



June 8, 2023

Dear Oregon Line Shipper:

Effective July 1, 2023, SFPP, L.P. has updated its "Transportation Policy" (Issue No. 10) to reflect an increase in its transportation rate to 95.36 cents per barrel. There are no other changes to this policy.

If you have any questions regarding the attached Policy please contact the undersigned at (713) 420-4687.

Sincerely,

A handwritten signature in black ink that reads "Bruce Reed". The signature is written in a cursive style with a large, looped "B" and "R".

Bruce Reed
Director-Tariffs and Regulatory Affairs

SFPP, L.P.
INTRASTATE TRANSPORTATION POLICY
RATES, RULES AND REGULATIONS
EFFECTIVE July 1, 2023

This Intrastate Transportation Policy (“Policy”) applies to movements of Petroleum Products via SFPP.L.P.’s Oregon Line from Portland, OR, to Eugene, OR. The rate applicable to movements of Petroleum Products from Portland (Multnomah County), OR, to Eugene (Lane County), OR, shall be [I] 95.36 cents per barrel. SFPP, L.P. will make gathering lines available to Shippers for Petroleum Products entering the System at Portland, OR. This Policy applies to INTRASTATE transportation only.

GENERAL RULES & REGULATIONS

Item 10. Definitions and Abbreviations

1. “API” means American Petroleum Institute.
2. “ASTM” means American Society for Testing and Materials.
3. “Barrel” means 42 gallons, United States measured at 60 degrees Fahrenheit.
4. “Batch” means a quantity of Petroleum Products of like characteristics delivered by Shipper for transportation by Carrier as an identifiable unit.
5. “Capacity” means the quantity of Petroleum Products the Pipeline Segment at issue is capable of transporting under the current operating conditions.
6. “Carrier” means SFPP, L.P.
7. “Consignee” means the party designated by Shipper to receive a Batch of Petroleum Products.
8. “Destination” means a point (i) named in this Transportation Policy or (ii) agreed to between Shipper and Carrier pursuant to Item 190 of this Transportation Policy, at which point Carrier will deliver Petroleum Products to Shipper or its Consignee after transportation from an Origin.
9. “DRA” means drag reducing agent.
10. “Origin” means a point (i) named in this Transportation Policy or (ii) agreed to between Shipper and Carrier pursuant to Item 190 of this Transportation Policy, at which point Carrier will accept Petroleum Products for transportation.
11. “Petroleum Products” means those products as further described in Item 20.
12. “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.
13. “Policy” means this Intrastate Transportation Policy, which contains specific rates, rules and regulations governing Carrier’s intrastate movement.
14. “Pre Delivery Form” means the form that certifies Shipper or Consignee has adequate storage space available for receipt of designated Batch at Destination and Shipper or Consignee has made appropriate arrangements for safe receipt of the Petroleum Products.
15. “Shipper” means the party for whom transportation services are provided under the terms of this Transportation Policy.
16. “Supplier” means the party from whom Shipper obtains its Petroleum Products for delivery into the System.
17. “System” means all common carrier facilities of SFPP, L.P.’s “Oregon Line”.
18. “Tender” means the nomination by Shipper to Carrier of a stated kind, quantity and grade of Petroleum Products for transportation from a specified Origin to a specified Destination or Destinations in accordance with the rules and regulations of this Transportation Policy.
19. “Transmix” means that mixture which occurs in normal pipeline operations between non-compatible Petroleum Products.

Item 20. Products on Which Rates Apply

1. The rates published in this Policy apply to the following Petroleum Products:
Gasolines
Petroleum Distillate Fuel Oils

Item 30. Petroleum Products Specifications

1. Petroleum Products shall be accepted for transportation only when such Petroleum Products meet all required Federal, state and local regulations and Carrier's published Petroleum Product specifications established for all Shippers. Said specifications are published in Carrier's Pipeline Specification Manual.
2. A current copy of Carrier's Pipeline Specification Manual is located on Carrier's website using the following procedure:
 - Access Website www.kindermorgan.com.
 - Select "Product Pipelines".
 - Select "Pacific Operations".
 - Select "SFPP".
 - Select "Specification Manual".
3. Carrier may require Shipper to demonstrate that Petroleum Products offered for transportation meet required specifications as prescribed in Item 30.1 herein.
4. Shipper shall be responsible for all expenses incurred by Carrier resulting from Carrier's receipt of any Petroleum Products which do not comply with the requirements of Item 30.1.

