

# NuStar Pipeline Operating Partnership L.P.

## LOCAL INCENTIVE AND NON INCENTIVE PIPELINE TARIFF Applying on PETROLEUM PRODUCTS

As Defined in Item No. 10  
TRANSPORTED BY PIPELINE  
FROM AND TO POINTS NAMED HEREIN

The rates named in this Tariff are expressed in cents per barrel of forty-two (42) United States Gallons and are subject to change as provided by law, also to regulations named herein.

Issued under authority of 18 C.F.R. §[C]§ 342.3 (Indexing) [C] ~~and 341.3 (Form of tariff)~~

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

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**ABBREVIATIONS AND REFERENCE MARKS**

F.E.R.C.	Federal Energy Regulatory Commission
BN	Burlington Northern Railroad
No.	Number
±	No terminal facilities provided by the carrier.
[U]	Unchanged rate
[I]	Increase
[W]	Change in wording only
[C]	Cancel
[N]	New

ALPHABETICAL LIST OF POINTS FROM AND TO WHICH RATES IN SECTION 2 APPLY			
Points from which rates apply	Item Number	Points to which rates apply	Item Number
Mandan, North Dakota	150	Aberdeen, South Dakota Mitchell, South Dakota Moorhead, Minnesota Roseville, Minnesota Roseville (Williams), Minnesota Roseville (BN), Minnesota Sauk Centre, Minnesota Sioux Falls, South Dakota Wolsey, South Dakota Yankton, South Dakota	150 150 150 150 150 150 150 150 150 150
West Fargo, North Dakota	160	Moorhead, Minnesota Roseville, Minnesota Sauk Centre, Minnesota	160 160 160

SECTION 1

RULES AND REGULATIONS

Item No. 5        DEFINITIONS

“Affiliated Shipper” means any entity that, directly or indirectly: (a) controls a Shipper; (b) is controlled by another Shipper; or (c) is controlled by the same entity that controls a Shipper. For purposes of this definition, the terms “controls” and “controlled by” mean the power to direct or cause the direction of the management of and policies of another entity whether through the ownership of shares, a contract, trust arrangement or any other means, either directly or indirectly, that results in control in fact, but notwithstanding the foregoing includes, with respect to the control of or by a corporation, partnership or limited liability company, the ownership of shares or equity interests carrying not less than 50% or more of the voting rights regardless of whether such ownership occurs directly or indirectly. Without limitation, any one or more of the following shall conclusively evidence that entities are an Affiliated Shipper of each other: (1) use of shared mailing or business addresses; (2) use of shared business telephone numbers; (3) use of common bank account(s) in relation to Carrier’s requirements set forth in Item No. 85; (4) the same or substantially the same management, general partner or managing member; and/or (5) one Shipper directing or conducting business on behalf of another Shipper.

“A.P.I.” means American Petroleum Institute.

“ASTM” means American Society for Testing Materials.

“BPD” means Barrels per day.

“Barrel” means a barrel of 42 United States gallons at sixty degrees Fahrenheit (60°F).

“Batch” means a quantity of Petroleum Products of like characteristics delivered by Shipper or Consignor for transportation on the System as an identifiable unit.

“Carrier” means NuStar Pipeline Operating Partnership L.P., or successor in interest.

“Consignee” means the party to whom a Shipper has ordered the delivery of Petroleum Products at the Destination Point(s).

“Consignor” means the party from whom a Shipper has ordered the tender of Petroleum Products.

“Destination Point(s)” means the outlet flange from the System identified in Item Nos. 150 and 160, at which point Carrier will deliver Petroleum Products to Shipper or its Consignee.

“Event of Force Majeure” means any event or occurrence beyond the reasonable control of either Carrier or Shipper, which by the exercise of due diligence and reasonable care, Carrier or Shipper, as applicable, is unable to prevent or overcome that delays or prevents Carrier or Shipper, as applicable, from performing its obligations under this tariff, including the following: (a) natural phenomena and acts of God such as storms, floods, fires, lightning, freezes, landslides, hurricanes, extreme heat, washouts, and earthquakes; (b) strikes, lockouts, boycotts, picketing, labor or other industrial disturbance; (c) acts of public enemy, wars, terrorist acts, blockages, insurrections, civil disturbances or riots; (d) the order of any Governmental Authority having jurisdiction while the same is in force and effect; (e) explosions, breakage, or accidental damage to lines of pipe, machinery, equipment or storage tanks; and (f) events of force majeure declared by a third party that interfere with performance under this tariff, provided that such events of force majeure would otherwise qualify as an Event of Force Majeure under this tariff if such events directly occurred with respect to the party claiming force majeure under this tariff. The following acts or events shall not constitute an Event of Force Majeure: (1) changes in costs of materials or Petroleum Products; (2) shortage or other failure to obtain Petroleum Products; (3) absence of a market for Petroleum Products; (4) availability of more attractive markets for Petroleum Products or alternative Petroleum Products transportation systems; or (5) either Carrier’s or Shipper’s inability to economically perform its obligations under this tariff, including either Carrier or Shipper’s inability or failure to pay amounts accruing hereunder.

