

# WOLVERINE PIPE LINE COMPANY

## LOCAL AND PROPORTIONAL TARIFF

THE RATE NAMED IN THIS TARIFF IS FOR THE TRANSPORTATION AND DELIVERY OF

### LIGHT CYCLE OIL

AS DEFINED IN ITEM 10 BY PIPELINES SUBJECT TO THE REGULATIONS NAMED HEREIN.

FROM  
LEMONT-LOCKPORT, ILLINOIS  
TO  
HAMMOND, INDIANA

The rate included in this tariff is market-based pursuant to Commission [W] orders in Docket [N] No. OR99-15-000, issued [N] September 29, 2000 and July [W] 1145, 2001.

[N] This is a baseline tariff filing in accordance 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: August 27, 2010**

**EFFECTIVE: September 27, 2010**

Issued [N] and Compiled by:

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**POINTS FROM AND TO WHICH RATE APPLIES  
AND  
RATE ON LIGHT CYCLE OIL IN CENTS PER BARREL  
OF 42 UNITED STATES GALLONS**

<b>TO ESTABLISHED DESTINATION</b>	<b>THROUGH RATE FROM:</b>
	Lemont-Lockport, Will County, Illinois
<b>INDIANA</b> Hammond, Lake County	<b>[U]</b> 70.0

## RULES AND REGULATIONS

Carrier will transport Light Cycle Oil from origin points named herein to destinations named herein subject to the following rules and regulations.

### Item No. 5 Definitions

"Carrier" means Wolverine Pipe Line Company.

"Barrel" means forty-two (42) gallons, U.S. Measurement.

"Light Cycle Oil" means petroleum as further described in Item No. 10.

"Consignee" means the party to whom a shipper has ordered the delivery of petroleum products.

"Shipper" means the party who contracts with the Carrier for transportation of Light Cycle Oil under the terms of this tariff.

### Item No. 10 Specifications

- (a) Light Cycle Oil will not be accepted for transportation hereunder unless such petroleum is free from water and other impurities; has a color not darker than No. 3 ASTM (except that gasolines to which artificial coloring has been added will be accepted for transportation regardless of color); has a vapor pressure not more than fifteen (15) pounds absolute at one-hundred (100) degrees Fahrenheit; have an API gravity at sixty (60) degrees Fahrenheit, not less than fifteen (15) degrees and not more than thirty (30) degrees; has a viscosity not more than forty (40) seconds Saybolt Universal at one-hundred (100) degrees Fahrenheit; and has a temperature not exceeding one-hundred and twenty-five (125) degrees Fahrenheit.
- (b) Carrier may require the shipper to furnish certified laboratory reports showing the results of tests of the Light Cycle Oil offered for transportation. Carrier may also make such tests of the Light Cycle Oil as it deems necessary, but shall not be required to, and in the event of variance between shippers report and Carrier's test, Carrier's test shall prevail.

### Item No. 15 Minimum Batch

All nominations for Light Cycle Oil shall be accepted for transportation in quantities of not less than ten thousand (10,000) barrels of similar quality and color from one shipper consigned to one consignee, except as required to comply with Items 25.c.7 and 25.c.8 of these Rules and Regulations.

### Item No. 25 Tenders for Shipment - Shipping Schedules

- (a) Carrier will prepare and furnish to each shipper schedules showing the estimated time that each shipment will be received for transportation at origin points and the estimated time of arrival at destinations. Such schedules may be modified from time to time to the extent reasonably desirable to facilitate the efficient and economical use and operation of Carrier's facilities and to reasonably accommodate shipper's needs for transportation. Carrier will furnish shippers revised schedules when issued.
- (b) Shipper shall have each shipment available in tankage connected to Carrier's origin stations at least eight (8) hours before the scheduled time for receipt by Carrier. When a product is not available in tankage within the time limits as aforesaid, acceptance of said product will be at the discretion of the Carrier; however, the Carrier will endeavor to accept same so long as such acceptance does not adversely affect operation of Carrier's facilities.
- (c) Nominations/Requests for Service; Shipping Schedules
  - (1) Nominations/requests for service are due to carrier on or before 4:15 p.m. Central Time on the tenth (10th) day of the month preceding the month in which shipments are to be made. If the tenth (10th) day falls on a weekend or holiday, nominations are due the last business day preceding the tenth (10th) day.
  - (2) Shipper shall nominate all product movements by accessing the Carrier's Shipper Information System ("SIS"). SIS requires that each nomination include the Cycle Number, the Shipper name, the product, the volume, the origination location, the destination location. The nomination shall be acknowledged on line in SIS by the Carrier as a valid request for service. In the alternative, Shipper may notify the Carrier in writing or by telephone, and Carrier shall acknowledge the nomination in writing as a valid request for service.
  - (3) Carrier shall schedule all nominated movements if space is available. Carrier's determination whether a nomination for shipment shall be approved or denied shall be made as soon as practicable, but in no event later than ten (10) days preceding the shipment cycle for which the nomination was made. In the event that Carrier denies a nomination/request for service, Carrier shall submit a written response to Shipper providing a full explanation of the nature, basis and reasons for such denial.
  - (4) Shipments pursuant to such nominations shall commence on or about the first (1st), eleventh (11th) and twenty-first (21st) day of each month. Each month is divided into three shipment cycles of approximately ten (10) days each.

