

Filed on:

Sept 28 2023

Gas Services Department
Railroad Commission of Texas

Tariff No. 40
(Cancels Tariff No. 37)

DOUBLE EAGLE PIPELINE LLC

IN CONNECTION WITH

KINDER MORGAN CRUDE & CONDENSATE LLC

[W]Joint Local and Incentive Rates JOINT RATES TARIFF

From

Receipt Points in, ~~[W] La Salle,~~ McMullen, Live Oak, and Karnes Counties,
Texas, as described herein

To

Delivery Points at the Phillips Refinery at Sweeny, Texas, and on the Houston Ship Channel,
as described herein

CONTAINING A RATE SCHEDULE

And

RULES AND REGULATIONS

GOVERNING THE TRANSPORTATION BY PIPELINE OF CRUDE
PETROLEUM UNDER THIS JOINT TARIFF

Double Eagle is the administrator of this Joint Tariff for the movement of Crude Petroleum through the Double Eagle and the KMCC Systems under the Rules and Regulations of this Joint Tariff.

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

ISSUED DATE: September 28, 2023

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EFFECTIVE: October 1, 2023

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[C]RATES UNDER THE JOINT TARIFF		
Uncommitted Joint Rates		
All rates are for pipeline transportation by Uncommitted Shippers and for daily volumes in excess of a Committed Joint Incentive Shipper's Maximum Daily Quantity.		
Rates are in U.S. Dollars per Barrel of 42 U.S. Gallons		
From	To	Rates
Gardendale, Texas; the Three Rivers Truck Unloading and Storage Facility; and any other Double Eagle System Origin Point West of the boundary line between Karnes and Live Oak Counties, Texas	The Phillips 66 Refinery at Sweeny, Texas; the Oiltanking Terminal Complex on the Houston Ship Channel; and the KMLT Terminal Facilities at Pasadena on the Houston Ship Channel	[H] \$5.3837
Any Double Eagle System Origin Point East of the boundary line between Karnes and Live Oak Counties, Texas	The Phillips 66 Refinery at Sweeny, Texas; the Oiltanking Terminal Complex on the Houston Ship Channel; and the KMLT Terminal Facilities at Pasadena on the Houston Ship Channel	[H] \$5.0671

[N]RATES UNDER THE JOINT TARIFF		
Uncommitted Joint Rates		
All rates are for pipeline transportation by Uncommitted Shippers.		
Rates are in U.S. Dollars per Barrel of 42 U.S. Gallons		
From	To	Rates*
<u>Three Rivers Storage Facility in Live Oak County, TX; Karnes Origin Point, Karnes County and North McMullen, McMullen County, TX</u>	<u>The Phillips 66 Refinery at Sweeny, Texas; the Enterprise Houston Ship Channel Houston Ship Channel; the KMLT Terminal Facilities at Galena Park or Pasadena on the Houston Ship Channel, Max Midstream Edna Terminal, Magellan Genoa Junction, and Converge Genoa Junction.</u>	<u>\$5.2269</u>

*Off-loading trucking rates may apply consistent with the Transportation Services Agreement and or Throughput and Deficiency Agreement.

[C]Committed Joint Incentive Rates		
All rates are for pipeline transportation only by Committed Joint Incentive Shippers and are applicable only to daily volumes up to Committed Joint Incentive Shipper's Maximum Daily Quantity.		
Rates are in U.S. Dollars per Barrel of 42 U.S. Gallons		
From	To	Rates
Gardendale, Texas; the Three Rivers Truck Unloading and Storage Facility; and any other Double Eagle System Origin Point West of the boundary line between Karnes and Live Oak Counties, Texas	The Phillips 66 Refinery at Sweeny, Texas; the Oiltanking Terminal Complex on the Houston Ship Channel; and the KMLT Terminal Facilities at Pasadena on the Houston Ship Channel	[H] \$4.8771
Any Double Eagle System Origin Point East of the boundary line between Karnes and Live Oak Counties, Texas	The Phillips 66 Refinery at Sweeny, Texas; the Oiltanking Terminal Complex on the Houston Ship Channel; and the KMLT Terminal Facilities at Pasadena on the Houston Ship Channel	[H] \$4.4337