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“Governmental Authority” means any federal, state, or local government or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or any other government authority, agency, department, board, commission or instrumentality of the United States, any state of the United States or any political subdivision thereof, any court, tribunal or arbitrator(s) of competent jurisdiction, and any governmental or non-governmental self-regulatory organization, agency or authority.

“Law” means any applicable federal, state, local, municipal or other administrative order, constitution, ordinance, law, decree, directive, injunction, order, permit, requirement, statute, regulation, rule or code issued or promulgated by a Governmental Authority.

“Liability(ies)” means any and all actions, causes of action, claims, charges, damages, demands or fines, of any kind or character and related costs (including court costs, reasonable defense costs and attorneys’ fees, settlement costs, and other expenses of litigation), lawsuits, liabilities, losses, obligations, penalties, proceedings, and suits.

“Losses” means any loss of Petroleum Products.

“Off-Spec Product” means product that does not meet the Quality Specifications.

“Origin Point(s)” means the inlet flange to the System identified in Item Nos. 150 and 160, at which point Carrier will accept Petroleum Products from Shipper or its Consignor.

“Petroleum Product” and “Petroleum Products” has the meaning set forth in Item No. 10.

“Quality Specifications” has the meaning set forth in Item No. 10.

“Shipment Notice” has the meaning set forth in Item No.25.

“Shipper” means any person or entity that ships Petroleum Products in accordance with this tariff and any other applicable tariffs making reference hereto.

“System” means Carrier’s pipeline system, including all appurtenances thereto, related to the provision of transportation services provided by Carrier pursuant to this tariff.

“Transmix” means that mixture occurring between adjoining Batches of Petroleum Products having dissimilar physical characteristics that cannot be absorbed into the adjoining Batches.

“Unremoved Petroleum Products” means Petroleum Products that Shipper fails to arrange for receipt of, or refuses to receive, upon Carrier’s delivery at the nominated Destination Point.

**Item No. 10. PETROLEUM PRODUCTS DEFINED**

The specifications applicable to the product to be transported on the System (each such product, a “Petroleum Product” and collectively the “Petroleum Products”) are set forth in Carrier’s Pipeline Specification Manual dated January 1, 2017, as amended from time-to-time (such specifications, the “Quality Specifications”). A copy of Carrier’s current Pipeline Specification Manual is available on Carrier’s public website at [www.nustenergy.com](http://www.nustenergy.com). Shipper shall only tender Petroleum Products for transportation on the System that meet the Quality Specifications. Carrier shall not be obligated to accept Off-Spec Product; provided, however Carrier may from time-to-time accept Off-Spec Product, in a reasonable fashion that does not discriminate between shippers, so long as such acceptance does not interfere with the Quality Specifications of other Petroleum Products in the System. In addition, Carrier, in coordination with Shipper, reserves the right to dispose of any Off-Spec Product in Carrier’s System that was not accepted by Carrier in accordance with the preceding sentence. Disposal thereof may be made in any reasonable manner, including but not limited to commercial sales. From the proceeds of said sale, Carrier will pay itself the transportation charges and other fees and lawful charges, including expenses incident to storage and said sale, and the balance remaining, if any, shall be held for Shipper or whomsoever may be lawfully

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entitled thereto. Carrier shall have no liability to Shipper associated with Carrier's disposition of Off-Spec Product in accordance with this Item 10 except as set forth herein.

Unless required by Carrier (and at such minimums or maximums required by Carrier) or unless approved by Carrier, Petroleum Products received at an Origin Point shall be free of any additives and/or inhibitors, including corrosion inhibitors and drag reducing agents. Carrier may inject corrosion inhibitors and/or drag reducing agents in Petroleum Products to be transported and Shippers shall accept delivery of Petroleum Products containing such drag reducing agents and/or corrosion inhibitors at the nominated Destination Point.

Carrier shall have the right, in a reasonable and non-discriminatory fashion, but with prior notice to Shipper for review and comment, to change or modify the Quality Specifications and/or change, modify, and/or require additives and inhibitors (or the contents thereof) to conform to changes in Law, operating procedures and those specifications of upstream or downstream connecting facilities, as applicable.