## **RULES AND REGULATIONS**

- (5) If space is available and operating conditions permit, Carrier may, at its reasonable discretion, accept Nominations, or revised Nominations after the Carrier's Monthly Nomination date.
- (6) Because Light Cycle Oil is pumped in a certain sequence for efficient operation, Carrier reserves the right to specify the sequence of shipment of each kind of product on a nondiscriminatory basis.
- (7) Shipper shall nominate and make available for shipment a minimum of 1,000 barrels of Low Sulfur Diesel to immediately precede each batch of Light Cycle Oil.
- (8) Shipper shall nominate and make available for shipment a minimum of 5,000 barrels of Low Sulfur Diesel to immediately follow each batch of Light Cycle Oil.
- (9) Shipper shall nominate and make available for shipment a minimum of 50,000 barrels of gasoline to immediately follow each 5,000 (or more) barrel batch of Low Sulfur Diesel that is transported to meet the requirement mentioned in Item 25.c.8 above, such that each entire batch of Light Cycle Oil is promptly displaced into the destination point.

### **Item No. 30 Segregation and Variations in Quality and Gravity**

- (a) Carrier shall not be liable for variation in gravity or quality of Light Cycle Oil occurring while in its custody, resulting from normal pipeline operations.
- (b) Light Cycle Oil will be accepted for transportation on the condition that Carrier will use due diligence to transport same to destination with a minimum of contamination and to maintain the identity of each shipment.

### **Item No. 35 Origin and Destination Facilities Disposition of Products on Failure to Accept Delivery**

- (a) Shipper shall provide reasonable evidence to Carrier that it has appropriate facilities to deliver Light Cycle Oil to the Carrier's manifold at origin stations at a rate equal to Carrier's full-line pumping rate and at a pressure as required by operating conditions.
- (b) No duty to transport will arise until Shipper has provided reasonable evidence to the Carrier that it has appropriate facilities connected to Carrier's system at destination points, capable of receiving such shipments without delay at pressures and pumping rates required by Carrier, and has made necessary arrangements for accepting delivery of shipments promptly on arrival at destination.
- (c) In the event the Carrier has accepted Light Cycle Oil for transportation in reliance upon shipper's representations as to acceptance at destination, and there is failure to take such Light Cycle Oil at destination as provided in paragraph (b) hereof, then and in such event Carrier shall have the right to divert, reconsign, or make whatever arrangements for disposition of the Light Cycle Oil it deems appropriate to clear its pipeline, including the right to sell the Light Cycle Oil at private sale for the best price obtainable. The Carrier may be a purchaser at such sale. Out of the proceeds of said sale, Carrier may pay itself all transportation charges and other necessary expense of caring for and maintaining the Light Cycle Oil and the balance shall be held for whosoever may be lawfully entitled thereto.
- (d) The Carrier shall not be liable for any damage to shipper's or consignee's receiving facilities or products within such facilities resulting from the process of transferring custody of Light Cycle Oil from the Carrier to the shipper or consignee.

### **Item No. 40 Interconnection Agreements**

Pursuant to its obligations under applicable law, Carrier shall connect with the facilities of a proposed shipper upon request. Separate interconnection agreements in accordance with this tariff and these rules and regulations may be required of the proposed shipper before any duty of transportation shall arise. The terms of such an interconnection agreement shall be offered on the same basis as agreements have been offered to, and entered into with, other shippers similarly situated and on a non-discriminatory basis.

