragraph 4 above, delivered to that Incentive Destination during the Contract Year multiplied by the Tier 1 Incentive Rate defined in Item 261 from Oklahoma Central Origin to the Incentive Destination, Rochester, MN in effect at the end of the Contract Year. No volumes shall be carried forward to meet the Minimum Annual Guaranteed Committed Volume in subsequent years.
- 10. Carrier shall not be obligated during any one calendar month to deliver more than one hundred fifty percent (150%) of the prorated monthly Minimum Annual Guaranteed Committed Volume, based on volumes set out in Paragraph 3 above.
- 11. If a Participating Supplier fails to meet the Minimum Annual Guaranteed Committed Volume, and that failure is the direct result of the Carrier's inability to provide service, the Total Guaranteed Committed Volume and/or the Minimum Annual Guaranteed Committed Volume, shall be reduced prorata on a day for day basis for each day that the Carrier was unable to provide service. The Participating Supplier must assert its claim of Carrier's failure to provide service in writing to Carrier within the first ten (10) days of the month following the event of Carrier's failure to provide service to provide service. The Participating Supplier will bear the burden of proof in showing that Carrier's failure to provide service did, in fact, result in the Participating Supplier's failure to meet its commitment obligations.

12. In the event Participating Supplier experiences Force Majeure that delays delivery of product to Carrier at point of origin, Carrier may, at its sole discretion, upon written notification of circumstances from Participating Supplier, extend the Commitment Term. Such extension period shall in no event, individually or cumulatively, exceed a total of thirty (30) days over the Commitment Term. Force Majeure shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, wars, terrorists, insurrections, riots, lightning, earthquakes, fires, floods, storms, washouts and any other causes, not within the control of Participating Supplier.

## [C] Five-Year Incentive Rates

(Rates in cents per Barrel)

[H] Increase. All rates on this page are increased.

Rates in this Item are governed by the Rules and Regulations provided in F.E.R.C. No. [W] <u>157.30.0</u> 157.29.1, Supplements thereto and reissues thereof.

	FROM	TO Rochester, MN		
ITEM NO.		ANNUAL TIER THRESHOLD (barrels)		
		<del>Tier 1</del> 0-1,277,500	<del>Tier 2</del> ≻ <del>1,277,500</del>	
[C] <del>261</del>	<del>Oklahoma Central Origins (Ponca City Tulsa)</del>	[C]	[C]	
	<del>Kansas Origins (Coffeyville <del>El Dorado)</del></del>	[C]	[C]	
	<del>Duncan, OK</del>	[C]	[C]	
	Wynnewood, OK	[C]	[C]	
	McPherson, KS	[C]	[C]	

Note 1: Base Rate

## PARTICIPATING CARRIERS

Coffeyville Resources Pipeline, LLC

KPL Northern States, LLC

Phillips 66 Carrier LLC

The routing can be found in the base/local tariffs there are referenced in each program contained herein.

## **EXPLANATION OF ABBREVIATIONS**

BN	Burlington Northern Railroad
F.E.R.C.	Federal Energy Regulatory Commission
MPL and/or Magellan	Magellan Pipeline Company, L.P.
No.	Number
Psi RVP	Pounds per square inch Reid Vapor Pressure
State Abbreviations	U.S. Postal Service Two-Letter Abbreviations

## **EXPLANATION OF REFERENCE MARKS**

‡	No terminal facilities provided by Carrier. Tariff rate is for line haul only. Additional contracts for loading or other services may be required.
	[C] Cancel [D] Decrease [I] Increase [N] New [U] Unchanged [W] Change in wording only
( a )	This rate is an Oklahoma Intrastate Movement published for reference only. See Oklahoma Rules and Rates published in the Oklahoma Tariff.
(b)	This rate is an Kansas Intrastate Movement published for reference only. See Kansas Rules and Rates published in the Kansas Tariff. The Coffeyville, KS origin is the only applicable Kansas origin for the movement to Wichita, KS.
( c )	This rate is a Minnesota Intrastate Movement published for reference only. See Minnesota Rules and Rates published in Minnesota Intrastate Schedule.