Shipper or Consignor shall perform applicable tests to ensure that the Petroleum Products it tenders to Carrier for transportation on the System conform to the Quality Specifications. Carrier may also require Shipper to furnish a certificate by a licensed petroleum inspector showing the final tests of the Petroleum Products tendered for transportation on the System.

Carrier or its representative may test any Petroleum Products tendered for transportation on the System for compliance with the Quality Specifications. All such tests shall be performed by Carrier, but Shipper, Consignor or Consignee may be present or represented at the testing provided such witnessing does not unreasonably interfere with Carrier's operation of the System. Upon written request of Shipper, Carrier shall provide reasonable advance notice of any such testing (other than the continuous monitoring of the System) to Shipper. Quantities shall be tested in accordance with applicable A.P.I./ASTM standards and pipeline industry practice or such other tests as may be agreed upon by Carrier and Shipper. All tests performed by Carrier shall be determinative unless Shipper, Consignor or Consignee submits to Carrier, within sixty (60) days of the date of the test, appropriate written documentation contesting the test. In the event of variance between Carrier's test results and Shipper's test results or the specifications contained in a certificate provided by Shipper pursuant to this Item No. 10, Carrier's test results shall prevail (absent error demonstrated by Shipper or fraud).

Petroleum Products, before tender to Carrier for transportation on the System, shall be dehydrated sufficiently to prevent the deposition of free water in the System, and shall be free of suspended aqueous chemical solutions and solid matter in suspension.

**Item No. 15. MEASURING**

Carrier will gauge or meter Petroleum Products at the Origin Point at time of receipt and at the Destination Point at time of delivery. Shipper, Consignor or Consignee may be present or represented at such gauging or metering provided such witnessing does not unreasonably interfere with Carrier's operation of the System. Petroleum Products will be received and delivered on the basis of volume corrections for temperature from observed temperatures to temperatures on the basis of sixty (60) degrees Fahrenheit.

**Item No. 20. FACILITIES AT THE ORIGIN POINT AND THE DESTINATION POINT**

Petroleum Products will be accepted for transportation only when Shipper has provided equipment and facilities satisfactory to Carrier for receiving such shipments at the Origin Point at a pumping rate equal to Carrier's then current rate of pumping.

Where a Destination Point is at a Carrier-owned terminal, Carrier will provide reasonable facilities for receiving, storing, and loading Petroleum Products.

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Carrier assumes no responsibility to accept any Petroleum Product from Shipper at any time that Carrier, Shipper, Consignor, or Consignee does not have facilities for promptly receiving such Petroleum Product.

**Item No. 25      SCHEDULING OF SHIPMENTS**

Shippers desiring to ship Petroleum Products on the System shall furnish Carrier a nomination in the form of a written notice (“Shipment Notice”) that shall be received by Carrier on or before the fifteenth (15<sup>th</sup>) day of the month prior to the calendar month in which Shipper desires transportation. If the fifteenth (15<sup>th</sup>) day of the month falls on a weekend or holiday, the Shipment Notice is due on the last workday before the fifteenth (15<sup>th</sup>) of the month. A “workday” shall be a Monday, Tuesday, Wednesday, Thursday or Friday of a calendar week, except when a Federal holiday falls on such day of the week. A Shipment Notice shall specify each Petroleum Product to be shipped on the System, the volume of each such Petroleum Product, and the Origin Point and Destination Point of each such Petroleum Product offered to Carrier. If Shipper does not furnish such Shipment Notice, Carrier will be under no obligation to accept such Shipper’s Petroleum Products for transportation. However, Carrier may, in a reasonable and non-discriminatory fashion, decide to accept a Shipment Notice received after the due date set forth in this Item No. 25, provided that capacity is available on the System and operating conditions permit such acceptance.

Petroleum Products will be accepted for transportation, subject to the provisions set forth in this tariff, only at such times as Petroleum Products of the same quality and specifications are scheduled by Carrier for transportation from the applicable Origin Point to the applicable Destination Point at pumping rates and pressures satisfactory to Carrier in a reasonable and non-discriminatory fashion.

**Item No. 30.      MINIMUM BATCH REQUIREMENTS**

A minimum of five thousand (5,000) Barrels of one quality and specification of a Petroleum Product will be accepted for shipment from one or more Shippers at one Origin Point at one time. However, the minimum will not apply to buffer material required by Carrier to reduce contamination. At Carrier’s sole discretion, exercised in a reasonable and non-discriminatory fashion, Carrier may from time-to-time accept smaller Batch sizes so long as such acceptance does not unreasonably interfere with the operations of the System.