Item 40. Minimum Batch and Delivery Requirements

1. The minimum quantity of any one Petroleum Product of quality and specifications described herein which will be accepted at one time at one Origin from one Shipper is 2,500 Barrels.
2. The minimum quantity of any one Petroleum Product of quality and specifications described herein which will be delivered at one time to any one Destination from one Shipper is 2,500 Barrels.

Item 50. Proration of Pipeline Capacity

1. When a quantity of Petroleum Products is Tendered by Shippers to Carrier which exceeds the Capacity of any Pipeline Segment from an Origin to a Destination, Petroleum Products Tendered by each Shipper for transportation from that Origin to that Destination will be transported in such quantities and at such times to the limit of Carrier's Capacity in a manner determined by Carrier to be equitable to all Shippers pursuant to Carrier's Proration Policy, attached to this Policy as Exhibit A.

Item 60. Origin and Destination Facilities

1. Carrier will provide only such facilities at Origin and Destination as it deems necessary for the operation of the System.
2. Shipments will be accepted for transportation hereunder only when Shipper has provided facilities satisfactory to Carrier capable of (i) delivering the Petroleum Products at the Origin specified by Shipper, at pressures and pumping rates required by Carrier and (ii) receiving such Petroleum Products (including allocated transmix) at the Destination specified by Shipper, at pressures and pumping rates required by Carrier.

Item 70. Acceptance of Petroleum Products

1. Petroleum Products will be accepted for transportation:
 - At such time as Petroleum Products of compatible kind, quality and specification are being transported from the Origin specified in the Tender.
 - Only if any additives and inhibitors, including DRA, to be included in Shipper's Petroleum Products have been approved by Carrier.
 - Only when Petroleum Products are delivered by Shipper or Supplier (on behalf of Shipper) at the time specified by Carrier to meet Carrier's shipment schedule. If such Petroleum Products are not delivered by Shipper or Supplier (on behalf of Shipper) in time to meet said schedule, Carrier reserves the right to cancel, bypass or delay said shipment. Carrier reserves the right to require Petroleum Products to be available for shipment at Origin 24 hours prior to the time scheduled for shipment from Origin.
2. Carrier's acceptance and delivery of Petroleum Products from or to any facility provided by or designated by Shipper shall not evidence Carrier's approval of the adequacy of such facilities or the competency of Shipper's personnel; responsibility for such facilities and personnel shall be exclusively that of Shipper.
3. In the event Carrier has accepted Petroleum Products for transportation in reliance upon Shipper's representations as to acceptance at destination, and there is failure to promptly accept such Petroleum Products at destination, Carrier shall have the right to divert, reassign or make whatever arrangements for disposition of the Petroleum Products it deems appropriate to clear Carrier's pipeline facilities.
4. Failure of Shipper to comply with one or more of the above conditions may result in Carrier's refusal of Shipper's proffered delivery or Carrier's acceptance of no more than a reduced delivery by Shipper in an amount determined by Carrier to be equitable to all Shippers.
5. Carrier shall have the right to reject any Petroleum Product offered for transportation which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by a lien or charge of any kind. Carrier may require of Shipper satisfactory evidence of Shipper's perfect and unencumbered title and/or satisfactory bond indemnifying Carrier against any and all loss.