[N]Committed Joint Rates		
All rates are for pipeline transportation only by Committed Joint Shippers		
Rates are in U.S. Dollars per Barrel of 42 U.S. Gallons		
From	To	Rates*
<u>Three Rivers Storage Facility in Live Oak County, TX; Karnes Origin Point, Karnes County and North McMullen, McMullen County, TX</u>	<u>The Phillips 66 Refinery at Sweeny, Texas; the Enterprise Houston Ship Channel Houston Ship Channel; the KMLT Terminal Facilities at Galena Park or Pasadena on the Houston Ship Channel, Max Midstream Edna Terminal, Magellan Genoa Junction, and Converge Genoa Junction.</u>	<u>Negotiated Rate (1)</u>
(1) <u>Discounted Rates are available for shippers that are willing to commit to minimum term and volume and/or revenue commitments. In order to facilitate the efficient transportation of petroleum crude & condensate supplies from producing fields in Texas to Texas markets with high demand for those supplies, volume and/or revenue commitments can be based on a shipper's own volumes or an aggregation of volumes.</u>		

*Off-loading trucking rates may apply consistent with the Transportation Services Agreement and or Throughput and Deficiency Agreement.

Joint Tariff Rules and Regulations Governing Transportation Of Crude Petroleum By Pipeline	
PART ONE:	INCORPORATION OF PROVISIONS OF THE DOUBLE EAGLE SYSTEM TARIFF
<p>All transportation of Crude Petroleum under the Joint Tariff will be governed by the Rules and Regulations set forth in the Double Eagle System Tariff, except to the extent modified hereby. Except as excluded by Part Two of this Joint Tariff, the provisions of the Double Eagle System Tariff are hereby incorporated into this Joint Tariff. While Double Eagle is the administrator of this Joint Tariff for billing and collection of payments, each of Double Eagle and KMCC shall enforce the provisions of this Joint Tariff (including the Double Eagle System Tariff provisions incorporated herein) as they relate to Crude Petroleum while it is in such Carrier's custody, except as otherwise provided herein.</p>	
PART TWO:	MODIFICATIONS OF PROVISIONS OF THE DOUBLE EAGLE SYSTEM TARIFF
<p>The provisions of the Double Eagle System Tariff as incorporated herein are hereby modified as follows:</p>	

2.1 Definitions. Capitalized terms used but not defined in this Joint Tariff shall have the meanings given to them in the definitions set forth in the Double Eagle System Tariff; as such definitions may be modified by this Joint Tariff. Such definitions, as so modified, are hereby incorporated into this Joint Tariff.

The following definitions in the Double Eagle System Tariff are modified for purposes of this Joint Tariff as follows:

“Carrier” means Double Eagle Pipeline LLC (“Double Eagle”) while the Crude Petroleum is in the custody of the Double Eagle System or Kinder Morgan Crude & Condensate LLC (“KMCC”) while the Crude Petroleum is in the custody of the KMCC System.

~~[C]All references to “Magellan” and the “Corpus Christi Terminal” (as those terms are defined in the Double Eagle System Tariff) are excluded.~~

~~All references to “GGC” (as those terms are defined in the Double Eagle System Tariff) are excluded.~~

All references to “Shipper” shall be deemed to refer to a Committed Joint Shipper or an Uncommitted Shipper, as applicable.

The following definitions are hereby added to the Double Eagle System Tariff for purposes of this Joint Tariff:

“Committed Joint ~~[W]Incentive~~ Shipper” means a Shipper designated as such in a ship or pay contract between that Shipper and each of the Carriers (at times referred to as a “Transportation Services Agreement” ~~[W]and or “Throughput and Deficiency Agreement”~~) to ship Crude Petroleum under this Joint Tariff.

“Consignee” means a party, including a connecting pipeline system, to which Shipper has ordered delivery of Crude Petroleum under this Joint Tariff.