Shipment to any Destination Point that is not the final Destination Point on the System must be at least one thousand (1,000) Barrels of a Petroleum Product (by one or more Shippers, and there must remain in the System after such delivery at least three thousand (3,000) Barrels of the same kind of a Petroleum Product (by one or more Shippers) shipped to a Destination Point beyond such intermediate Destination Point.

**Item No. 35.      DUTY OF CARRIER**

Carrier shall transport and deliver at the Destination Point, with reasonable diligence considering the quantity, distance of transportation, safety and efficiency of operations, and other material factors, including but not limited to Batch scheduling

**Item No. 40.      IDENTITY OF SHIPMENT**

Shipper, Consignee or Consignor will not receive the identical Petroleum Products shipped. Petroleum Products shipped will be commingled with other substantially-similar Petroleum Products. Carrier will deliver Petroleum Products substantially-similar to the Petroleum Products shipped, but Petroleum Products delivered may vary in color, gravity, and quality from the Petroleum Products shipped. Carrier shall not be liable to Shipper for any such changes in the color, gravity, and quality of Shipper’s Petroleum Products that occur while in transit or as may result from unavoidable contamination between Batches.

Transmix occurring in the System that cannot be combined with compatible Petroleum Products shall be retained in Carrier’s custody for disposal by all Shippers to ensure efficient operations of the System. The total Transmix accumulated in the System will be allocated to all Shippers in proportion to each Shipper’s Barrels received into the System compared to all Barrels received into the System from all Shippers in a calendar month. Upon notification by Carrier, Shipper shall promptly remove the Transmix from the System.

Item No. 45. ACCEPTANCE FREE FROM LIENS AND CHARGES

By tendering Petroleum Products to Carrier, absent written notice to Carrier otherwise, Shipper warrants and covenants that while the Petroleum Products are in the System, that Shipper has good title thereto and agrees to release, indemnify, defend, and hold Carrier harmless from all Liability resulting from failure of good title thereto.

Carrier shall have the right to reject any Petroleum Products when tendered for shipment which may be involved in litigation, the title of which may be in dispute, or which may be encumbered by lien or charge of any kind (other than the lien created hereunder in favor of Carrier). Further, Carrier may require Shipper's proof of perfect and unencumbered title, satisfactory indemnity bond, pre-payment of anticipated transportation charges, or subordination agreement from the applicable lienholder.

Item No. 50. LIABILITY OF SHIPPER AND CARRIER

Shipper Liability:

Shipper shall be solely responsible and liable for any loss, contamination, or damage to Petroleum Products that occurs prior to the delivery of Shipper's Petroleum Products to Carrier at an Origin Point and after delivery of such Petroleum Products to Shipper at a Destination Point.

As a condition precedent to Carrier's acceptance of Petroleum Products for transportation under this tariff, Shipper shall release, indemnify, defend and hold harmless Carrier from and against all Liabilities to the extent arising from or related to: (a) the negligence or willful misconduct of Shipper, its Consignors, Consignees and its and their agents, contractors, employees, and representatives, (b) the release, spill, leak or discharge and related off-site migration of Shipper's Petroleum Product that occurs prior to tendering to Carrier at an Origin Point and after delivery to Shipper or Consignee at a Destination Point, unless and to the extent such Liability is caused by the negligence or willful misconduct of Carrier or its representatives; (c) any failure of Shipper, its Consignors, Consignees and its and their agents, contractors, employees, and representatives to comply with Law in all material respects, (d) any breach of or failure of Shipper, its Consignors, Consignees and its and their agents, contractors, employees, and representatives to adhere to any provision of this tariff; and/or (e) the theft of Petroleum Products by other than Carrier. Further, Shipper shall be liable for and shall release, defend, indemnify and hold Carrier harmless from and against any and all Liabilities of every kind, nature or description to the extent caused by, arising out of, or resulting from Shipper's tender of Off-Spec Product, including but not limited to, contamination, damage, or degradation to other Petroleum Products being transported on the System or damage to the System or other facilities (including costs of repairing, inspecting, cleaning and decontaminating the System or the facilities of third parties). In addition to any other remedies available to Carrier, Carrier may also charge Shipper and Shipper agrees to pay the costs and expenses incurred to dispose of any Off-Spec Product that Shipper or its Consignor delivers to Carrier, including without limitation any penalties or charges incurred by Carrier related to such Off-Spec Product.