Item 80. Transmix Handling

1. Carrier shall allocate Transmix to all Shippers that have shipped Petroleum Products on a Pipeline Segment in proportion to each Shipper's volume of all Petroleum Products, including interstate, transported in that Pipeline Segment.
2. Carrier will physically distribute Transmix to Shippers as it becomes available to assure that over time each Shipper receives its proportionate share.
3. Shipper will have sole responsibility for the disposition of its allocated transmix.

Item 90. Duty of Carrier

1. Carrier shall transport Petroleum Products with reasonable diligence, considering the quantity to be transported, the distance of transportation, safety of operations, applicable government regulations and other material factors. Carrier shall be under no obligation to deliver the identical Batch received.
2. Carrier reserves the right to maximize its operational efficiency and Capacity through fungible operations in which a reasonable substitution of the same quantity of Petroleum Products meeting the same specifications will be permitted.

Item 100. Tender of Petroleum Products

1. Any prospective Shipper desiring transportation of Petroleum Products under this Policy must comply with Carrier's Tendering and Scheduling Policy, attached to this Policy as Exhibit B. Otherwise, Carrier will be under no obligation to accept Petroleum Products for transportation.
2. Using the Carrier's Products Common Customer Interface ("PCCI"), the Shipper will designate whether the nominated volumes are shipped in interstate or intrastate commerce. The PCCI will list batches within the given cycles. Each of these batches has a specific suffix. "Intrastate" movements will use a suffix option of "straight", "A" or "B" and "interstate" movements will use the suffix option of "X", "Y" or "Z". It is the Shipper's sole responsibility to enter the nominated barrels under the appropriate suffix designation.
3. Carrier's System can operate 24 hours a day, 7 days a week. Shipper should have Petroleum Products available to ship at Origin and be prepared to receive at Destination according to Carrier's schedule as explained in Item 70.

Item 110. Determination of Volumes

1. Petroleum Products received for transportation at Origin and delivered at Destination shall be measured by Carrier's meter or in case of meter failure, by tank gauges with certified tank volume tables. Shipper may have representatives present during meter calibrations or tank gauging. Carrier shall have the privilege to witness gauging of tanks supplied by Shipper or Consignee when used for volume measurement.
2. Volumes measured at Origin and Destination will be corrected from observed temperatures to 60 degrees Fahrenheit by the use of factors derived from applicable ASTM-IP Table 6 "Reduction of Volumes to 60 degrees F against API Gravity at 60 degrees F".
3. Actual overages or shortages shall be settled each billing period. When Shipper receives a quantity at Destination greater than the quantity delivered by Shipper at Origin, Carrier will invoice Shipper for the overage. When Shipper receives a quantity at Destination less than the quantity delivered by Shipper at Origin, Carrier will credit Shipper for the shortage. Credit or collection for these overages and shortages will be based on the value as outlined in Carrier's Settlement Pricing Policy.
4. A copy of Carrier's Settlement Pricing Policy is located on Carrier's website using the following procedure:
 - Access Website www.kindermorgan.com.
 - Select "Product Pipelines".
 - Select "Pacific Operations".
 - Select "SFPP".
 - Select "Policies".
 - Select "Settlement Pricing Policy".

Item 120. Payment for Services Rendered

1. Transportation charges will be invoiced at the rates published in this Policy in effect on date of shipment from Origin. Charges will be based on the number of Barrels of Petroleum Products (including Transmix) actually delivered at Destination as determined in Item 110.
2. Shipper shall be responsible for payment of all Policy related charges applicable to the shipment within 20 days from date of billing.
3. Prior to becoming a Shipper, a prospective Shipper must submit to Carrier sufficient financial information to establish credit-worthiness. If, in the sole opinion of Carrier, Shipper is not credit-worthy or if Shipper's credit deteriorates, Carrier may require Shipper to prepay Policy related charges and/or supply a letter of credit from an appropriate financial institution in a form acceptable to Carrier.
4. If charges are not paid by the due date stated on the invoice, Carrier shall have the right to 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 125% of the prime rate of interest as reported in the Wall Street Journal as of first of the month in which the charges are due or the maximum finance rate allowed by applicable law, whichever is less.
5. Carrier shall have a lien on all Petroleum Products accepted from Shipper under this Policy to secure the payment of all charges and obligations of Shipper and may refuse to deliver such Petroleum Products until all charges and obligations (including finance charges) have been paid. If charges remain unpaid 60 days after the due date stated on the invoice, Carrier may apply any open credits or collect such charges by selling Shipper's Petroleum Products at a public or private sale in a commercially reasonable manner. Out of the proceeds of said sale, Carrier may also pay itself for expenses of notice, advertising, and care and maintenance of the Petroleum Products.

