CHEVRON PIPE LINE COMPANY

LOCAL AND VOLUME INCENTIVE TARIFF

Applying on the Transportation of

CRUDE PETROLEUM
(As Defined Herein)

FOURCHON TERMINAL CHARGES and
FOURCHON TO EMPIRE 20” PIPELINE

[N] Issued on eight (8) days’ notice under authority of 18 CFR 341.14. This tariff publication is conditionally accepted subject to refund pending a 30 day review period.

[N] Rates are filed in compliance with 18 CFR 342.3 – Indexing.

The rates published in this tariff are subject to the Rules and Regulations published in Carrier’s F.E.R.C. No. 1166.5.0 and successive issues thereof. (See Exceptions Herein.)

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

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RULES, REGULATIONS, AND CONDITIONS

The definitions, rules, regulations and conditions in F.E.R.C. No. 1166.5.0 and successive issues thereof are incorporated by reference into and shall apply to this tariff.

The Items listed below include exceptions or additions to the Items in F.E.R.C. No. 1166.5.0 and successive issues thereof, and shall apply to this tariff.

Item No. 1 Definitions

In lieu of the definition of Crude Petroleum in Carrier’s FERC 1166.5.0 and successive issues thereof, the definition below will apply.

“Crude Petroleum” as used herein means the direct liquid hydrocarbon products of oil wells, condensate or a mixture thereof from oil or gas wells located in the Southern Louisiana oil province (consisting of the Outer Continental Shelf, State and Federal waters, and onshore Gulf coast production) with a distillation range, quality and general characteristics typical of South Louisiana Crude Petroleum.

The following definitions are in addition to the definitions in F.E.R.C. No. 1166.5.0 and successive issues thereof.

“Pipeline Delivery Capacity” as used herein means the Delivery capability of the 20” pipeline between the Fourchon and Empire Terminals as measured in Barrels per hour.

“Primary Direction” as used herein means from west to east, or in the direction from Fourchon Terminal towards Empire Terminal.

“Secondary Direction” as used herein means from east to west, or in the direction from Empire Terminal towards Fourchon Terminal.

“Sour Crude Petroleum” as used herein means Crude Petroleum with a sulfur content in excess of 0.5 percent by weight as determined by ASTM Method D4294.

“Sweet Crude Petroleum” as used herein means Crude Petroleum a sulfur content less than or equal to 0.5 percent by weight as determined by ASTM Method D4294.

Item No. 20 Nominations

In addition to nominations provision in Carrier’s FERC 1166.5.0 and successive issues thereof, the rules below will also apply.

Carrier’s pipeline facilities used in the transportation services provided hereunder are used for segregated movements of Crude Petroleum of various qualities. Crude Petroleum will be transported only at such time as Crude Petroleum of the same quality and general characteristics is being transported.

Carrier’s pipeline is bi-directional between Fourchon Terminal, Lafourche Parish, Louisiana and Empire Terminal, Plaquemines Parish, Louisiana. Carrier will operate this pipeline in a Primary Direction and a Secondary Direction, and will accept Nominations for such directional service as follows:

(a) Primary Direction over this bi-directional system will be in the west-to-east direction.

(b) Among Primary Direction Nominations, priority will be given to Nominations of Crude Petroleum to the Empire Terminal.
(c) Secondary Direction over this bi-directional system will be in the east-to-west direction and Nominations in the Secondary Direction will be secondary in priority to movements in the Primary Direction.

(d) Secondary Direction service will be provided on this system in a given month only when and to the extent that all volumes of Crude Petroleum nominated in the Primary Direction can be accepted by Carrier without prorationing and there is sufficient remaining capacity to provide such Secondary Direction service. Shippers will be notified of Carrier’s ability to provide such Secondary Direction service as soon as is practicable following such request.

Item No. 80  Gravity Bank

In addition to the Gravity Bank provision in Carrier’s FERC 1166.5.0 and successive issues thereof, the rule below will also apply.

Carrier is the operator of the Gravity Bank for the Empire System. The Gravity Bank is applicable only to the Crude Petroleum Common Stream and not Sour Crude Petroleum. Each Shipper of Sweet Crude Petroleum is required to participate in the gravity bank. Shipper agrees to pay Carrier the computed adjustments due from said Shipper in accordance with these rules and regulations.

Item No. 105 Apportionment when Nominations Are in Excess of Facilities

At such times as Carrier determines that it may be necessary to allocate space in a pipeline segment, Carrier will notify all Shippers of the necessity to prorate the segment. Carrier will also notify each Shipper of its allocated space for the month. The allocation will be determined according to the procedure described in Section II of this Item and in accordance with Item No. 20 “Nominations”

I. Prorationing Due to Disruption of Normal Operations:

In the event of disruption to Carrier’s normal operations at Fourchon Terminal or Empire Terminal or third party Delivery facilities at Fourchon Terminal, Carrier will allocate pipeline transportation in the Primary Direction in an equitable and non-discriminatory manner based upon the overall maximum capacity of the pipeline, the normal daily capacity into the Delivery points, impact on production, and Carrier’s operational requirements.

