

ExxonMobil Pipeline Company

LOUISIANA LOCAL TARIFF

APPLYING ON

PROPYLENE

The rate named in this tariff is for the transportation of propylene by pipeline, subject to the rules and regulations published herein.

From	To	Rate in Cents Per Barrel of 42 U.S. Gallons
<u>From any origin point below:</u> Anchorage Chemical Terminal Baton Rouge Poly-Olefins Plant Baton Rouge Chemical Plant Baton Rouge Propylene Concentrator Unit [N] Baton Rouge Plastics Plant	<u>To any destination point below different from origin point:</u> Anchorage Chemical Terminal Baton Rouge Poly-Olefins Plant Baton Rouge Chemical Plant [N] Baton Rouge Plastics Plant	[U] 10.5
Enterprise Lou-Tex Pipeline	Baton Rouge, Louisiana	[U] 38.0

The above rate is applicable only when shipper furnishes pumping service at reception point in accordance with the provisions of Rule 2, paragraph a, of rules and regulations published herein.

EXPLANATION OF REFERENCE MARKS

[U] Unchanged rate
[N] New

EFFECTIVE: FEBRUARY 1, 2005

Issued by:
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Rules and Regulations

1. **DEFINITIONS.** –“Carrier”, as used herein, means ExxonMobil Pipeline Company.
2. **RECEIPT, DELIVERY AND LEGALITY OF SHIPMENTS TENDERED.** – Propylene tendered for transportation will be received into the pipe line of Carrier only on the conditions that:
 - A. Shipper has provided adequate pumping equipment and facilities satisfactory to Carrier for injecting propylene into Carrier’s pipe line at a pumping rate satisfactory to Carrier; and,
 - B. Propylene tendered for shipment is of the same kind and quality of propylene being transported by Carrier and the transportation of such propylene would result in no damage to the quality or characteristics of other shipments; and,
 - C. The Shipper or Consignee has provided adequate facilities for receiving the shipment as it arrives at destination; and
 - D. Shipper and Consignee have complied with all applicable laws, rules and regulations made by any governmental authorities regulating the shipment of propylene.
3. **MINIMUM TENDERS.** – Minimum tender quantity of propylene accepted for shipment will be ten thousand barrels, or such larger quantity as may be required by any connecting carrier into which ExxonMobil Pipeline Company delivers.
4. **APPORTIONMENT WHEN NOMINATIONS ARE IN EXCESS OF FACILITIES.** – When there shall be nominated to Carrier for transportation greater quantities than can be immediately transported, the transportation shall be apportioned among all shippers in proportion to the amounts nominated by each. When such apportionment becomes necessary, it shall be done in accordance with ExxonMobil Pipeline Company’s Lower 48 States Systems Proration Procedures dated August 4, 1999, supplements thereto or reissues thereof, which is available upon request.
5. **PROPYLENE INVOLVED IN LITIGATION.** – When any propylene tendered for transportation hereunder is involved in litigation, or when the ownership thereof may be in dispute, or may be encumbered by a lien or charge of any kind, Carrier may require of shippers an indemnity bond to protect it against all loss.
6. **PAYMENT OF TRANSPORTATION AND OTHER CHARGES.** – The Shipper or Consignee shall pay, as provided below, all applicable gathering, transportation, and all other charges accruing on Propylene handled by Carrier.

All payments are due within 10 days of receipt of the invoice, unless the Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper’s guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines in a manner not unreasonably discriminatory it necessary to do so, in which case the payment due date shall be that specified in a written notice to the Shipper.

If any charge remains unpaid after the due date specified in Carrier’s invoice, then such amount due may bear interest from the day after the due date until paid, calculated at an annual rate equivalent to the lesser of (1) 125% of the prime rate of interest, as of the date of Carrier’s invoice, charged by the Citibank N.A. of New York, New York, for ninety (90) day loans made to substantial and responsible commercial borrowers or (2) the maximum rate allowed by law. In addition Shipper shall pay all documented costs incurred by Carrier to collect any unpaid amounts.

In the event Shipper fails to pay any such charges when due, Carrier shall not be obligated to provide Shipper access to Carrier’s facilities or provide services pursuant to Carrier’s tariff until such time as payment is received by Carrier and Shipper meets the requirements of the following paragraph. In addition, in the event Shipper fails to pay any such charges when due, Carrier shall have the right to setoff such amounts owed and future amounts owed against those amounts Carrier owes Shipper.

In the event Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines in a manner not unreasonably discriminatory it is necessary to obtain security from Shipper, Carrier, upon notice to Shipper, may require any of the following prior to Carrier's delivery of Shipper's Propylene in Carrier's possession or prior to Carrier's acceptance of Shipper's Propylene: (1) prepayment of all charges, (2) a letter of credit at Shipper's expense in favor of Carrier in an amount sufficient to ensure payment of all such charges and, in a form, and from an institution acceptable to Carrier, or (3) a guaranty in an amount sufficient to ensure payment of all such charges and in a form and from a third party acceptable to Carrier. In the event, Shipper fails to comply with any such requirement on or before the date supplied in Carrier's notice to Shipper, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to this tariff until such requirement is fully met.

Carrier shall have a lien on all Propylene delivered to Carrier to secure the payment of any and all gathering, transportation, or any other charges that are owed Carrier. Such lien shall survive delivery of Propylene to Shipper. Such lien shall extend to all Propylene in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier. The lien provided herein shall be in addition to any lien or security interest provided by statute or applicable law. Carrier may withhold delivery to Shipper of any of Shipper's Propylene in its possession and exercise any other rights and remedies granted under this tariff or existing under applicable law until all such charges have been paid as provided above.