Item 130. Claims, Suits, Time for Filing

1. As a condition precedent to recovery, claims for loss, damage or delay must be filed in writing with Carrier within nine months after the delivery of the Petroleum Products or in case of failure to make delivery, within nine months after a reasonable time for delivery has elapsed; and suit shall be instituted against Carrier only within two years and one day from the day when notice in writing is given 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 140. Tax Registration

1. Upon request of Carrier, Shippers and Consignees are required to provide proof of registration with, or tax exemption from, the appropriate federal, state or local authorities relating to the collection and payment of the fuel's excise tax or other similar taxes, levies or assessments. Failure of Shipper or Consignee to do so shall not relieve Shipper or Consignee from the obligation to pay any such tax, levy or assessment, or any fine or penalty associated therewith.

Item 150. Pipeline Additives

1. Carrier may inject corrosion inhibitor compound into the Petroleum Products to be transported and Shipper will accept delivery of shipments at Destination containing corrosion inhibitor compound.
2. Carrier may inject DRA into the Petroleum Products to be transported and Shipper will accept delivery of shipments at Destination containing DRA compound.
3. Shippers will be given 30 days notice stating any changes in additive to be injected (generic and trade name), the maximum quantity, the Petroleum Products into which it will be injected, and the date the injection shall begin.

Item 160. Liability of Carrier

1. Carrier shall not be liable for any loss, damage or delay to Petroleum Products of Shipper caused by an act of God, public enemy, quarantine, authority of law, strikes, riots, fire, floods or acts or defaults of Shipper or other Shippers, or for any other cause not due to the negligence of Carrier whether similar or dissimilar to the causes herein enumerated. If the loss or damage was incurred by a Batch or Batches that Carrier can identify, Shipper shall be responsible for such loss or damage in the same proportion as Shipper's volume of Petroleum Products in the identified Batch or Batches bears to the entire volume of Petroleum Products in such Batch or Batches. In such cases, if Carrier cannot identify the Batch or Batches that incurred the loss or damage, Shipper shall be responsible for such loss or damage in the same proportion as Shipper's volume of Petroleum Products accepted for transportation and actually in Carrier's custody bears to the entire volume of Petroleum Products of all Shippers in the affected portion of the System at the time of such loss or damage.
2. Carrier will not be liable for discoloration, contamination, or deterioration of Petroleum Product transported unless such discoloration, contamination, or deterioration is caused by the negligence of Carrier.
3. Carrier will not be liable for delays in transportation of Petroleum Products.
4. In any event, Carrier shall not be liable for any consequential or special damages sustained by Shipper.

Item 170. Pipeage Contracts Required

1. Separate agreements in association with pipeline connections or other related facilities ancillary to Carrier's pipeline in accord with this Policy may be required of any Shipper, proposed Shipper, Supplier or Consignee before any obligation to provide transportation shall arise.

Item 180. Reconsignment

1. Reconsignment may be made without charge, subject to Carrier's ability to accommodate the reconsignment operationally.

Item 190. Application of Rates from or to Intermediate Points

1. For shipments of Petroleum Products accepted for transportation from any Origin or to any Destination which is not named in this Policy, and which Origin or Destination is directly intermediate to any Origin or Destination from or to which a rate applying through such unnamed point is published in this Policy, Carrier will apply, from or to such unnamed intermediate point, the rate published from or to the next more distant point published in this Policy.

