

# **WOLVERINE PIPE LINE COMPANY**

## **JOINT PIPELINE TARIFF**

### **IN CONNECTION WITH BP MIDSTREAM PARTNERS LP**

#### **CONTAINING NON-CONTRACT, VOLUME INCENTIVE T&D CONTRACT AND INCENTIVE DEDICATION AGREEMENT CONTRACT RATES**

THE RATES AND CHARGES NAMED IN THIS TARIFF ARE FOR THE TRANSPORTATION AND DELIVERY OF

## **DILUENT**

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

**FROM POINTS NAMED IN:**  
**INDIANA**

**TO POINTS NAMED IN:**  
**ILLINOIS**

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

**ISSUED: May 25, 2018**

**EFFECTIVE: July 1, 2018**

Issued and Compiled by:  
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**TABLE 1: DILUENT NON-CONTRACT BASE RATE  
IN CENTS PER BARREL OF 42 UNITED STATES GALLONS**

**[I] The rate on this table is increased.**

TO:	FROM:	RATE
Manhattan Station, Will County, Illinois (A)	Hammond, Lake County, Indiana (B)	<del>153.36</del> <b><u>160.12</u></b> [I]

**TABLE 2: DILUENT VOLUME INCENTIVE T&D CONTRACT RATES  
IN CENTS PER BARREL OF 42 UNITED STATES GALLONS**

**[I] The rate on this table is unchanged.**

TO:	FROM:	ANNUAL VOLUME	T&D CONTRACT RATE (C)
Manhattan Station, Will County, Illinois (A)	Hammond, Lake County, Indiana (B)	8,400,000 bbls or more [U]	<del>56.0</del> <b><u>58.47</u></b> [I]

**TABLE 3: DILUENT INCENTIVE DEDICATION AGREEMENT CONTRACT INCENTIVE RATE  
IN CENTS PER BARREL OF 42 UNITED STATES GALLONS**

**[I] The rate on this table is unchanged.**

TO:	FROM:	DEDICATION AGREEMENT CONTRACT RATE (D)
Manhattan Station, Will County, Illinois (A)	Hammond, Lake County, Indiana (B)	<del>61.0</del> <b><u>63.69</u></b> [I]

**NOTES:**

- (A) "Route" is Wolverine Pipe Line Company from Hammond, Indiana to Gary, Indiana (Black Oak Junction), and then BP Midstream Partner LP to Manhattan, Illinois.
- (B) Hammond Origins include Marathon and Valero Hammond Terminals, Buckeye Chicago Complex, Citgo E. Chicago Terminal, and Explorer Pipeline Hammond.
- (C) Terms of the T&D Contract Rates:
  - 1) The T&D Contract Rates shall apply to all Diluent volumes shipped by a Shipper that executes a Throughput and Deficiency Agreement with Carrier. In the Throughput and Deficiency Agreement, Shipper agrees to

ship at least 8,400,000 barrels of Diluent along the Joint Tariff Route in every contract year, and agrees that if Shipper fails to do so in a given year it will be liable to Carrier in an amount equal to the incentive rate listed in Table 2 times the number of barrels Shipper is deficient, payable at the end of each contract year. If a contract Term begins after July 1, 2017, the volume commitment for the first contract year (i.e., the year ending June 30, 2018) shall be prorated to equal 700,000 barrels per month multiplied by the number of months between the date the contract is executed and June 30, 2018. Shipper further agrees that its contractual obligations will not be subject to any makeup provisions.

- 2) The term "Term" is defined as the period beginning no earlier than July 1, 2017 and no later than January 1, 2018, and ending June 30, 2020, subject to automatic annual extensions of one year unless terminated by either Carrier or Shipper on six months written notice.
- 3) Shipments that apply to the above described Contract Rate program may not include Diluent that is acquired from a third party at Hammond, Indiana and subsequently reacquired by the same third party at Manhattan, Illinois where such actions are taken for the primary purpose of gaining eligibility for the Contract Rates described above.
- 4) The T&D Contract Rates expires at the end of the Term unless amended, extended or previously canceled per the terms of the Throughput and Deficiency Agreement.