“Destination Point” means any point at which KMCC makes delivery of the Crude Petroleum on the KMCC System ~~[W]as defined in the Transportation Services Agreement and or Throughput and Deficiency Agreement or a point on the KMCC System to which KMCC makes delivery of Crude Petroleum designated by an Uncommitted Shipper.~~

“Double Eagle System” means the intrastate pipeline owned or operated by Double Eagle under the Double Eagle System Tariff.

“Double Eagle System Tariff” means the Double Eagle Pipeline LLC Local Pipeline Tariff Containing Rules and Regulations Governing the Transportation and Handling of Crude and Condensate Petroleum Transported by Pipeline [W] (~~T No. 21~~ Tariff No. 38) filed with the Railroad Commission of Texas and effective [W]~~September 1, 2019~~ October 1, 2023, as the same may be amended and supplemented from time to time.

~~[C]“JTGG” means Joint Tariff General Grade condensate.~~

“KMCC System” means the intrastate pipeline owned or operated by KMCC under the KMCC System Tariff

“KMCC System Tariff” means the Kinder Morgan Crude & Condensate LLC Rules and Regulations Tariff Applying on the Intrastate Transportation of Petroleum Crude & Condensate by Pipeline between Points within Texas ([W]~~RCT~~ Tariff No. 36) filed with the Railroad Commission of Texas and effective March 1, 2023, as the same may be amended and supplemented from time to time.

“Maximum Daily Quantity” has the meaning specified in a Transportation Services Agreement and or Throughput and Deficiency Agreement between a Committed Joint Shipper and each of the Carriers.

“Origin Point” means the receipt points [W]Three Rivers Storage Facility in Live Oak County, TX; Karnes Origin Point, Karnes County and North McMullen, McMullen County, TX. ~~any point at which Double Eagle accepts Crude Petroleum for transportation on the Double Eagle System as listed on the Double Eagle Pipeline LLC Local Pipeline Tariff Applying on the Transportation of Crude and Condensate Petroleum (Tariff No. 36) filed with the Railroad Commission of Texas and effective November 1, 2022, as the same may be amended and supplemented from time to time.~~

“Third Party Shipper” – means a Shipper who, if and as provided in its Transportation Services Agreement [W]and or Throughput and Deficiency Agreement, is designated by a Committed [W]Joint Shipper to ship product under such Committed [W]Joint Shipper’s capacity and priority rights, including the proration status of a Committed [W]Joint Shipper, up to the amount of Committed Volume designated by such Committed [W]Joint Shipper.

“Uncommitted Shipper” means a Shipper who has not entered into a ship or pay contract with each of the Carriers designating such Shipper as a Committed [W]Joint ~~Incentive~~ Shipper.

2.2 Item 24 (Merchantable Oil) of the Double Eagle System Tariff is deleted in its entirety for purposes of this Joint Tariff and replaced with the following:

Carrier will establish the grade of Crude Petroleum it will regularly transport as a common stream between particular Origin Point(s) and Destination Point(s) of Carrier. Carrier may from time to time, after reasonable notice to persons who may be affected, cease to transport particular grade of Crude Petroleum.

Properties	[C]ITGG (38)	<u>[N]General Grade Crude (GGC)</u>	<u>[W]Chemical Grade Condensate (CGC)</u>	Test Methods
API Gravity, ° API	45 to 55	<u>38 to 53</u>	54 to 65	ASTM D287, D5002
BS & W, vol. %	≤ 0.25	<u>≤ 0.25</u>	≤ 0.25	ASTM D4007
Hydrogen Sulfide Content in Product, ppm	< 2	<u>< 2</u>	< 2	UOP 163
Hydrogen Sulfide Content in Vapor Space,	< 10	<u>< 10</u>	< 10	ASTM D5705
Reid Vapor Pressure, psi	≤ 10.0	<u>≤ 10.0</u>	≤ 10.0	ASTM D6377
True Vapor Pressure, psi	≤ 11.0	<u>≤ 11.0</u>	≤ 11.0	ASTM D6377
Benzene Content, vol. %	≤ 3.0	<u>≤ 3.0</u>	≤ 3.0	ASTM D7900
Sulfur Content, Weight %	≤ 0.40	<u>≤ 0.40</u>	≤ 0.05	ASTM D2622, D4294
Temperature, °F	≤ 120	<u>≤ 120</u>	≤ 120	