### **Item No. 45 Measuring and Volume Corrections**

Quantities at origin shall be determined either by meters or tank gauges. All shipments will be received and delivered with volume corrected to sixty (60) degrees Fahrenheit by use of applicable API-ASTM-IP Table 5B or 6B. Shipper or consignee may have representatives present during testing, meter reading, calibration, and gauging.

### **Item No. 55 Applicable Rates**

Light Cycle Oil transported shall be subject to rates in effect on the date such Light Cycle Oil is received by the Carrier.

## RULES AND REGULATIONS

### **Item No. 60 Transportation Charges**

- (a) Transportation charges will be computed and collected at the rates provided herein, on the basis of the number of barrels of Light Cycle Oil received and measured at origin location, after any volume corrections as provided in Item No. 45.
- (b) The shipper shall be responsible for payment of transportation and all other charges applicable to the shipment and, if required, shall prepay such charges or furnish guaranty of payment satisfactory to the Carrier. The Carrier shall have a lien on all Light Cycle Oil accepted for transportation to secure the payment of all charges.

### **Item No. 65 Corrosion Inhibitors**

Shipper may be required to inject oil-soluble corrosion inhibitor, approved by Carrier, in the Light Cycle Oil to be transported.

### **Item No. 70 Proration of Pipeline Capacity**

When the total volume offered for shipment in accordance with Items No. 25 is greater than can be transported within the period covered by such offers, Light Cycle Oil offered by each shipper for transportation will be transported in such quantities and at such time to the limit of Carrier's capacity so as to avoid discrimination among the shippers. Such prorationing will be performed in accordance with Carrier's "Wolverine Pipe Line Company Proration" dated September 1, 2001, supplements thereto and reissues thereof, which is available upon request.

### **Item No. 75 Title**

An offer of Light Cycle Oil for shipment shall be deemed a warranty of title by the party offering, but acceptance shall not be deemed a representation by the Carrier as to title. The Carrier may, in the absence of adequate security, decline to receive any Light Cycle Oil which are in litigation, or as to which a dispute over title may exist, or which are encumbered by a lien.

### **Item No. 80 Liability of Carrier**

The Carrier shall not be liable for any delay, damage, or loss caused by acts of God, public enemy, quarantine, authority of law, riots, nuclear or atomic explosion, floods, strikes, picketing, or other labor stoppages, whether of Carrier's employees or others, or act of default of shipper or owner, or any other cause not due to the negligence of Carrier, whether similar or dissimilar to the causes herein enumerated. In the event of such loss each shipper shall bear the loss in the same proportion as its share of the total quantity of the batch involved and shall be entitled to receive only so much of its share remaining after its due proportion of the loss is deducted. Transportation charges will be assessed only on the quantity received.

### **Item No. 90 Use of Communication Facilities**

Where Carrier maintains a private or leased telegraph, teletype, or telephone system, shippers may use same without extra charge for messages incident to shipment. However, Carrier shall not be liable for non-delivery of messages away from its offices, for delay in transmission, or for interruption of service.

### **Item No. 95 Claims, Suits, Time for Filing**

As a condition precedent to recovery, claims must be filed in writing with Carrier within nine (9) months after the delivery of the Light Cycle Oil or, in case of failure to make delivery, within nine (9) months after a reasonable time for delivery has elapsed; and suit shall be instituted against Carrier only within two (2) years 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 as 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.

### **Item No. 100 Delivery Adjustments**

- (a) Subject to Item No. 80 and Paragraph (b) of this Item No. 100, Carrier shall account to each shipper for one-hundred (100) per cent of the Light Cycle Oil received in accordance with Item No. 45.
- (b) Interface generated between batches of different products in the pipeline will be disposed of in the following manner:
  - (1) Interface generated between Low Sulfur Diesel and Light Cycle Oil will be fully included in the Low Sulfur Diesel shipment.

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### **Item No. 105 Temporary Service**

Light Cycle Oil will be transported through Carrier's facilities only as provided in these rules, to the extent space is not utilized for the transportation of normal refined petroleum products, and subject to public notice, hereby given, that such service is temporary, and may be canceled at any time after notice Service thereof, as Carrier shall determine is necessary to properly serve its primary business of transporting normal refined petroleum products.

### **Explanation of Reference Marks:**

- [C] Cancel.
- [N] New.
- [U] Unchanged rate.
- [W] Change in wording only.