(D) Terms of the Dedication Agreement Contract Rate:

- 1) The Dedication Agreement Contract Rate shall apply to all Diluent volumes shipped by a Shipper that executes a Dedication Agreement with Carrier. In the Dedication Agreement, Shipper agrees to dedicate to the Joint Tariff Route all Diluent volumes that Shipper ships, directly or indirectly, from origins specified in Dedication Agreement to Manhattan, Illinois.
- 2) The term "Term" is defined as the period beginning no earlier than July 1, 2017 and no later than January 1, 2018, and ending June 30, 2020, subject to automatic annual extensions of one year unless terminated by either Carrier or Shipper on six months written notice.
- 3) Shipments that apply to the Dedication Agreement Contract Rate may not include Diluent that is acquired from a third party at Hammond, Indiana and subsequently reacquired by the same third party at Manhattan, Illinois where such actions are taken for the primary purpose of gaining eligibility for the Dedication Agreement Contract Rate.
- 4) The Dedication Agreement Contract Rate expires at the end of the Term unless amended, extended or previously canceled per the terms of the Dedication Agreement.

## RULES AND REGULATIONS

Carrier will transport Diluent from the origin point named herein to destination named herein subject to the following rules and regulations.

### Item No. 5 Definitions

"Carrier" means Wolverine Pipe Line Company for the administration of this Joint Tariff and for movements from Hammond, Indiana to Gary, Indiana (Black Oak Junction). Carrier means BP Midstream Partners LP only with regard to movements from Gary, Indiana (Black Oak Junction) to Manhattan, Illinois under this Joint Tariff.

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

"Petroleum Products" means gasolines and petroleum oil distillates.

"Diluent" means liquid light hydrocarbons which are naturally occurring petroleum or atmospherically stable products of refining and fractionation, gas well condensates or gas plant condensates (natural gas liquids), or any material acceptable for delivery to Enbridge Pipeline's Southern Lights Pipeline in Manhattan, Illinois.

"Consignee" means the party to whom a Shipper has ordered the delivery of Diluent.

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

### Item No. 10 Specifications

- (a) Diluent will not be accepted for transportation hereunder unless such products are free from water and other impurities; have 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 of forty-five (45) degrees or higher; and have 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 Diluent offered for transportation. Carrier may also make such tests of the Diluent 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

- (a) All nominations for Diluent 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. Delivery will be made in whole or in part at the destination subject to the provisions of Item No. 20 and to the rates applicable to the destination.
- (b) A Shipper shall be permitted to aggregate volumes with other Shippers in order to meet these minimum batch requirements.

### Item No. 20 Minimum Delivery

No delivery of less than five thousand (5,000) tendered barrels of Diluent of a given quality will be made to the destination. The provisions of this item shall not apply to such buffer material as may be required under Item No. 25 or to delivery of interface commingled products as provided under Item No. 100.

### 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 the destination. 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.

## **RULES AND REGULATIONS**

- (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 source, and 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.
- (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 Diluent is pumped in a certain sequence for efficient operation, Carrier reserves the right to specify the sequence of shipment on a nondiscriminatory basis.

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

- (a) Carrier shall not be liable for variation in gravity or quality of Diluent occurring while in its custody, resulting from normal pipeline operations.
- (b) Diluent 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. However, it being impracticable to maintain absolute identity of each inbound shipment of Diluent, reasonable substitution of barrelog of the same kind of commodity will be permitted.

### **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 Diluent 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 petroleum for transportation in reliance upon Shipper's representations as to acceptance at destination, and there is failure to take such Diluent at destination as provided in paragraph (b) hereof, then and in such event Carrier shall have the right to divert, reassign, or make whatever arrangements for disposition of the Diluent it deems appropriate to clear its pipeline, including the right to sell the Diluent 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 Diluent 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 products 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.

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

Quantities at origin and destination 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 Tables. Shipper or consignee may have representatives present during testing, meter reading, calibration, and gauging. Full deductions will be made for all water and other impurities in Diluent received or delivered.

### **Item No. 50 Diversion or Reconsignment**

Diversion or reconsignment may be made without charge if requested by the Shipper at least forty-eight (48) hours prior to scheduled arrival at original destination, subject to the rates, rules, and regulations applicable from point of origin to point of final destination, upon condition that no out-of-line or backhaul movement will be made.

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

Diluent transported shall be subject to rates in effect on the date such Diluent are received by the Carrier.