Item 200. Use of Electronic Data Interchange

1. Carrier may utilize Electronic Data Interchange (“EDI”) for transmission/distribution to Shipper of System related documentation including, but not limited to, pipeline meter tickets and schedules. Carrier reserves the right to require Shipper to be capable of receiving such documentation via EDI systems. However, Carrier assumes no liability for errors, for delays in transmission or for interruption of services.

Item 220. Testing

1. Shipper shall be liable for any contamination or damage to other Petroleum Products being transported, or to the System in the event Shipper’s Petroleum Products include blending components (other than pure hydrocarbons) that have not been approved by Carrier, or such Petroleum Products are inconsistent with specifications stated in Supplier’s Quality Certification.
2. Carrier may, but shall not be required to, sample and/or test any Batch prior to acceptance or during receipt of Batch, and in the event of variance between Supplier’s Quality Certification and Carrier’s test, Carrier’s test shall prevail as to the specifications of Petroleum Product received.
3. Shipper shall cause Supplier (on behalf of Shipper) to furnish Carrier with a Supplier Quality Certification (as per Carrier’s “Pipeline Specifications Manual”) setting forth in detail the specifications of Batch delivered by Shipper for transportation.

Item 230. Connection to System

1. Requests for connections to the System shall be made by formal written request to Carrier, to the following address:

Director – Business Development
Kinder Morgan Products Pipelines
1001 Louisiana Street
Suite 1000
Houston, TX 77002

2. A connection shall only be made in accordance with Carrier’s Connection Policy.
3. A copy of Carrier’s Connection Policy is located on Carrier’s website using the following procedure:
 - Access Website www.kindermorgan.com.
 - Select “Product Pipelines”.
 - Select “Pacific Operations”.
 - Select “SFPP”.
 - Select “Policies”.
 - Select “Connection Policy”.

Item 240. Pre Delivery Form

1. Shipper or Consignee is required to complete and furnish Carrier’s Pre Delivery Form to Carrier’s local operations at Destination at least one and one-half hours prior to scheduled time of delivery at Destination.
2. Shipper or Consignee may obtain a Pre Delivery Form from Carrier’s staff at Destination or from Carrier’s website using the following procedure:
 - Access Website www.kindermorgan.com.
 - Select “Product Pipelines”.
 - Select “Pacific Operations”.
 - Select “SFPP”.
 - Select “Policies”
 - Select “Pre Delivery Form”.

Item 250. Legality of Shipments

1. Carrier reserves the right to reject any and all Petroleum Products offered for shipment when Shipper or Consignee fails or is unwilling or unable to comply with all applicable laws, rules, regulations or requirements of any governmental authorities pertaining to Petroleum Products or regulating shipments or deliveries thereof, or fails to demonstrate Shipper’s conformance with the provisions of this Policy.

<i>Explanation of Reference Marks</i>	
<i>Reference Mark</i>	<i>Explanation</i>
[I]	<i>Increased rate</i>

EXHIBIT A

SFPP, L.P.

Oregon Line Proration Policy

Purpose of Policy

The purpose of this Oregon Line Proration Policy is to enable SFPP, L.P. (Carrier) to comply with its statutory obligations as a common carrier pipeline. This Oregon Line Proration Policy is intended to equitably allocate Capacity among all Shippers desiring to ship petroleum products at times when Carrier determines in its sole discretion that the aggregate monthly Nominations received from Shippers for a line segment exceed the available Capacity of such segment of the System for that month. For purposes of clarity, Carrier shall allocate Capacity on a line-segment by line-segment basis pursuant to the provisions of this Proration Policy

Definitions

"Carrier" means SFPP, L.P.

"Proration Month" is the calendar month for which Capacity is being allocated pursuant to this Proration Policy.

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

"Base Period" is the 12-month period just preceding the Calculation Month. Individual months within the Base Period are designated by Nos. 1 through 12, with "Month 1" being the most recent Base Period month and "Month 12" being the oldest Base Period month.

