

CYPRESS INTERSTATE PIPELINE LLC

Local Pipe Line Tariff

CONTAINING

RATES

Governing the Interstate Transportation and Handling of

PURITY ETHANE AND COMMERCIAL ETHANE (E/P)

Transported by Pipeline

**FROM ORIGINS IN
TEXAS**

**TO DESTINATIONS IN
LOUISIANA AND TEXAS**

VOLUME INCENTIVE TARIFF

Rates herein are governed by **Rules and Regulations** provided in Cypress Interstate Pipeline LLC **FERC Tariff No. 7.3.0**, and reissues thereof.

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

Issued in compliance with 18 CFR § 342.3, Indexing.

ISSUED: May 29, 2020

EFFECTIVE: July 1, 2020

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FOLLOWING SPECIFIC RULES AND REGULATIONS APPLICABLE ON TRANSPORTATION OF INCENTIVE VOLUMES SHALL APPLY IN ADDITION TO THE DEFINITIONS IN FERC 7.3.0:

ITEM 1 – DEFINITIONS

- 1.15 MINIMUM QUARTERLY QUANTITY
For Volume Incentive Rate, 35,000 barrels per day multiplied by the number of days in the Quarterly Period
- 1.16 QUARTERLY PERIOD means a three month period, commencing at 12:01 a.m. on the first day of each calendar quarter and ending at 12:01 a.m. on the first day of the following calendar quarter.

**LOCAL RATES – PURITY ETHANE AND COMMERCIAL ETHANE (E/P)
VOLUME INCENTIVE RATES**

For the Transportation of Purity Ethane and Commercial Ethane (E/P) by Pipeline
(Rates in Cents per Barrel of 42 US Gallons)

BASE RATE:

For Product shipped each quarter up to and including the Minimum Quarterly Quantity

Origin	Destination	Rate
Mont Belvieu (Chambers County), TX	Sulphur (Calcasieu Parish), LA	[!] 93.49

VOLUME RATE:

For Product shipped each quarter in excess of the Minimum Quarterly Quantity

Origin	Destination	Rate
Mont Belvieu (Chambers County), TX	Sulphur (Calcasieu Parish), LA	[!] 64.72

ELIGIBILITY FOR VOLUME INCENTIVE RATE

The rates set forth in this section will apply to shipments by any Shipper who has signed a Pipeage Agreement providing at a minimum for a term of ten (10) years and the transportation of the Minimum Quarterly Quantity, supported by a throughput and deficiency covenant to pay the incentive rate for the Minimum Quarterly Quantity whether or not such volumes are shipped. The covenant shall be supported and secured by a guaranty agreement from the Shipper, or such other affiliate of Shipper as shall satisfy Carrier's standards of creditworthiness, for a period of five (5) years from and after the commencement of the term of the Pipeage Agreement, and providing for the Shipper to tender to Carrier for transportation all of its requirements from the origination point to a single destination point or facility on the pipeline.

If Shipper's shipments in any quarter are less than the Minimum Quarterly Quantity, the Shipper shall pay Carrier the incentive rate set out herein for those Barrels shipped plus the incentive rate set out herein times the number of Barrels that Shipper is deficient. Such amount paid for Barrels not shipped will be considered by Carrier as a deficiency payment.

**LOCAL RATES – PURITY ETHANE AND COMMERCIAL ETHANE (E/P) VOLUME INCENTIVE RATE
(concluded)**

Shipper shall have the right to use all or any portion of a deficiency payment paid on account of a Quarterly Period as a monetary credit that can be supplied to payments due for actual shipments of volumes in excess of the Minimum Quarterly Quantity during the next succeeding Quarterly Period.

If during any quarter Carrier is unable to transport all of the volume offered for shipment by Shipper (within the limitations of this tariff and the Pipeage Agreement) and thereby causes Shipper to fail to satisfy the Minimum Quarterly Quantity, then Shipper shall be allowed additional Quarterly Period's as required to use any Deficiency Payment that Shipper was prevented from using due to capacity limitations.

Shipments transported in excess of the Minimum Quarterly Quantity each quarter will be charged the lower of the two rates set out herein.

Shipper's volumes in excess of the Minimum Quarterly Quantity each quarter shall not be credited against satisfying the ten (10) year volume covenant set out in the Pipeage Agreement.

EXPLANATION OF REFERENCE MARKS	
[I]	Increased Rate
[W]	Wording Change