### **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 Diluent delivered at destinations, after volume corrections as provided in Item No. 45.
- (b) All payments are due within 10 days of receipt of the invoice, unless the Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines in a manner not unreasonably discriminatory it is necessary to do so, in which case the payment due date shall be that specified in a written notice to the Shipper.
- (c) If any charge remains unpaid after the due date specified in Carrier's invoice, then such amount due may bear interest from the day after the due date until paid, calculated at an annual rate equivalent to the lesser of (1) 125% of the prime rate of interest, as of the date of Carrier's invoice, charged by the Citibank N.A. of New York, New York, for ninety (90) day loans made to substantial and responsible commercial borrowers or (2) the maximum rate allowed by law. In addition Shipper shall pay all documented costs incurred by Carrier to collect any unpaid amounts, including but not limited to reasonable attorney fees.
- (d) In the event Shipper fails to pay any such charges when due, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to Carrier's tariff until such time as payment is received by Carrier and Shipper meets the requirements of the following paragraph. In addition, in the event Shipper fails to pay any such charges when due, Carrier shall have the right to setoff such amounts owed and future amounts owed against those amounts Carrier owes Shipper.
- (e) In the event Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines in a manner not unreasonably discriminatory it is necessary to obtain security from Shipper, Carrier, upon notice to Shipper, may require any of the following prior to Carrier's delivery of Shipper's Diluent in Carrier's possession or prior to Carrier's acceptance of Shipper's Diluent: (1) prepayment of all charges, (2) a letter of credit at Shipper's expense in favor of Carrier in an amount sufficient to ensure payment of all such charges and, in a form, and from an institution acceptable to Carrier, or (3) a guaranty in an amount sufficient to ensure payment of all such charges and in a form and from a third party acceptable to Carrier. In the event, Shipper fails to comply with any such requirement on or before the date supplied in Carrier's notice to Shipper, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to this tariff until such requirement is fully met.
- (f) Carrier shall have a lien on all Diluent delivered to Carrier to secure the payment of any and all transportation or any other charges that are owed Carrier. Such lien shall survive delivery of Diluent to Shipper. Such lien shall extend to all Diluent in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier. The lien provided herein shall be in addition to any lien or security interest provided by statute or applicable law. Carrier may withhold delivery to Shipper of any of Shipper's Diluent in its possession and exercise any other rights and remedies granted under this tariff or existing under applicable law until all such charges have been paid as provided above.

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- (g) If Shipper fails to pay an invoice by the due date, in addition to any other remedies under this tariff or under applicable law, Carrier shall have the right, either directly or through an agent, to sell at a private sale any and all Diluent of such Shipper in its custody at fair market value at the time of sale. The proceeds of any sale shall be applied to the following order: (A) To the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by law, reasonable attorney's fees and legal expenses incurred by Carrier; and (B) To the satisfaction of the Shipper's indebtedness including interest herein provided from the date of payment is due. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto.

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

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

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

When the total volume offered for shipment in accordance with Item No. 25 is greater than can be transported within the period covered by such offers, Diluent 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 "Wolverine Pipe Line Company Proration" dated July 1, 2012, supplements thereto and reissues thereof, which is available upon request.

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

An offer of Diluent 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 Diluent which is in litigation, or as to which a dispute over title may exist, or which is 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.

Carrier shall compensate Shipper to the extent any such damage or loss is the result of Carrier's negligence by paying Shipper the lesser of Shipper's actual damages or an amount determined by multiplying the volume of such loss times the Platt's Oilgram Price Report/Chicago Pipeline for such product (or, if unavailable, other industry accepted price service selected by the Carrier) for the date of such damage or loss. Carrier's payment in accordance with this provision shall be Shipper's sole and exclusive remedy.

### **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 Diluent 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 such 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.

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### **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 Diluent received in accordance with Item No. 45.
- (b) Interface generated between batches of different products in the pipeline will be subject to transportation charges to the final destination and will be disposed of in the following manner:
  - (1) Interface generated between Petroleum Products and Diluent with compatible specifications will be fully included in the petroleum product shipment and will be divided equally (50-50) between those shipments which precede and follow this interface as nearly as operating conditions will permit. The interface of commingled products occurring in the pipeline between Petroleum Products and Diluent having dissimilar basic physical characteristics, which commingled products cannot be readily absorbed into the shipments immediately preceding and following the interface (non-compatible interface), shall be retained in the pipeline and transported to the destination. The non-compatible interface material resulting from each distillate cycle will be prorated equally among the Shippers in that distillate cycle and, subject to Paragraph (3) below, it shall be the Shipper's responsibility to remove such material from the Carriers facilities.
  - (2) At destinations where no interface tanks are provided by the Carrier, the interface material will be delivered into facilities to be provided by the Shipper, such deliveries to be in proportion to their respective shipments as nearly as operating conditions will permit.
- (c) Any settlement adjustments for overages and shortages borne by Carrier which are directly associated with handling Diluent will be billed or credited to each Shipper in proportion to their respective shipments. Such settlement will be performed in the month subsequent to the month in which the overages and shortages occur.

### **Item No. 110 Temporary Service**

Diluent will be transported through Carrier's facilities only as provided in these rules, to the extent space is not utilized for the transportation of Diluent, 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 Diluent.

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

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