

[N] FERC ICA Oil Tariff

[W] ~~F.E.R.C.~~ **FERC No. 7.3.0**
(Cancels [W] ~~F.E.R.C.~~ **FERC** No. 7.2.0)

CYPRESS INTERSTATE PIPELINE LLC

RULES AND REGULATIONS TARIFF

Governing the Interstate Transportation and Handling

Of

PURITY ETHANE AND COMMERCIAL ETHANE (E/P)

As Defined Herein

by Pipeline

The Rules and Regulations published herein apply only under tariffs making specific reference by [W] ~~F.E.R.C.~~ **FERC** number to this tariff; such reference will include supplements hereto and successive issues hereof. Specific Rules and Regulations published in individual tariffs will take precedence over Rules and Regulations published herein.

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

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[N] TABLE OF CONTENTS

<u>Item No.</u>	<u>Subject</u>	<u>Page No.</u>
<u>5</u>	<u>Acceptance, Delivery and Liability of Shippers</u>	<u>4</u>
<u>51</u>	<u>Application of Rates</u>	<u>7</u>
<u>90</u>	<u>Claims, Suits and Time for Filing</u>	<u>9</u>
<u>3</u>	<u>Commodity</u>	<u>3</u>
<u>1</u>	<u>Definitions</u>	<u>3</u>
<u>46</u>	<u>Evidence of Receipts and Deliveries</u>	<u>7</u>
	<u>Explanation of Reference Marks</u>	<u>10</u>
<u>85</u>	<u>Liability of Carrier</u>	<u>9</u>
<u>40</u>	<u>Measuring and Testing</u>	<u>6</u>
<u>15</u>	<u>Origin and Destination</u>	<u>6</u>
<u>65</u>	<u>Payment of Tariff Charges and Lien for Unpaid Charges</u>	<u>8</u>
<u>92</u>	<u>Pipeage Contracts</u>	<u>10</u>
<u>100</u>	<u>Pipeline Additives</u>	<u>10</u>
<u>20</u>	<u>Product Inventory Requirements</u>	<u>6</u>
<u>55</u>	<u>Products Involved in Litigation and Legality of Shipments</u>	<u>7</u>
<u>80</u>	<u>Proration of Pipeline Capacity</u>	<u>8</u>
<u>7</u>	<u>Purity Ethane and Commercial Ethane (E/P) Specifications</u>	<u>4</u>
<u>50</u>	<u>Segregation and Changes in Quality</u>	<u>7</u>
<u>10</u>	<u>Tenders and Quantities</u>	<u>5</u>

ITEM 1 – DEFINITIONS

- 1.1 Barrel means forty-two (42) United States gallons at a temperature of sixty degrees (60°) Fahrenheit.
- 1.2 Carrier means Cypress Interstate Pipeline LLC (Cypress)
- 1.3 Consignee means the party who contracts with a Shipper to receive product from the Carrier's pipeline.
- 1.4 Custody Transfer Point means a point on the pipeline where the Product is measured or metered as discussed in Item 46.
- 1.5 Delivery Point means such points as may be from time to time specified by the Carrier in individual product tariffs where Product is delivered to the Shipper.
- 1.6 [W] ~~F.E.R.C.~~ **FERC** means Federal Energy Regulatory Commission.
- 1.7 Injection Point means such points as may be from time to time specified by the Carrier in individual product tariffs where Shipper can inject product into Carrier's pipeline.
- 1.8 Mass means the measure of product in pounds (lbs.).
- 1.9 Pre-Delivery Form certifies that Shipper or Consignee has adequate storage space available for receipt of designated Batch at Delivery Point and Shipper or Consignee has made appropriate arrangements for safe receipt of the Petroleum Product.
- 1.10 Pressure means a force per unit area measured in pounds per square inch absolute (psia).
- 1.11 Product (s) means Purity Ethane and Commercial Ethane (E/P) as defined in Item 7 below.
- 1.12 Receiving Point means such points as may be from time to time specified by the Carrier in individual product tariffs where Product is received from the Shipper.
- 1.13 Shipper means the party or parties who contract(s) with Carrier for the transportation of a shipment of Product under the terms of this tariff.
- 1.14 Tender means an offer by a Shipper to the Carrier of a stated quantity of Products for transportation from a specified Receiving or Injection Point or points to a specified Delivery Point or points in accordance with these Rules and Regulations.

ITEM 3 – COMMODITY

- 3.1 This tariff covers the transportation of Product by pipe line and no commodity other than Products noted herein will be transported under this tariff.