If Shipper fails to pay an invoice by the due date, in addition to any other remedies under this tariff or under applicable law, Carrier shall have the right, either directly or through an agent, to sell at a private sale any and all Propylene of such Shipper in its custody at fair market value at the time of sale. The proceeds of any sale shall be applied to the following order: (A) To the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by law, reasonable attorney's fees and legal expenses incurred by Carrier; and (B) To the satisfaction of the Shipper's indebtedness including interest herein provided from the date of payment is due. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto.

7. **QUALITY OF SHIPMENTS.** – Carrier will not be liable for discoloration, contamination or deterioration of propylene transported unless such discoloration, contamination or deterioration is caused by negligence of Carrier.
8. **MEASURING, TESTING, AND DEDUCTIONS.** – All shipments tendered Carrier for transportation shall be measured and tested by a representative of Carrier prior to, or at the time of receipt from the shipper; but the shipper shall at all times have the privilege of being present or represented at the measurement and testing.
9. **EVIDENCE OF RECEIPTS AND DELIVERIES.** – Propylene received from the Shipper and propylene delivered to the party receiving deliveries shall, in each instance, be evidenced by tickets, showing all data essential to the determination of quantity. Such tickets shall be signed by a representative of the Carrier and given to the party delivering quantities into the system and to the party receiving quantities from the system. The tickets shall constitute full receipt for: (a) the propylene received and (b) the propylene delivered.
10. **QUANTITIES DELIVERABLE.** – The quantity of propylene deliverable at destination shall be the quantity received at origin, less loss in transit, including leaks and breaks resulting from any cause other than negligence on the part of Carrier.
11. **DELIVERY ADJUSTMENT.** – The Carrier shall account to each shipper for 100 percent of propylene received. Any overages or shortages not due to the negligence of the Carrier, including loss from shrinkage and evaporation, in any calendar month, will be allocated on a monthly accrual basis among the shippers in the proportion that the total number of barrels delivered from the entire system for each shipper bears to the total number delivered from the entire system for all shippers.

- 12. LIABILITY OF CARRIER.** – Carrier in possession of propylene herein described, shall not be liable for any loss thereof; damage thereto; or delay caused by fire, explosion, storm, flood, epidemics, Act of God, riots, strikes, insurrection, rebellion, war, act of the public enemy, quarantine, the authority of law, requisition or necessity of the Government of the United States in time of war, default of Shipper or Owner, or from any other cause not due to the negligence of Carrier. In case of loss of any propylene from any such causes, after it has been received for transportation and before the same have been delivered to Consignee, Shipper shall stand a loss in such proportion as the amount of his shipment, already delivered to Carrier, bears to all of the propylene then in the Custody of Carrier, for shipment via the lines or other facilities in which the loss or damage occurs, and the Shipper shall be entitled to have delivered only such portion of his shipment as may remain after deduction of his due proportion of such loss.
- 13. NOTICE OF CLAIMS, SUITS, AND TIME FOR FILING.** – Notice of claims for loss, damage or delay in connection with shipments must be made in writing to Carrier within ninety-one (91) days after such shall have accrued; or in case of failure to make delivery, within ninety-one (91) days after a reasonable time shall have elapsed.

Suits shall be instituted against Carrier only within two years and one day from the day when notice in writing is given by Carrier to the Claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon, in accordance with the forgoing provisions, Carrier shall not be liable and such claims will not be paid.

- 14. LINE FILL AND TANK BOTTOM INVENTORY.** – Either prior to or after the acceptance of propylene for transportation through the System, Carrier may, upon reasonable notice, require each Shipper to provide a pro rata part of the volume of propylene necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for the efficient operation of the System. Propylene provided by a Shipper for this purpose may be withdrawn after reasonable written notice of Shipper's intention to discontinue shipment in the system pursuant to Carrier's applicable tariff or tariffs. Carrier may require advance payment of final transportation charges and settlement of any unpaid accounts receivable, before final delivery will be made.

In the event a Shipper's inventory balance drops below its pro rata part of the volume of Propylene necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for the efficient operation of the system, then Carrier will require such Shipper to provide the necessary volume to meet its pro rata part of such volume of Propylene.

In the event that Shipper maintains an inventory balance after Shipper ceases movements on the system or Shipper gives written notice of its intent to cease movements over the system and such Shipper is unable to schedule appropriate shipments to clear the inactive inventory balance, Shipper will be required to settle the inactive inventory balance through Carrier. In the event no such Shipper notice is given, then Carrier may require either an adjustment in Shipper's inventory balance in accordance with the preceding Line Fill and Tank Bottom Inventory provision or settlement of the Shipper's inventory balance at any time after Shipper has ceased making movements over the system for a period of six months. Such settlement will be based upon the fair market value of the Propylene, at the time Shipper informs Carrier in writing of its intention to discontinue shipments on the system pursuant to Carrier's applicable tariff or tariffs or if no such written notice is given, then at such time as Carrier calls for the settlement of the Shipper's inventory balance.

- 15. APPLICATION OF RATES FROM AND TO INTERMEDIATE POINTS.** – For shipments accepted for transportation from any point not named in tariffs making reference hereto which is intermediate to a point from which rates are published in said tariffs, through such unnamed point, the rate published therein from the next more distant point specified in the tariff will apply from such unnamed point. For shipments accepted for transportation to any point not named in tariffs making reference hereto which is intermediate to a point which rates are published in said tariffs, through such unnamed point, the rate published therein to the next more distant point specified in the tariff will apply.