Carrier Liability:

Carrier shall not be liable for and Shipper hereby waives all Liabilities against Carrier in excess of the liability imposed by the Interstate Commerce Act (49 App. U.S.C. § 1 *et seq.* (1988)) for any delay in delivery of Petroleum Products or for any loss of, damage to, or contamination of Petroleum Products that are caused by, result from or arise out of (a) an Event of Force Majeure, (b) breach by any Shipper, Consignor or Consignee of this tariff, including any of their agents, contractors, employees, or representatives or (c) from any other cause not due to the negligence or willful misconduct of Carrier. Any such loss of Petroleum Products (including loss as a result of damage to or contamination of Petroleum Products) shall be apportioned by Carrier to each shipment of Petroleum Product or portion thereof involved in such loss of Petroleum Products (including loss as a result of damage to or contamination of Petroleum Products) in the proportion that such shipment or portion thereof bears to the total of all Petroleum Product in the custody of Carrier; in such case, each Shipper or its Consignees shall be entitled to receive only that portion of its shipment remaining after deducting his proportion as above determined of such loss. Carrier shall prepare and submit a statement to Shippers, Consignors and Consignees showing the apportionment of any such loss, damage to, or contamination of Petroleum Products.

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Carrier shall not be liable for any loss, contamination of, or damage to Petroleum Products incurred prior to the delivery of the Petroleum Products to Carrier at the Origin Point and after delivery of the Petroleum Products at the Destination Point.

If Carrier is liable hereunder, Carrier's Liability to Shipper, Consignee, or Consignor shall be limited to the fair market value on the day the Petroleum Products are transported and Carrier shall have the right to satisfy any claim by product replacement or cash payment. In no event shall Carrier be liable to Shipper, Consignee, or Consignor for any consequential, incidental, indirect, punitive, or special damages arising from or relating to this tariff, including claims lost profit or other economic loss.

Item No. 55. CLAIMS, TIME FOR FILING

As a condition precedent to recovery, claims for loss or damage must be filed in writing with Carrier within nine (9) months after delivery of the property, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits shall be instituted against Carrier only within two (2) years and one (1) day 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 specified in the notice. Where claims for loss or damage are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable and such claims will not be paid.

Item No. 60. CARRIER DISCRETION

Carrier will operate its System and implement the rules and regulations contained in this tariff, including those provisions providing for Carrier's discretion, in a reasonable and non-discriminatory fashion.

Item No. 65. PRORATION OF PIPELINE CAPACITY

In the event Shippers' total requirements are greater than can be currently handled by Carrier in a Pipeline Segment; Carrier shall prorate available capacity of that Pipeline Segment so as to avoid discrimination among Shippers.

65.1 Definitions

Terms used in this Item No. 65 but not defined herein shall have the meaning set forth in Item No. 5.

"Base Period" is the consecutive 12 calendar month period immediately preceding the Calculation Month.

"Base Shipments" are the average monthly movements over the Pipeline Segment by a Regular Shipper during the Base Period. Base Shipments will be calculated by dividing the total movements by a Regular Shipper during the Base Period by 12.

"Calculation Month" is the calendar month immediately preceding the Proration Month.

"New Shipper" is any Shipper who has no record of movements on the Pipeline Segment during the Base Period. Once a Shipper is assigned New Shipper status, the Shipper will retain that status for 12 consecutive months.

"Proration Month" is the calendar month for which space is being allocated.

"Regular Shipper" is any Shipper who is not a New Shipper.

"Pipeline Segment" means a section of the System, the limits of which are defined by two geographically identifiable points, that, because of the way that section of the System is designed and operated, must be treated as a unit for purposes of determining capacity.

"Shipment Notice Basis" means that the proration of capacity available pursuant to New Shippers will be allocated among all New Shippers in proportion to the volumes of Petroleum Products nominated pursuant to Item No. 25 by each New Shipper for that month.



65.2 General.

Capacity in a Pipeline Segment will be prorated among all Shippers for any month for which Carrier determines that the aggregate volume of Petroleum Products that all Shippers nominate pursuant to Item 25 in a Pipeline Segment exceeds the capacity of such Pipeline Segment. Proration will be applied separately to each Pipeline Segment where a need for prorating shall arise.

Allocation will be based on total volume shipped (as opposed to volume of specific Petroleum Products shipped). However, when and if Carrier determines that a Barrel of gasoline consumes a smaller portion of capacity, on the average, than a Barrel of heavier Petroleum Products such as distillate, capacity will be prorated on a gasoline equivalent basis.

To penalize inflation of Shippers' nominations, a Shipper's space allocation for the next Proration Month will be reduced by the amount of allocated throughput not shipped in the preceding Proration Month, unless such failure to use allocated throughput is excused by Event of Force Majeure.