Carrier reserves the right to reject all nominations or any part thereof when, in Carrier's discretion, reasonably exercised:

1. The surface of settled sediment and water and other impurities in tanks is less than four inches (4") below the bottom of the pipeline connection from which it enters Carrier's facilities;
2. The encrustation of internal surfaces of the tank where Crude Petroleum is accepted is excessive as determined by Carrier;
3. The iron in the Crude Petroleum exceeds seventy five (75) parts per million ("ppm") as tested by Environmental Protection Agency method 3040;
4. The lead in Crude Petroleum exceeds five one-hundredths (.05) ppm (naphtha cut) as tested by Environmental Protection Agency method 3040;
5. The organic chlorides in the Crude Petroleum exceed three (3) ppm (naphtha cut) as tested by Microcoulometry or Sodium Biphenyl methods; or
6. The Crude Petroleum contains any other excessive metals, chemicals, salts, refinery or chemical plant process or by-product materials, or has any other material, which may be adversely affect the refining process, as determined by Carrier.

2.3 Item 50 (Destination Facilities) of the Double Eagle System Tariff is deleted in its entirety for purposes of this Joint Tariff and replaced with the following:

FACILITIES REQUIRED AT RECEIPT AND DELIVERY POINTS. Shipments will be accepted for transportation hereunder only when (a) Shipper has provided facilities at the Origin Points satisfactory to Double Eagle at pressures and pumping rates required by Double Eagle, and (b) Shipper or Consignee has provided facilities satisfactory to KMCC capable of receiving the Crude Petroleum at the Destination Point specified by Shipper at pressures and pumping rates required by KMCC.

2.4 Item 60 (Quality and Quantity of Receipt and Deliveries) of the Double Eagle System Tariff is modified for purposes of this Joint Tariff to include the following new paragraph:

Each Shipper shall be required, as a condition of tendering its Crude Petroleum, to participate in the gravity quality bank administered by a third party. The purpose of the quality bank is to mitigate material increases or decreases in each Shipper's respective Crude Petroleum value due to the commingling of Crude Petroleum in the system. The quality bank charges each Shipper or pays each Shipper depending on the quality of the Crude Petroleum (by grade) and the quality of each Shipper's Crude Petroleum injected into that grade. A fee of [U] \$0.005 per barrel will be assessed by a third party for administering this service.

2.5 Item 70 (Measurement and Tender Deductions) of the Double Eagle System Tariff is modified for purposes of this Joint Tariff to include the following new paragraph in between the 4th and 5th paragraphs:

Any losses of Crude Petroleum caused by a third party strike or force majeure event on either the Double Eagle System or the KMCC System shall be borne by the Shippers on the pipeline system (including Shippers on the Double Eagle System and the KMCC System that are not shipping Crude Petroleum pursuant to this Joint Tariff) on which the event occurred pursuant to the provisions of the Double Eagle System Tariff or the KMCC System Tariff (as applicable).

Item 70 (Measurement and Tender Deductions) of the Double Eagle System Tariff is also modified for purposes of this Joint Tariff by deleting the last paragraph therein and inserting the following in lieu thereof:

In addition to Shipper's liability for those losses described in this Item 70, a deduction of three eighths (3/8) of one percent by volume will be assessed on each shipment of Crude Petroleum tendered to Carrier to cover losses inherent in the transportation of Crude Petroleum by pipeline.