"Deficient Volume" has the meaning set forth in Paragraph 9 of the Section entitled "Proration Procedure"

"New Shipper" means a Shipper that has not delivered Petroleum Products to any Destination on the Pipeline Segment to be prorated within the Base Period. A Shipper that becomes a New Shipper shall remain one for 12 consecutive months. At the end of 12-months, a New Shipper becomes a Regular Shipper.

"Regular Shipper" means a Shipper that is not a New Shipper.

"Base Shipment Percentage" for each Regular Shipper means the total deliveries of Petroleum Products to all Destinations on the Pipeline Segment to be prorated by the Regular Shipper during the Base Period divided by the lesser of (a) 12 or (b) the number of the Base Period month within which the Regular Shipper first delivered Petroleum Products to a Destination on the Pipeline Segment to be prorated, divided by total deliveries to all Destinations on the Pipeline Segment during the Base Period.

"Nomination" is a Shipper's documented intent to ship a certain quantity of Petroleum Products on Carrier's System, as described in the currently effective Rules and Regulations Tariff.

“Affiliated Shipper” means any Shipper, whether a Regular Shipper, New Shipper, or prospective shipper that is directly or indirectly controlled by, under the common control of, or otherwise affiliated with any other Shipper on Carrier’s System. In order to determine if a Shipper or prospective shipper is controlled by, under the common control of, or otherwise affiliated with another Shipper on Carrier’s System for purposes of applying this Proration Policy, Carrier will consider a number of factors, including but not limited to, whether the applicable Shippers or prospective shippers share common owners, parent companies, affiliates, registered agents, directors, officers, managers, organizers, employees, schedulers, mailing addresses, email addresses, telephone numbers, fax numbers, internet protocol addresses, or financial information.

“Cooperating Shipper” means any Shipper or prospective shipper that is (i) an Affiliated Shipper or (ii) acts in concert with, pursuant to the direction of, or in coordination with, another Shipper, whether written or verbal.

Capitalized terms not defined herein shall have the meaning set forth in the Intrastate Transportation Policy, Item 10.

Nominations Volumes

When the management of Carrier determines that it may be necessary to allocate Capacity on a specific Pipeline Segment, Carrier may request Shippers to furnish updated Nominations of volumes to be shipped in the next succeeding shipping month or portion of a month. If Carrier determines that the resulting nominated volumes exceed the available Capacity of the affected Pipeline Segment, the affected segment will be prorated in accordance with this Proration Policy.

All movements on a prorated segment of the pipeline must be nominated in accordance with the Carriers current Oregon Line Tendering and Scheduling Policy (Exhibit B).

Proration Procedure

When the Carrier in its sole discretion determines that the Nominations for any month exceed the Capacity in any segment of Carrier’s System, Carrier shall notify each Shipper by electronic mail of the Capacity exceedance and that such segment shall be prorated in accordance with this Proration Policy. Capacity for the prorated segment shall be allocated among Shippers in that segment by the following procedure:

1. Up to 1% of the total available Capacity of the prorated segment will be allocated to any New Shipper; provided, however, that total Capacity allocated to all New Shippers shall not exceed 5% of the total available Capacity of the prorated segment. If the number of New Shippers and/or the Nominations of New Shippers would exceed the 5% of available Capacity of the prorated segment, the 5% of available Capacity will be prorated equally to all New Shippers. In the event any Shipper is allocated more capacity than its Nomination, the excess capacity will be reallocated among all Regular Shippers.

2. After the allocation of the portion of Capacity to New Shippers that is required by paragraph 1, the remaining portion of Capacity for that month shall be available to Regular Shippers that have nominated volumes for the that month.

Such remaining Capacity shall be allocated among Regulars Shipper in proportion to their Base Shipment Percentages. In the event that the volume of Petroleum Products that would be allocated to a Shipper on the Base Shipment Percentage is greater than the volume it nominates, the excess volume will be reallocated among all other Regular Shippers in proportion to their Base Shipment Percentages.