Neither a Shipper's Base Shipment nor volumes allocated to it during a Proration Month shall be assigned, conveyed, loaned, transferred to, or used in any manner by, another Shipper except as follows (1) if transferred in connection with a sale of all of such Shipper's business or an entire business line and/or (2) by operation of law, and any such assignment, conveyance, loan, transfer shall be irrevocable. Any other assignment, conveyance, loan, transfer to, or use in any manner by, another party of a Shipper's Base Shipment and/or volumes allocated to it during a Proration Month shall be null and void.

Shipper may not use an Affiliated Shipper by any device, scheme, or arrangement whatsoever, attempt to increase its Base Shipment or its allocated portion of capacity. All Affiliated Shippers will be treated and considered as one entity for the purposes of Shipper history and status. Nothing in this Item No. 65 will allow a group of Affiliated Shippers to receive a capacity allocation greater than the total allocated capacity that such group would be entitled to if all of its transportation history was consolidated in one Shipper account.

65.3 Allocation Process.

Up to ten (10%) percent of capacity on a Pipeline Segment shall be made available to New Shippers and will be prorated among such New Shippers on a Shipment Notice Basis.

After the allocation of the portion of capacity to New Shippers pursuant to the preceding paragraph, the remaining portion of capacity on a Pipeline Segment for that month shall be available to Regular Shippers who have nominated volumes of Petroleum Products pursuant to Item No. 25 for that month. Such capacity shall be allocated among Regular Shippers in proportion to their Base Shipments. In the event that the volume of Petroleum Products that would be allocated to a Shipper on the basis of Base Shipments is greater than the volume it nominates pursuant to Item No. 25, the difference between its volume calculated on the basis of Base Shipments and its nominated volume will be reallocated among all other Regular Shippers in proportion to their Base Shipment percentages.

After the allocation of the portion of capacity to Regular Shippers pursuant to the preceding paragraph, capacity that has been allocated to Regular Shippers but is not used shall be re-allocated among all Regular Shippers based on their proportion of allocated capacity for the month.

Item No. 70. DEMURRAGE CHARGES

In order to provide space for delivery of succeeding shipments into Carrier's System and otherwise to prevent or relieve congestion at Carrier's terminals, Carrier shall give notice to those Shippers or Consignees whose Petroleum Products are causing congestion directing them to remove such Petroleum Products. If the Petroleum Products of more than one Shipper or Consignee are causing congestion but less than all such Petroleum Products must be removed, the products specified in the notice shall be determined on a first-in-first-out basis. Petroleum Products specified in the notice that are not removed at the close of a thirty (30) day period, beginning the day after such notice is sent by Carrier, shall be subject to a demurrage charge of [U] one (1) cent per Barrel per day

until removed. Demurrage charges shall be payable upon presentation of a bill to Shipper by Carrier.

Item No. 75.     **INSTANTANEOUS BILLING (PETROEX)**

When requested by the Shipper, Consignor, or Consignee, Carrier will accumulate in the appropriate program format, Consignor-Consignee information and will transmit the same on a daily basis, Monday through Friday, to the General Electric Company Petroex System or other similar means.

Item No. 80.     **TAX REGISTRATION**

Shipper shall (or shall require its Consignee or Consignor, as applicable) to provide proof of registration with appropriate Federal and State agencies for the collection of any sales and excise taxes. Failure to provide such proof of registration shall not relieve Shipper, Consignee or Consignor of the appropriate tax liability. Any charges levied against Carrier by any State or Federal agency will be collected by Carrier in accordance with the provision stated in this tariff.

Item No. 85.     **PAYMENT OF CHARGES FOR TRANSPORTATION; FINANCIAL ASSURANCES**

The charges for transportation, storage and services accruing on Petroleum Products accepted for shipment under this tariff shall be based on the rate in effect on the date of delivery by Carrier to the nominated Destination Point

Prior to becoming a Shipper, a prospective Shipper must submit to Carrier financial information to establish creditworthiness. The type of information Carrier will request from Shipper includes, but is not limited to: the most recent year end financials, 10-K reports or other filings with regulatory agencies and/or bank references. If, in the sole discretion, exercised in a reasonable and non-discriminatory fashion, of Carrier: (a) a new Shipper is not creditworthy, or (b) an existing Shipper's credit deteriorates, then Carrier has the option to require such Shipper to (i) prepay all transportation and other fees and lawful charges Shipper is expected to incur during the subsequent six (6) months on Petroleum Products (such amount to be based off a good faith estimate provided by the Shipper and agreed upon by Carrier, in its reasonable discretion), (ii) provide a payment guaranty with terms acceptable to Carrier, in its sole discretion, exercised in a reasonable and non-discriminatory fashion, or (iii) supply an irrevocable stand-by letter of credit from a bank acceptable to Carrier in Carrier's sole discretion, exercised in a reasonable and non-discriminatory fashion, with terms in a form acceptable to Carrier.