2.6 Item 80 (Tenders Required) of the Double Eagle System Tariff is deleted in its entirety for purposes of this Joint Tariff and replaced with the following:

Crude Petroleum for shipment under the Joint Tariff will be received only on proper notice showing the Origin Point at which the Crude Petroleum is to be received, the Destination Point or Points, Consignee, and amount of Crude Petroleum to be transported. The notice must be received by Double Eagle on or before the fifteenth (15th) day of the calendar month preceding the desired shipment date. If the fifteenth (15th) day of the month falls on a weekend or holiday, nominations are due on the last workday before the fifteenth (15th). The nomination shall be submitted in accordance with Carrier's nomination procedures and may be e-mailed, faxed or submitted via Double Eagle's scheduling system. A nomination must specify, for each shipment, the quantity, product grade, Origin Point, Destination Point, supply sources and Shipper. Double Eagle will coordinate directly with KMCC regarding Shipper's nomination.

2.7 Item 120 (Payment of Transportation and Other Charges) of the Double Eagle System Tariff is modified for purposes of this Joint Tariff so that the second paragraph is deleted in its entirety and replaced with the following paragraph:

Carrier will bill Shipper each month for transportation and other charges incurred during the previous month. If such a bill is not paid within ten (10) days after date of invoice, Carrier shall have the right to assess a late charge at an interest rate of 1.5% per month, unless such rate is greater than the maximum rate allowed by law, in which case the maximum rate allowed by law will be used. Such late charge shall accrue from ten (10) days after date of invoice until payment is made. Carrier will bill Shipper annually for the amount of the deficiency payment owed, if any, pursuant to the terms of the Transportation Services Agreement and or its Throughput and Deficiency Agreement. If such a bill is not paid within thirty (30) days after date of invoice, Carrier shall have the right to assess a late charge at an interest rate of 1.5% per month, unless such rate is greater than the maximum rate allowed by law, in which case the maximum rate allowed by law will be used. Such late charge shall accrue from thirty (30) days after date of invoice until payment is made.

Item 120 (Payment of Transportation and Other Charges) of the Double Eagle System Tariff is modified for purposes of this Joint Tariff by adding the word "Joint" before the word "Tariff" in the last line of the last paragraph.

Item 120 (Payment of Transportation and Other Charges) of the Double Eagle System Tariff is modified for purposes of this Joint Tariff to add the following paragraph:

Double Eagle shall bill Shippers for the transportation and other charges accruing with respect to Crude Petroleum delivered for shipment at the rate in effect at the time the Crude Petroleum is tendered to the Carrier under this Joint Tariff pursuant to this Item 120 of the Double Eagle System Tariff, including without limitation any transportation fees, deficiency payments, and other charges as set out in detail in its Transportation Services Agreement [W] and or its Throughput and Deficiency Agreement between each Carrier and each Committed Joint [W] ~~Incentive~~ Shipper. When the total volume of shipments on any day by a Committed Joint Shipper exceeds that Shipper's Maximum Daily Quantity as specified in its Transportation Services Agreement and or its Throughput and Deficiency Agreement such excess will be treated as a shipment by an Uncommitted Shipper for all purposes of this Joint Tariff.

2.8 Item 140 (Indemnity for Off-Specification Deliveries) of the Double Eagle System Tariff is modified for purposes of this Joint Tariff by adding the word "Joint" before the word "Tariff" in the last line of the paragraph.

2.9 Item 150 (Diversion or Reconsignment) of the Double Eagle System Tariff is hereby excluded from this Joint Tariff.

2.10 Item 160 (Apportionment When Tenders are in Excess of Facilities) of the Double Eagle System Tariff is deleted in its entirety for purposes of this Joint Tariff and replaced with the following:

When there shall be tendered to the Carrier under both this Joint Tariff and the Double Eagle System Tariff or KMCC System Tariff (as applicable), for transportation, more Crude Petroleum than can be immediately transported, the transportation furnished by the Carrier shall be apportioned among Shippers under both such tariffs on an equitable basis by the Carrier, pursuant to the respective pipeline proration procedures of Double Eagle and KMCC.