ITEM 5 – ACCEPTANCE, DELIVERY AND LIABILITY OF SHIPPER

- 5.1 Carrier reserves the right to refuse to accept any shipment that is not compatible with its system, its method of operation, its transportation of other Products, or is not in compliance with the provisions of Carrier’s rules and regulations herein.
- 5.2 Carrier will transport Products with reasonable diligence and dispatch and Shipper shall, upon 24 hours notice, accept its shipment from delivery facilities of the Carrier with reasonable diligence and dispatch.
- 5.3 If the Products are not removed from Carrier’s facilities and a disruption of Carrier’s operation results, Shipper causing such disruption shall be completely and absolutely liable for all costs associated with such disruption, including loss of revenue resulting therefrom.

ITEM 7 – PURITY ETHANE AND COMMERCIAL ETHANE (E/P) SPECIFICATIONS

- 7.1 Products will not be accepted for transportation that are not in a liquid state.
- 7.2 Carrier will accept product delivered at pressures between 1,000 psia and 1,440 psia. Carrier may accept product delivered between 850 psia and 1,000 psia if pipeline capacity is available. Shipper shall make prior arrangements with Carrier to deliver product at pressures less than 1,000 psia.
- 7.3 Purity Ethane will not be accepted for transportation which contains impurities or has characteristics which do not meet Product specifications stated below:

PRODUCT CHARACTERISTICS	LIQUID VOLUME%:
Methane	3.0% Max., Liquid Vol.
Ethane	95.0% Min., Liquid Vol.
Propane and Heavier	3.5% Max., Liquid Vol.
Carbon Dioxide and other non-hydrocarbons not specifically listed	1,000 ppm Max., By Weight.
Total Sulfur – By Weight	30 ppm Max., By Weight
	Residual Matter:
Corrosion, Copper Strip, Max., ASTM D-130	No. 1

Purity Ethane and Commercial Ethane (E/P) Specifications (concluded)

7.4 COMMERCIAL ETHANE (E/P) SPECIFICATIONS:

PRODUCT CHARACTERISTICS	LIQUID VOLUME%:
Methane and Lighter Ethane	1.5% Max., Liquid Vol.
Propane	75.0% Min., 82.0% Max., Liquid Vol.
Ethylene	11.5% Min., 25.0% Max., Liquid Vol.
Propylene	4% Max., Liquid Vol.
Butane and Heavier	1% Max., Liquid Vol.
	0.8% Max., Liquid Vol.
Carbon Dioxide and other non-hydrocarbons not specifically listed	1,000 ppm Max., By Weight.
Total Sulfur – By Weight	30 ppm Max., By Weight
	Residual Matter:
Corrosion, Copper Strip, Max., ASTM D-130	No. 1

7.5 The Shipper may be required to furnish Carrier with a certificate setting forth the specifications of each shipment of Product delivered to the Carrier.

ITEM 10 – TENDERS AND QUANTITIES

- 10.1 Shippers desiring to tender Products for transportation shall tender to the Carrier in writing (Notice of Shipment) by the 15th of each month the volumes to be Tendered for the subsequent month. The Notice of Shipment shall specify the Injection or Receiving Point(s) and the Delivery Point(s) and the associated volumes for each.
- 10.2 If Shipper does not furnish such notice, Carrier is under no obligation to accept Product for transportation.
- 10.3 A tender will be accepted only when the total quantity covered thereby will be made available for transportation by Shipper within said calendar month at a delivery rate, in quantities, and at times specified by the Carrier except as hereunder provided.
- 10.4 A minimum shipment of twenty-five thousand (25,000) barrels of the same quality and specifications of Product shall be required for transportation at one point of origin from one Shipper.
- 10.5 Products will be accepted at an Injection Point only if they can be injected directly into a compatible batch of Products by use of equipment provided by the Shipper and at rates and pressures as specified by the Carrier.

ITEM 15 – ORIGIN AND DESTINATION

- 15.1 Carrier will provide such facilities at the Receiving, Injection and Delivery Points as it deems necessary for the transportation operation of the pipeline.
- 15.2 Product will be accepted for transportation at Receiving and Injection Points only to one or more Delivery Points.
- 15.3 Product will be accepted for transportation only when Shipper has made provisions for the necessary storage and other facilities at the Delivery Point(s) satisfactory to the Carrier.
- 15.4 The Carrier shall not be responsible for Products that cannot be delivered as specified by the Shipper due to any regulatory intervention.

ITEM 20 – PRODUCT INVENTORY REQUIREMENTS

- 20.1 Shippers requiring continuous delivery of Product at the Delivery Point will maintain sufficient inventory in Carrier's system to permit normal pipeline operations to continue.