3. Prorating on a Gasoline Equivalent Basis. When and if the Carrier, in its sole discretion, 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.
4. Carrier shall then notify each Shipper by electronic mail that the amount of their allocated Capacity is available on the customer section of Carrier's website.
5. Upon receipt of their Capacity allocation, each Shipper will have a 2-business day grace period, commencing the day after the Shipper's allocation is posted on the customer section of Carrier's website, to make any changes to its Nomination.
6. Any excess capacity resulting from a Shipper's reduction in its Nomination pursuant to Paragraph 5 may be reallocated to other Shippers, at Carrier's sole discretion, but in accordance with this Proration Policy.
7. Shippers receiving additional capacity allocations pursuant to Paragraph 6 shall be notified by electronic mail that their revised allocated capacity is available on the customer section of Carrier's website. Upon receipt of their revised capacity allocation, each Shipper will have a 2-business day grace period, commencing the day after the Shipper's revised allocation is posted on the customer section of Carrier's website, to accept or decline the revised capacity allocation. Shippers receiving additional allocated capacity may decline the additional capacity without penalty during this 2-business day grace period.
8. Upon the expiration of the 2-business day grace period, all capacity allocations under Paragraphs 5 and 7 are considered final and binding upon Shippers; provided, however, that additional capacity may be allocated to Shippers under Paragraph 11 and such additional capacity shall not be considered as part of a Shipper's final and binding capacity allocation for purposes of applying the penalty provision of Paragraph 9.
9. Any Shipper that fails to deliver to Carrier during the Proration Month, based on receipt tickets, the total volume of barrels allocated to such Shipper during the Proration Month shall pay a penalty fee for the amount of Shipper's unused allocated capacity. Such penalty fee shall be calculated by multiplying \$0.45 per barrel times the positive difference between (i) the total volume of barrels allocated to Shipper for the Proration Month and (ii) the actual barrels transported by Shipper in the Proration Month ("Deficient Volume").

10. In the event Carrier is unable to accept all or a portion of a Shipper's Nomination during the Proration Month, which causes Shipper to have Deficient Volume, such Shipper shall not be subject to the deficiency charge of \$0.45 described in Paragraph 9 for the amount of Shipper's Deficient Volume that resulted from Carrier's inability to accept all or a portion of Shipper's Nomination.
11. If a Shipper does not use the capacity allocated to it under this Proration Policy at the times and in the amounts designated by the Carrier, Carrier shall have the right to use Shipper's unused capacity to fulfill the unmet Nominations of other Shippers.

Carrier reserves the right to adjust nominated volumes and/or Base Shipments to prevent permanent loss of allocated capacity of any Shipper due to requests by Carrier to redistribute deliveries, force majeure or other causes beyond the control of a Shipper.

Transfer, Loan, Assignment or Conveyance of Capacity and Shipment History

New Shipper or Regular Shipper capacity allocations or shipment history may not be assigned, conveyed, loaned or transferred to any Shipper. Further, New Shipper or Regular Shipper capacity allocations or shipment history may not be used by any Shipper or prospective Shipper other than the Shipper assigned such allocation by Carrier. However, a Shipper's capacity allocation or shipment history may be transferred as an incident of the bona fide sale of the Shipper's business or to a successor to the Shipper's business by the operation of law, such as an executor or trustee in bankruptcy. All transfers made pursuant to this section shall be irrevocable. If a Shipper transfers its allocation or shipment history, that Shipper is prohibited from becoming a New Shipper for a period of twelve (12) months.

In no event shall any portion of an allocation to a Shipper be used in such a manner that it will increase the allocation of another Shipper or any Cooperating Shipper beyond what they are entitled to under this Proration Policy or in the case of Regular Shippers, seek New Shipper status, in its own name or through any Cooperating Shipper. Shippers are prohibited from pooling two or more allocations of capacity to the benefit of the Shipper. Further, a Shipper may not create, use or otherwise work with a Cooperating Shipper in order to circumvent this Proration Policy for the purposes of improperly obtaining additional capacity on Carrier's System, becoming a Regular Shipper, establishing shipment history, or any other improper purposes.

