

REGENCY LIQUIDS PIPELINE LLC

LOCAL TARIFF

CONTAINING
RULES AND REGULATIONS
GOVERNING THE TRANSPORTATION OF
NATURAL GAS LIQUIDS

BY PIPELINE
GENERAL APPLICATION

Carrier will accept and transport Natural Gas Liquids offered for transportation through Carrier's facilities only as provided in this Rules and Regulations Tariff, except, to the extent that specific rules and regulations published in other tariffs conflict with the general rules and regulations in this tariff, such specific rules and regulations shall supersede these general rules and regulations.

This tariff shall apply only to those tariffs that specifically incorporate this tariff by reference; such reference includes supplements to this tariff and successive issues thereof.

~~[C] This is a baseline tariff filing in compliance with the Commission's
Order on Electronic Tariff Filings in Docket No. RM01-5-000;
Order No. 714 (Final Rule dated September 19, 2008).~~

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

ISSUED: OCTOBER 31, 2013

EFFECTIVE: DECEMBER 1, 2013

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RULES AND REGULATIONS

RULE 1 – DEFINITIONS –

- (a) “Carrier” means Regency Liquids Pipeline LLC.
- (b) “Natural Gas Liquids” (“NGLs”) means a stream consisting of any and all of the following fractions meeting Carrier’s specifications: ethane, propane, isobutane, normal butane, pentanes and iso-hexane.
- (c) “API” means American Petroleum Institute.
- (d) “ASTM” means American Society for Testing Material.
- (e) “Consignee” means the party to whom a Shipper has ordered the delivery of NGLs.
- (f) “GPA” means Gas Processors Association.
- (g) “Shipper” means the party who contracts with Carrier for transportation of NGLs under the terms of this tariff.

RULE 2 – COMMODITY – Carrier is engaged in the transportation of NGLs as defined herein, and will not accept any other commodity under this tariff.

RULE 3 – RECEIPT, DELIVERY AND LEGALITY OF SHIPMENTS TENDERED – NGLs tendered for shipment will be received into the pipelines of Carrier only under the conditions that:

- (a) Shipper has provided adequate pumping equipment and facilities to Carrier for injecting NGLs into Carrier’s pipeline at pressures, pumping rates and temperatures satisfactory to Carrier;
- (b) NGLs tendered for shipment meet Carrier’s specifications;
- (c) Shipper and 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 NGLs.

RULE 4 – IDENTITY OF NATURAL GAS LIQUIDS – Carrier will accept for transportation NGLs that can be commingled or intermixed with other NGLs which Carrier regularly transports between the origination and destination points of the shipment. Carrier will accept NGLs for transportation only on condition that Carrier shall not be liable to Shipper or Consignee or any other third party for changes in quality which may occur from commingling or intermixing such NGLs with other NGLs in transit, and Carrier shall not be obligated to deliver to Consignee the identical NGLs received from Shipper, but may make delivery out of its common stream.

RULE 5 – SHIPPER’S RESPONSIBILITIES FOR MEETING SPECIFICATIONS – Shipper shall perform applicable tests at its expense to insure that the stream delivered to Carrier’s pipeline conforms to Carrier’s specifications and, upon request from Carrier, shall provide a copy of any such tests to Carrier. Should spot samples, analyses, or any other test (including tests performed by Carrier) indicate that the stream delivered does not meet the specifications required by Carrier, Shipper agrees, either voluntarily or upon notification by Carrier, to stop delivery of such off-specification stream to Carrier until such time as it is determined by additional testing that the stream meets the definition of NGLs issued by Carrier. Any such off-specification deliveries attributable to Shipper may be disposed of by Carrier according to the disposal provisions of Rule 16. Shipper shall indemnify and save Carrier harmless from any loss

sustained by other shippers, by Consignee, by any third party or by Carrier by reason of contamination or damage to other NGLs in Carrier's custody, or by reason of damage to Carrier's pipeline or associated facilities caused by failure of the materials accepted for transportation to meet specifications issued by Carrier.