II. Allocation Procedure During Normal Operations:

At such times as Carrier determines that it may be necessary to prorate space in a pipeline segment, the transportation furnished by Carrier shall be prorated among “Regular Shippers” and “New Shippers” as follows:

(1) Not more than five (5) percent of the total available allocated capacity of Carrier’s system, or portion thereof, shall be made available to New Shippers. Each New Shipper shall be allocated a portion of the capacity available to all New Shippers, which is the lesser of:
   a. Five percent (5%) of the total available allocated capacity of Carrier’s system, or portion thereof, divided by the number of New Shippers who nominated volumes for shipment on the system, or portion thereof during the month for which the allocation is being calculated; or
   b. One-fourth of five percent (1.25%) of the available capacity of the system or portion thereof for that month; or
   c. Individual New Shipper Nomination during month of allocation.

(2) The remaining capacity shall be allocated among Regular Shippers in proportion to their Base Period shipment volumes. The “Base Period” is a period of 12 months beginning 13 months prior to the month of allocation and excluding the month preceding the month of allocation.
A “Regular Shipper” is any Shipper having a record of movements of Crude Petroleum during the Base Period on the line segment being prorated and had record of movements of Crude Petroleum on the line segment being prorated prior to the Base Period. A “New Shipper” is a Shipper who does not qualify as a Regular Shipper under the above definition. No Nominations shall be considered beyond the amount which the party requesting shipment has available for shipment. Carrier reserves the right to require Shipper to show sufficient evidence of available volume.

**Item No. 118  Inventory Management Fee**

Item No. 118 does apply to the transportation of Sour Crude Petroleum under this tariff.

**Item No. 147  Use of Empire Terminal Facilities**

Sour Crude Petroleum received at the inlet meters of Carrier’s Empire Terminal will be segregated from the Empire Terminal Crude Petroleum Common Stream.

**TABLE OF RATES**

<table>
<thead>
<tr>
<th>FROM (Origin)</th>
<th>MONTHLY VOLUMES (*) (IN BARRELS PER DAY)</th>
<th>RATE IN CENTS PER BARREL OF 42 UNITED STATES GALLONS TO ESTABLISHED DESTINATION Empire Terminal, Plaquemines Parish, Louisiana</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fourchon Terminal, Receipts from Shell Pipeline (Mars/Amberjack), Lafourche Parish, Louisiana</td>
<td>0 to 80,000</td>
<td>[I] 124.39</td>
</tr>
<tr>
<td></td>
<td>Over 80,000</td>
<td>[I] 61.14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FROM (Origin)</th>
<th>TO (Destination)</th>
<th>RATE IN CENTS PER BARREL OF 42 UNITED STATES GALLONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fourchon Terminal, Lafourche Parish, Louisiana</td>
<td>Empire Terminal, Plaquemines Parish, Louisiana</td>
<td>[I] 100.27</td>
</tr>
<tr>
<td>Empire Terminal, Plaquemines Parish, Louisiana</td>
<td>Fourchon Terminal, Lafourche Parish, Louisiana</td>
<td>[I] 100.27</td>
</tr>
</tbody>
</table>

**VOLUME INCENTIVE PROGRAM**

(*) If shipments by any shipper during any calendar month received from the origin point of Fourchon Terminal (Receipts from Shell Pipeline (Mars/Amberjack)), Lafourche Parish, Louisiana for delivery to the destination point of Empire Terminal, Plaquemines Parish, Louisiana exceeds 80,000 BPD, the transportation rate for each barrel above 80,000 BPD shall be [I] $0.6114/barrel, and the transportation rate for the first 80,000 BPD shall be [I] $1.2439/barrel. The volume incentive rate will be available on a month to month basis until cancelled or modified by Carrier.
TERMINAL CHARGES

Crude Petroleum delivered to Hilcorp BOA Pipeline at Fourchon Terminal, will be assessed a charge of [I] 45.64 cents per Barrel which charge will be in addition to all other charges listed in this tariff.

Crude Petroleum delivered to water treating facilities of others, will be assessed a charge of [I] 43.29 cents per Barrel of Crude Petroleum which charge will be in addition to all other charges listed in this tariff. This charge is subject to Carrier’s right to reject Crude Petroleum as defined in F.E.R.C. No. 1166.5.0, Item No. 5(c) and successive issues thereof.

Crude Petroleum utilizing Carrier’s Fourchon Terminal, facilities and measured at Fourchon Terminal will be assessed a charge of [I] 11.85 cents per Barrel which charge will be in addition to all other charges listed in this tariff.

GRAVITY BANK ADMINISTRATION FEE

A Gravity Bank Administration Fee of [U] $0.002 per Barrel will be assessed to each Shipper of record participating in the Empire receipt bank and the Delivery bank, respectively.

CONSIGNMENT FEE

When operations permit, Carrier will allow consignments as requested by Shipper. A consignment fee of [U] $200.00 per transaction will be assessed to the transferee of those transactions at Fourchon Terminal for which a consignment occurs. Examples of such transactions include: line transfer to inventory; line transfer to line transfer; and line transfer to custody transfer.

EXPLANATION OF REFERENCE MARKS:

[N] New
[U] Unchanged
[I] Increase