During the period of time when any event or circumstance reduces the physical capacity of the Double Eagle System below the tenders for transportation on the Double Eagle System under both this Joint Tariff and the Double Eagle System Tariff, such reduced capacity shall be apportioned solely pursuant to the Double Eagle Proration Procedures (treating all Committed Joint Shippers under this Joint Tariff as "Committed Shippers" under the Double Eagle Proration Procedures) for the entire shipment of Crude Petroleum on the Double Eagle System and the KMCC System such that any resulting limitations on transportation under this Joint Tariff on the Double Eagle System will also apply to transportation under this Joint Tariff on the KMCC System.

During the period of time when any event or circumstance reduces the physical capacity of the KMCC System below the tenders for transportation on the KMCC System under both this Joint Tariff and the KMCC System Tariff, such reduced capacity shall be apportioned solely pursuant to the KMCC Proration Policy (treating all Committed Joint Shippers under this Joint Tariff as "Committed Shippers" under the KMCC Proration Policy) for the entire shipment of Crude Petroleum on the Double Eagle System and the KMCC System such that any resulting limitations on transportation under this Joint Tariff on the KMCC System will also apply to transportation under this Joint Tariff on the Double Eagle System.

2.11 Item 170 (Application of Rates from Intermediate Points) of the Double Eagle System Tariff is modified for purposes of this Joint Tariff by adding the word "Joint" before the word "Tariff" in each instance where the word "tariff" appears in this section.

2.12 Item 180 (Application of Rates to Intermediate Points) of the Double Eagle System Tariff is modified for purposes of this Joint Tariff by adding the word "Joint" before the word "Tariff" in each instance where the word "tariff" appears in this section.

2.13 Item 210 (Separate Pipeline Agreements) of the Double Eagle System Tariff is modified for purposes of this Joint Tariff by adding the word “Joint” before the word “Tariff” in the second line of this paragraph.
2.14 Line Fill; Tank Bottoms – As a condition to being entitled to the transportation of Crude Petroleum under the Joint Tariff, each Shipper shall comply with Item 190 (Line Fill And Tank Bottoms Inventory Requirements) of the Double Eagle System Tariff and Item 180 (Line Fill) of the KMCC System Tariff.
2.15 Testing – As a condition to being entitled to the transportation of Crude Petroleum under the Joint Tariff, each Shipper shall, when requested by Carrier, provide a certificate from a qualified, competent independent laboratory setting forth, in detail, the specifications of each shipment of Crude Petroleum proposed for transportation. Additionally, before or after acceptance of the tender of shipment, Carrier shall have the right to conduct such test on the Crude Petroleum proposed for shipment, as Carrier deems appropriate. Any additive or inhibitor to be included in any shipment must first be approved by Carrier in writing before such shipment will be accepted for transportation. No Crude Petroleum will be accepted which has been contaminated by any excessive metals or chemicals including but not limited to, chlorinated and/or oxygenated hydrocarbons, arsenic and/or lead. Topped crude mixtures, chemical plant by-products, and refinery residues will not be accepted for shipment.
2.16 Joint and Several Liability – Shipper and Consignee shall be jointly and severally liable for the payment of gathering and transportation charges, fees, and other lawful charges accruing to or due Carrier by Shipper or Consignee, including but not limited to, penalties, interest and late payment charges on Crude Petroleum delivered by Carrier to Consignee. All accrued charges are due on delivery of Crude Petroleum by Carrier to Consignee.
2.17 Demurrage Charges – As a condition to being entitled to the transportation of Crude Petroleum under the Joint Tariff, each Shipper shall comply with Item 150.1 of the KMCC System Tariff.
2.18 Connection Policy – Connections to KMCC’s System will only be considered if made by formal written notification to KMCC. A separate connection agreement, in accordance with Item 160 of the KMCC System Tariff, shall be required with any proposed Shipper or Consignee seeking a connection with KMCC before any duty to make delivery for said proposed Shipper or Consignee shall arise.
2.19 Liability of Parties – As a condition to being entitled to the transportation of Crude Petroleum under the Joint Tariff, each Shipper agrees to comply with Item 170.1 of the KMCC System Tariff with respect to the Crude Petroleum while it is in KMCCs custody.

Explanation of Reference Marks	
[C]	Cancel
[N]	New
[U]	Unchanged
[W]	Wording