ITEM 40 – MEASURING AND TESTING

- 40.1 Products Tendered for transportation shall be measured at the Receiving, Injection and Delivery Points by Carrier or a representative of the Carrier.
- 40.2 Product will be measured by Carrier utilizing combined volumetric and density measurements and sampling and analytical techniques in accordance with the latest edition of Gas Processors Association Standard 8182.
- 40.3 Carrier may require Shipper to furnish a certificate setting forth in detail the specification of each shipment of Product offered for transportation hereunder, and Shipper shall be liable for any contamination or damage to other Product in Carrier's custody or to Carrier's pipeline or other facilities caused by failure of the Product tendered to meet the specifications stated in Shipper's certification. Carrier may, but shall not be required to, sample and/or test any shipment prior to acceptance or during receipt of shipment, and, in the event of variance between the specifications contained in said certificate and the specifications indicated by Carrier's test, Carrier's test result shall prevail and used to determine whether the shipment meets Carrier's specifications.
- 40.4 The Shipper or consignee may be present or represented at such measuring and testing.
- 40.5 A representative of the Carrier shall have the right to enter upon the premises where Shipper's Product is received or delivered and have access to any and all storage receptacles or meters for the purposes of measuring and testing and to make any examination, inspection, measurement or test required.

ITEM 46 – EVIDENCE OF RECEIPTS AND DELIVERIES

- 46.1 Products received from and delivered to the Shipper shall, in each instance be evidenced by records showing mass and gross volumes received and delivered. Such records shall be jointly examined by representatives of the Carrier and the Shipper, as appropriate.
- 46.2 Accumulative mass and gross volume measurement readout display will also be located at all Custody Transfer Points for each individual Product shipped.

ITEM 50 – SEGREGATION AND CHANGES IN QUALITY

- 50.1 Products tendered for transportation will be received by the Carrier only on the condition that they shall be subject to such changes in gravity, vapor pressure, or quality while in transit as may result from the transportation thereof or the mixture of said Products in the pipeline.
- 50.2 The Carrier shall be under no obligation to make delivery of the identical Products received.

ITEM 51 – APPLICATION OF RATES

- 51.1 Products which are accepted for transportation shall be subject to the rates in effect at the time of delivery of such Products by the Carrier at Delivery Points, irrespective of the date of tender or date of receipt into the system.
- 51.2 If Shipper requests Carrier to accept shipments of Products for transportation from any Injection or Receiving Point or to any Delivery Point which is not named in any Local Tariffs, and which Injection or Receiving Point or to any Delivery Point is directly intermediate to any Injection or Receiving Point or to any Delivery Point from or to which a rate applying through such unnamed point is published in a Local Tariff, Carrier may accept shipment based on safety conditions and operational feasibility.
- 51.3 If such request is accepted by Carrier, Carrier will apply, from or to such unnamed intermediate point, the rate published from or to the next more distant point published in the applicable Local Tariff, subject to 18 CFR § 341.10(a)(2).

ITEM 55 – PRODUCTS INVOLVED IN LITIGATION AND LEGALITY OF SHIPMENT

- 55.1 Shipper shall warrant clear title of all products tendered to the Carrier. Products which are in any way involved in litigation, or the ownership of which may be in dispute, or which may be encumbered by a lien or charge of any kind, will not be accepted for shipment unless and until the Shipper shall furnish a bond or other form of indemnity satisfactory to the Carrier protecting Carrier against any liability or loss arising as a result of such litigation, dispute, lien or charge.

ITEM 65 – PAYMENT OF TARIFF CHARGES AND LIEN FOR UNPAID CHARGES

- 65.1 Prior to becoming a Shipper, a prospective Shipper must submit to Carrier sufficient financial information to establish creditworthiness. If Carrier establishes Shipper is not creditworthy or if Shipper's credit deteriorates, Carrier may require Shipper to prepay tariff related charges and/or supply a letter of credit from an appropriate financial institution in a form acceptable to Carrier.
- 65.2 Within 20 days from date of billing, Shipper shall pay all applicable transportation and other lawful charges accruing on Products accepted and received by the Carrier for transportation, on the basis of quantity delivered to a Delivery Point.
- 65.3 Carrier shall have a lien on all Products in its possession belonging to Shipper to secure the payment of any and all unpaid transportation or other lawful charges that are due the Carrier and are unpaid by Shipper. Carrier may withhold such Products from delivery until all unpaid charges (including finance charges) have been paid.
- 65.4 If such charges remain unpaid ten (10) days after notice and demand therefore, the Carrier shall have the right to sell such Product at public auction at the office of the Carrier.
- 65.5 From the proceeds of the sale, the transportation and all other lawful charges incident to said sale will be paid and the balance remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.
- 65.6 If charges are not paid by the due date stated on the invoice, Carrier shall assess finance charges on the entire past due balance (including principal and accumulated but unpaid finance charges) until paid in full, at a rate equal to 125% of the prime rate of interest as reported in the Wall Street Journal as of first of the month in which the charges are due or the maximum finance rate allowed by applicable law, whichever is less.