Product characteristics tested in accordance with applicable test methods specified below are specified for raw mixtures of NGLs received into Carrier's system.

LIQUIDS RECEIVED AT DUBACH OR LISBON

<u>PRODUCT CHARACTERISTICS METHOD</u>	<u>MAXIMUM</u>	<u>TEST</u>
1. <u>Composition:</u> Predominantly Ethane, Propane, Butanes & Natural Gasoline (C5 Plus)		ASTM D-2163
Methane	1.5% of Ethane	ASTM D-2163
Total Olefins	None	ASTM D-2163
Total Fluorides	None	ASTM D-2163
2. <u>Vapor Pressure:</u> At 100°F.PSIG	600	ASTM D-1267
3. <u>Corrosiveness:</u> Copper Strip at 100°F	1-b	ASTM D-1838
4. <u>Total Sulfur:</u> PPM by Weight in Liquid	150	ASTM D-3246
5. <u>Carbon Dioxide:</u> PPM by Weight		GPA 2177
[N] Dubach and Lisbon Receipt Points	20,000*	
[N] Dubberly Receipt Point	1,000*	
6. <u>Distillation:</u> End Point, °F	375	ASTM D-216
7. <u>Dryness:</u> Free Water	None	Visual
8. <u>Color:</u>	Plus 25 (Minimum)	ASTM D-156

[N] * Carrier owns and operates treating facilities in Lincoln Parish, Louisiana, for the removal of carbon dioxide from the NGLs in Carrier's pipeline system. NGLs delivered to Carrier upstream of Carrier's treating facilities at the Dubach and Lisbon Receipt Points will be treated by Carrier for the removal of carbon dioxide to meet the downstream Carrier's specification. NGLs delivered into Carrier's system at points downstream of Carrier's treating facilities will not have carbon dioxide removed by Carrier and must meet a different specification.

RULE 6 – SCHEDULING OF SHIPMENTS – All Shippers desiring to ship NGLs through Carrier's pipeline shall, no later than three business days prior to the commencement of shipment, provide Carrier with all information needed by Carrier to schedule and dispatch such shipments; to satisfy Carrier that offers to ship are in good faith; and to satisfy Carrier that shipments can be transported in conformance with Carrier's tariffs. Carrier may refuse to receive NGLs for transportation until Shipper has provided Carrier with such information.

Carrier shall not be obligated to accept NGLs for transportation during any calendar month, unless Shipper shall on or before the 15th day of the preceding calendar month, notify Carrier in writing of the kind and quantity of NGLs that it desires to ship. In the event Shippers offer to ship more NGLs via a particular pipeline or segment of line during any period of time than can be pumped through such line or segment of line during such period, then Carrier shall accept and transport, during such period, only that portion of each good-faith offer to ship which Carrier shall determine to be equitable to all shippers.

Carrier reserves the right to control in its discretion the component distribution in the NGLs tendered by Shipper, in order to achieve maximum operating efficiency of Carrier's facilities and optimum maximization of total transportation capacity. Carrier shall use reasonable judgment in exercising that discretion.

The rate at which NGLs are delivered to Carrier and redelivered from Carrier will be determined by Carrier's transportation and redelivery obligations to its shippers and by the necessity of economical use and efficient operation of Carrier's facilities, which shall be determined by Carrier in the exercise of its reasonable judgment. Carrier will assume no liability for its inability to maintain schedules or comply with Shipper's redelivery requests when caused by operational or scheduling problems, excess demand, delays and other problems encountered in pipeline operations, and Shipper shall indemnify Carrier for all claims from Consignee or third parties relating to or arising out of Carrier's shipment or deliveries of NGLs, whether or not those claims are attributable to Carrier's negligence.

RULE 7 – TITLE – The act of delivering NGLs to Carrier for transportation shall constitute a warranty by Shipper that Shipper or Consignee has unencumbered title thereto, that unencumbered title shall remain with Shipper until such NGLs are delivered out of Carrier's pipeline, and that the same were produced in accordance with law.