Carrier will invoice Shipper throughout the month for all transportation charges and other fees due in accordance with this tariff. Shipper shall pay all such invoiced transportation charges and other fees without setoff or deduction in accordance with invoice terms and these rules and regulations ten (10) days from the date of the invoice.

If such charges are not paid by the fifteenth (15<sup>th</sup>) business day from the date of such invoice in accordance with this Item No. 85, 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 one and a half (1.5%) percent interest per month or the maximum finance rate allowed by Law, whichever is less. In the event Shipper disputes any portion of any invoice, Shipper shall notify Carrier in writing of the disputed portion within fifteen (15) business days from the date of receipt of such invoice, and pay the amount of the invoice. After Carrier's receipt of such notice, Carrier and Shipper shall promptly work in good faith to resolve the dispute.

If Shipper fails to pay an invoice by the due date specified in this Item 85, in addition to any other remedies under this tariff and under Law, Carrier also has the right to withhold from delivery to Shipper, an amount of Petroleum Products belonging to Shipper that would be sufficient to cover all overdue and unpaid charges due to Carrier from Shipper under the terms of this tariff, until all such overdue and unpaid charges have been paid. Furthermore, Carrier shall have a perfected possessory lien under Chapter 9 of the Uniform Commercial Code on all Petroleum Products to cover transportation and all other lawful charges owed to Carrier by Shipper, whether under this tariff or any other agreement, including but not limited to transportation fees, penalties, interest and late payment charges, and Carrier may withhold delivery of Petroleum Products until said charges are paid. Such lien shall extend to all Petroleum Products in Carrier's possession beginning with Shipper's first receipt of transportation

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or other services from Carrier and shall survive delivery of the Petroleum Products to Shipper. Shipper agrees to execute such additional documents as may be reasonably necessary to perfect or evidence such lien. If a bill of lading is required under Law for such lien to arise, acceptance of the nomination or portion thereof will be deemed to be the bill of lading for Petroleum Products subject to such nomination. The lien provided herein shall be in addition to any lien or security interest provided by this tariff or Law.

If any charges assessed under the terms of this tariff remain unpaid thirty (30) calendar days after the date of receipt of the invoice, Carrier shall have the right, directly or through an agent, to sell such Petroleum Products in accordance with Law. From the proceeds of said sale, Carrier will pay itself the transportation charges and other fees and lawful charges, including expenses incident to storage and said sale, and the balance remaining, if any, shall be held for Shipper or whomsoever may be lawfully entitled thereto. Carrier shall have no liability to Shipper associated with Carrier's disposition of Petroleum Products in accordance with this Item No. 85 except as set forth herein.

**Item No. 90. PIPEAGE AND PUMPAGE CONTRACTS AND CONNECTION POLICY**

Separate pipeage and/or pumpage contracts in accord with this tariff covering further details may be required by Carrier before any duty for transportation shall arise. Connections to the System will only be considered if, in Carrier's sole discretion, such connections do not degrade existing service to existing shippers on the System and are made by formal written application to Carrier. If Carrier approves any connection: (a) such connection will be subject to design requirements necessary to protect the safety, security, integrity, and efficient operation of the System in accordance with generally accepted industry standards and to protect the Petroleum Product's Quality Specifications and (b) the cost of such connection (including power) shall be governed by Carrier's connection policy. Approved connections will be memorialized in Carrier's form Connection Agreement.

**Item No. 95. EVENT OF FORCE MAJEURE**

If an Event of Force Majeure renders a party unable, in whole or in part, to carry out its obligations under the tariff, such party must give the other party notice in writing as soon as practicable after the occurrence of the causes relied upon, or give notice by telephone and follow such notice with a written confirmation within seven (7) days after the occurrence of the Event of Force Majeure. The party providing notice of the Event of Force Majeure shall use commercially reasonable efforts to: (a) correct the events or conditions resulting in the Event of Force Majeure; (b) resume the continuation of its performance under the tariff; and (c) minimize the impact of such Event of Force Majeure; provided, however, if Carrier is providing notice of the Event of Force Majeure, Carrier shall not be compelled to resolve any strikes, lockouts or other industrial disputes other than as it shall determine to be in its best interests.