ITEM 80 – PRORATION OF PIPELINE CAPACITY

- 80.1 When, pursuant to Notices of Shipment above in Item 10, there shall be offered to Carrier more Product than can be immediately transported as determined by the Carrier, the transportation capacity shall be prorated by the Carrier equitably among all Shippers based upon each Shippers rolling 12-month history.
- 80.2 Up to 10% of the transportation Capacity shall be made available to New Shippers and will be prorated among them equitably. New Shipper means a Shipper for which Carrier has not transported Product to any Delivery Point on the pipeline segment to be prorated within the 12-calendar-month period. A New Shipper shall become a regular Shipper at the end of 12 consecutive calendar months.

ITEM 85 – LIABILITY OF CARRIER

- 85.1 Carrier shall not be liable for any delay in delivery, damage to or loss of Product, or injury or death to any person caused by an Act of God, public enemy, quarantine, authority of law, riot, strike, picketing or other labor stoppage, whether of Carrier's employees or otherwise, breakage or accident to the machinery or equipment, fire, flood or the act or default of any Shipper or any third party, or resulting from any other cause or circumstance not directly due to the negligence of Carrier (whether similar or dissimilar to the causes herein enumerated) except to the extent provided by applicable law.
- 85.2 In the event of damage to or loss of Product for which Carrier is not liable, such loss or the effect of such damage may be apportioned by Carrier to each shipment or portion thereof involved in the incident of loss or damage in the proportion that such shipment or portion thereof bears to the total of all Product in Carrier's custody at the time of the incident, and the amount of Product ultimately delivered to each Shipper involved shall be determined in accordance with the foregoing. If apportionment is made by Carrier, Carrier shall compute the quantity of damaged or lost Product and submit a statement to the Shipper's involved showing the apportionment of the quantities of Product damaged or lost among Shippers involved.
- 85.3 Carrier reserves the right, to institute legal or other proceedings to recover Product in kind and/or monetary damages for Product lost or damaged under this tariff. Under recovery of Product in kind and/or monetary damages, Carrier shall deduct the cost of recovery, including reasonable attorney's fees, and shall then apportion the remaining Product in kind and/or monetary damages recovered among the affected Shippers in the same proportion as the allocated losses or damages.
- 85.4 Carrier will not be liable for discoloration, contamination, or deterioration of Products transported unless such discoloration, contamination, or deterioration is caused by the negligence of Carrier.
- 85.5 Carrier will not be liable for delays in transportation of Products unless such delays are caused by the negligence of Carrier.
- 85.6 In any event, Carrier shall not be liable for any consequential or special damages sustained by Shipper unless due to the negligence of Carrier.

ITEM 90 – CLAIMS, SUITS AND TIME FOR FILING

- 90.1 Claim for any delay, damage to or loss of Product must be made in writing to Carrier within nine (9) months after Carrier's delivery at the destination point of the shipment involved, or, in case of failure by Carrier to deliver, then within nine (9) months after the date upon which delivery of such Product would have been reasonably completed by Carrier. Such written claim, made as aforesaid, shall be condition precedent to any suit on the subject matter of such claim.
- 90.2 Suit for any delay, damage to, or loss of Product shall be instituted within two (2) years and one (1) day after notice in writing is given by Carrier to Shipper that Carrier has disallowed the claim or any part of parts thereof specified in the notice.
- 90.3 Claims or suits for delay, damage to, or loss of Product not filed or instituted in accordance with the foregoing provisions will not be paid and Carrier will not be liable with regard thereto.

ITEM 92 – PIPEAGE CONTRACTS

92.1 Separate pipeage contracts, in accord with these Rules and Regulations, covering further details, may be required by Carrier before any duty of transportation shall arise. Such pipeage contract may also include additional charges for reimbursement for necessary facilities to receive or deliver Shipper's shipments if additional capital investment by Carrier is required.

ITEM 100 – PIPELINE ADDITIVES

- 100.1 Carrier may inject corrosion inhibitor compound into the Products to be transported and Shipper will accept delivery of shipments at Delivery Points containing corrosion inhibitor compound.
- 100.2 Shippers will be given 30 days notice stating any changes in additive to be injected by Carrier (generic and trade name), the maximum quantity, the Product into which it will be injected, and the date the injections shall begin.
- 100.3 Any additives and/or inhibitors, including DRA, to be included in Shipper's Products must have prior approval in writing by Carrier.

	EXPLANATION OF REFERENCE MARKS
[W]	Change in wording only
[N]	New