Shippers shall have the burden of demonstrating that they are not in violation of this Proration Policy. To this end, Carrier may require written assurances from a responsible official, through the submission of a notarized affidavit or similar document, stating that the Shipper is not violating this requirement with respect to the use of allocated capacity.

In the event that Carrier determines that a Shipper or potential Shipper is in violation of the requirements and prohibitions set forth in this Section (Transfer, Loan, Assignment or Conveyance of Capacity and Shipment History), Carrier will enforce the following penalties, as applicable: (1) deny requested New Shipper status to a Cooperating Shipper; (2) void the Nomination of a Cooperating Shipper for the applicable Proration Month; (3) upon the second finding by Carrier of a violation by any Shipper of the requirements and prohibitions in this Section, bar such Shipper from shipping on the pipeline during the next Proration Month.

Exhibit B

SFPP, L.P.

Oregon Line Tendering and Scheduling Policy

This policy defines the procedure for Tendering volumes for interstate transportation via SFPP, L.P.'s ("SFPP") Oregon Line under Tariff FERC No. ~~[W]200.14.0~~ 200.20.0 supplements thereto and reissues thereof.

Capitalized terms not defined herein shall be defined as they are defined in SFPP's Tariff FERC No. ~~[W]194.18.0~~ 194.22.0, and reissues thereof.

To implement this policy, the following procedures have been established:

1. Shippers must submit to Carrier an electronic nomination via Carrier's Common Customer Interface "CCI" system by the 10th of each month the volumes to be Tendered for each Pipeline Segment for the subsequent month. Nominations not submitted using Carrier's CCI system must be submitted in writing in Carrier's requested format and received by Carrier by the close of business on the 5th of the month. If the 5th or 10th falls on a weekend or holiday, then Shippers must have delivered their nominations to Carrier the volumes to be tendered no later than close of business of the preceding work business day.
2. Carrier will generate monthly schedules from the above information and distribute them to the Shippers and to Suppliers and Consignees identified by the Shippers by the 20th of the month.

Exhibit B

Tendering and Scheduling Policy

3. Shippers must submit electronically via Carrier's CCI system changes in batch volumes, destinations, Suppliers and Consignees at least 7 working days prior to shipment to be assured of implementation. Changes not submitted using Carrier's CCI system must be submitted in writing in Carrier's requested format and received by Carrier at least 7 working days prior to shipment to be assured of implementation. Carrier recognizes that unusual conditions, emergencies, etc. can require a waiver of the 7-day notification requirement. Shippers requesting a waiver of the 7-day notification requirement can be accommodated if Carrier determines that any changes to the shipment schedule caused by the request are not unduly disruptive to other Shippers.
4. Carrier will distribute schedule updates (14-day mainline schedule) to Shippers daily, Monday through Friday (except holidays). In order to be accepted for these schedule updates, Shippers must submit changes before 2:00 p.m. PST the previous work business day.
5. Shippers who elect not to utilize Carrier's CCI system for submitting electronic nominations and changes as outlined in item nos. 1 and 3 above will be charged a manual data handling fee of \$10 per batch and/or renewable fuel truck nominated, plus an additional \$10 fee for every subsequent change after nominations are accepted, subject to a minimum fee of \$1500 per month.

Exhibit B

6. Shipper input to Carrier's CCI system will designate the movement of product as "interstate" or "intrastate" commerce. The CCI will list batches within the given cycles. Each of these batches has a specific suffix. "Intrastate" movements will use a suffix option of "straight", "A" or "B" and "interstate" movements will use the suffix option "X", "Y" or "Z". It is the Shipper's sole responsibility to enter the nominated barrels under the appropriate suffix designation.