RULE 8 – LIABILITY OF CARRIER – Carrier shall not be liable for any loss of NGLs or damage thereto while in the possession of Carrier, or delay in receiving or delivering NGLs, if caused by an act of God, the public enemy, quarantine, the authority of law, strikes, riots, the acts of default of Shipper or Consignee, or any third person, or from any other cause, and Shipper shall indemnify Carrier for any claims relating to any such losses. In case of losses or damages from such causes, such losses or damages shall be charged proportionately to each shipment in the ratio that such Shipper's shipment or portion thereof, received and undelivered at the time of loss or damage occurs, bears to the total of all shipments, or portions thereof, then in the custody of Carrier for shipment via the line or other facilities in which the loss or damage occurs. The Shipper or Consignee shall be entitled to receive only that portion of his shipment remaining after deducting his proportion of such loss or damage, determined as aforesaid and shall be required to pay transportation charges only on the quantity delivered. Shipper shall promptly pay Carrier for any costs or losses incurred by Carrier as a result of such losses or damages.

RULE 9 – MEASUREMENT – NGLs delivered hereunder shall be measured by meter installed, serviced and maintained in accordance with applicable API/ASTM standards. All measurement shall be determined by Carrier, but Shipper and Consignee or their representatives may be present to witness calibrations, sampling and measurement activities. However, failure of a Shipper and Consignee to have a representative present will constitute a waiver and the Shipper and Consignee shall be bound by the measurements determined by Carrier. Observed volumes of mixed products shall be corrected to net component volumes at 60°F and equilibrium vapor pressure by the use of flowing mass, a component analysis of a composite sample accumulated from the flowing stream, and component densities from the latest GPA 2145 Standard.

RULE 10 – LIABILITIES FOR CHARGES – The Shipper and Consignee shall be jointly and severally liable for the payment of charges and fees accruing to or due Carrier by Shipper or Consignee, including but not limited to, penalties, interest and late payment charges on NGLs delivered by Carrier to Consignee. All accrued charges are due on delivery of NGLs by Carrier to Consignee.

Carrier will bill Shipper each month for transportation and other charges arising during the previous month. Such invoices shall be deposited in the United States Post Office, postage prepaid, and sent to

the last address provided to Carrier by Shipper in writing. If payment of such invoices is not received within 10 calendar days after the date of such invoices, then Shipper and Consignee shall be liable for the payment to Carrier of a late charge at an annual interest rate equivalent to 125% of the prime rate of interest charged by Citibank N.A. of New York, New York, on 90-day loans to substantial and responsible commercial borrowers as of the due date, or 12% per annum, whichever is greater. In the event the late charge, as described in the preceding sentence, is greater than the maximum rate allowed by law, the maximum rate allowed by law will be used. Such late charge shall accrue commencing on the 11th calendar day after the date of the invoice until payment is made.

RULE 11 – LIENS – Carrier shall have a lien on all NGLs received into Carrier’s pipeline. Such lien shall take effect at the point of origin as NGLs are received into Carrier’s pipeline. Such lien shall secure the payment of any and all charges and fees owed to Carrier by Shipper or Consignee, including but not limited to, penalties, interest and late payment charges, whether or not incurred on the NGLs in Carrier’s pipeline and whether or not invoiced. Such lien shall be in addition to any and all other rights and remedies Carrier has at law or in equity.

RULE 12 – PAYMENT PRIOR TO DELIVERY – If Carrier does not have financial assurances adequate to satisfy it, in its sole judgment, that a Shipper or Consignee can meet its obligations hereunder, Carrier may require a Shipper or Consignee to prepay all charges and fees accruing to or due Carrier by Shipper or Consignee, including but not limited to overdue charges, penalties, interest and late payment charges, before making delivery of NGLs if it appears that the value of the NGLs remaining in the custody of Carrier for Shipper’s account after making such delivery will not exceed the total of all such charges which will be due from Shipper and Consignee upon making such delivery. Carrier may also require Shipper to post a letter of credit if Carrier, in the exercise of its reasonable judgment, does not believe Shipper can meet its obligations hereunder.