**Item No. 100. LINE FILL INVENTORY REQUIREMENTS**

Each Shipper will be required, to the extent deemed necessary, to supply a pro rata share of Petroleum Product necessary for pipeline fill to ensure efficient operation of the System. Petroleum Product provided by Shippers for this purpose may be withdrawn only after: (1) shipments have ceased and the Shipper has notified Carrier in writing of its intention to discontinue shipments in Carrier's system, and (2) Shipper balances have been reconciled between Shipper and Carrier. Carrier, on a non-discriminatory basis, may require advance payment of transportation charges on the volumes to be cleared from Carrier's system or any unpaid accounts receivable before final delivery will be made. Carrier shall have a reasonable period of time from the receipt of said notice to complete administrative and operational requirements incidental to Shipper withdrawal.

**Item No. 105. SURVIVAL**

All Items of this tariff that survive the termination of the transportation services by their nature shall survive, including, but not limited to, all payment obligations, indemnifications, and liabilities to the extent permitted by the Interstate Commerce Act.

SECTION 2

<p><b>LOCAL INCENTIVE AND NON-INCENTIVE RATES</b>  for the  <b>TRANSPORTATION OF PETROLEUM PRODUCTS</b>  (as defined in Item No. 10)  <b>BY PIPELINE</b></p> <p>All Rates in cents per barrel of forty-two (42) United States Gallons  The rates contained in this section apply only via the lines of the  NuStar Pipeline Operating Partnership L.P.</p> <p>[N] <u>All rates on this page are increased.</u></p>
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<b>Item No. 150 VOLUME INCENTIVE RATES</b>					
Rates in this Item include delivery into storage at carrier's terminals or consignor facilities and storage and terminal services as applicable. See Items No. 65 and 67 for applicable charges for injecting additives and diesel handling surcharge respectively.					
(v) Movements will be accumulated on an annual basis per shipper for these combined destinations and then movements to Roseville, MN destinations will receive indicated discounts for all barrels within specified volumes.					
FROM: Mandan, ND			All Non-Incentive Barrels or 1 Barrel through 7.000 million barrels	7,000,001 barrels through 9.325 million barrels	Greater than 9.325 million barrels
TO					
		Moorhead, MN	176.50	----	----
		Sauk Centre, MN (1)	264.75	----	----
(v)		Roseville, MN (1)	317.72	105.89	223.27
(v)	±	Roseville (Williams), MN (1)	300.07	88.25	206.48
(v)	±	Roseville (BN), MN (1)	300.07	88.25	206.48
		Aberdeen, SD (1)	439.14	----	----
		Wolsey, SD (1)	468.61	----	----
		Mitchell, SD (1)	505.66	----	----
		Yankton, SD (1)	545.03	----	----
		Sioux Falls, SD (1)	562.68	----	----

(1) No jet fuel deliveries.

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Item No. 160 RATES FROM WEST FARGO, ND		
Rates in this Item include delivery into storage at Carrier’s terminals or Consignor facilities and storage and terminal services as applicable.		
[N] <u>All rates on this page are increased.</u>		
From	To	Rates in cents per Barrel of forty-two (42) United States Gallons
West Fargo, ND (2)	Moorhead, MN	75.52
	Roseville, MN (1)	219.63
	Sauk Centre, MN (1)	165.57

(1) No jet fuel deliveries.

(2) A Shipper nominating Petroleum Products from West Fargo, ND, may, by nomination to Carrier, elect to park Petroleum Products for a period not to exceed sixty (60) days at a terminal site located north of Mapleton, ND on the Laurel pipeline segment (the “Mapleton Terminal Transit Site”). Upon delivery of Petroleum Products into storage at the Mapleton Terminal Transit Site, the custody and possession of the Petroleum Products shall be that of the Shipper or consignee and not that of the Carrier, and Carrier shall not be liable for loss and/or damage to such Petroleum Products while in storage. Following such storage in transit, a Shipper shall be permitted, by nomination to Carrier, to re-enter such Petroleum Products into the System for transportation to any Destination Point downstream from the Mapleton Terminal Transit Site. Upon redelivery of Petroleum Products into the System from the Mapleton Terminal Transit Site, the custody and possession of the Petroleum Products shall be that of the Carrier, and Carrier shall be liable for loss and/or damage to such Petroleum Products in accordance with this Tariff. Nominations to the Mapleton Terminal Transit Site will be subject to the applicable tariff rate from the West Fargo, ND Origin Point to the applicable Destination Point. The applicable tariff rate will be that in effect at the time the Petroleum Products are delivered to the final Destination Point and will be invoiced upon such delivery to the final Destination Point. Carrier does not provide jurisdictional commercial storage at the Mapleton Terminal Transit Site. Shippers must make their own arrangements for commercial storage at Mapleton Terminal Transit Site.