RULE 13 – THE LIMITATION OF CLAIMS– This Rule is hereby cancelled. See Rule No. 19 regarding Claims, Suits and Time for Filing.

RULE 14 – QUANTITIES DELIVERABLE – The quantity of NGLs deliverable at destination shall be the quantity received at origin, less shrinkage, evaporation or other loss in transit, resulting from any cause other than negligence on the part of Carrier.

RULE 15 – PIPEAGE CONTRACTS – Separate pipeage contracts covering further details, including but not limited to agreements for the construction of pipeline connections, may be required by the Carrier before any duty of transportation shall arise. As a condition to entering any such pipeage contract, Carrier may require from Shipper a minimum financial or volume commitment.

RULE 16 – REMEDIES OF CARRIER FOR FAILURE OF SHIPPER TO DELIVER NGLs TAKE REDELIVERY, OR DELIVER SCHEDULED VOLUMES – Carrier shall have the right to divert, reassign, flare or make whatever arrangements for materials as Carrier deems appropriate, in the event that: (1) any Shipper fails to take redelivery as required; or (2) any Shipper’s failure to take redelivery, alone or coupled with any similar failure of other shippers, exhausts Carrier’s capacity; or (3) any Shipper’s deliveries fail to be NGLs.

Carrier has the right to sell such material at private sale for the best price obtainable. Carrier may be a purchaser at any such sale. Out of the proceeds of any such sale, Carrier may pay itself for all charges, fees, and expenses of sale. The balance shall be held for whoever may be lawfully entitled thereto. If the proceeds of any such sale are not sufficient to pay such charges and expenses, Shipper shall pay the deficiency. Carrier shall have the right to prorate any loss or damage to NGLs in Carrier’s custody among all shippers affected in an equitable manner.

Shipper shall be liable for and shall pay Carrier for all volumes scheduled for transportation, whether or not it delivers those volumes to Carrier for transportation if Carrier is economically disadvantaged by Shipper’s failure to deliver the scheduled volumes. Shipper will pay for scheduled but undelivered volumes at the rate applicable to the lowest average daily volume contained in Carrier’s volume incentive

tariff or, if applicable, the rate contained in a non-volume based tariff. The remedy provided in this paragraph shall not be available where Shipper is prevented from delivering the scheduled volumes by reason of force majeure. Carrier negligence, or Carrier's pro-ration of capacity. For purposes of this Rule, the term force majeure shall mean fire, storms, explosions, mechanical breakdowns, repairs to pipe or plants, acts of God, acts or restraints of government and others not within the control of Shipper; but it does not mean any cause that Shipper, by exercising reasonable diligence, could overcome nor does it mean loss of markets or other economic causes.

RULE 17 – RATES APPLICABLE – The rate which shall apply to the transportation of NGLs shall be the rate in effect on the date NGLs are received by Carrier for transportation. Likewise, the rules and regulations which shall govern the transportation of NGLs shall be the rules and regulations in effect on the date NGLs are received by Carrier for transportation.

RULE 18 – RATES APPLICABLE 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 origin point specified in the tariff will apply from such unnamed point, and the gathering charge at the next more distant origin point shall apply when gathering service is performed. For shipments accepted for transportation to any point not named in tariffs making reference hereto which is intermediate to a point to which rates are published in said tariffs, through such unnamed point, the rate published therein to the next more distant destination point specified in the tariff will apply. Continuous use of intermediate point rate application for more than 30 days requires establishment of a rate for the transportation service.

RULE 19 – CLAIMS, SUITS AND TIME FOR FILING – As a condition precedent to recovery, claims must be filed in writing with Carrier within nine months after delivery of shipment, or, in case of failure to make delivery, then within nine months after a reasonable time for delivery has elapsed; and 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 foregoing provisions, Carrier shall not be liable and such claims will not be paid.

EXPLANATION OF REFERENCE MARKS

[C] Cancel
[N] New