

**VALERO SKELLYTOWN PIPELINE, LLC**

**Local Pipeline Tariff**

Containing the Rates, Rules and Regulations Governing the  
Transportation by pipeline of

**PETROLEUM PRODUCTS**

(As Defined Herein)

Operated by Valero Refining – Texas, L.P. (P-5 # 881250)  
under T-4 Permit Nos. 05353 and 09453

| <b>Origin</b>   | <b>Destination</b>                                      | <b>Rate in Dollars Per<br/>Barrel<br/>of 42 U.S. Gallons</b> |
|---|---|--|
| Valero Refining-Texas, L.P. –<br>Houston, TX Refinery | Interconnection to Magellan<br>Pipeline Galena Park, TX | \$0.1050   |

Subject to the Rules and Regulations set forth in Rules 1000.01 to 1000.11, herein.

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

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| <b>ISSUED: September 16, 2019</b>  |  | <b>EFFECTIVE: September 16, 2019</b>   |  |
| <p align="center"><b>Issued By</b></p> <p align="center">Fred Hampton, Vice President<br/>Valero Skellytown Pipeline LLC<br/>One Valero Way<br/>San Antonio, TX 78249-1616</p> |  | <p align="center"><b>Compiled By:</b></p> <p align="center">Nathan P. Murphy<br/>One Valero Way<br/>San Antonio, Texas 78249-1616<br/>(210) 345-5778</p> |  |

**EXPLANATION OF REFERENCE MARKS:**

- [N] New**
- [C] Cancel**
- [W] Wording**
- [I] Increase**

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**GENERAL RULES AND REGULATIONS**

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Carrier will accept products (as defined herein) for intrastate transportation by pipeline from the point of origin to the point of destination named in this tariff, subject to the following rules and regulations:

**1000.01. DEFINITIONS**

"Barrel" shall mean forty-two (42) United States gallons equivalent liquid volume at sixty degrees Fahrenheit (60°F.) and equilibrium vapor pressure.

"Carrier" shall mean Valero Skellytown Pipeline, LLC.

"Destination" means the facility at which the Carrier delivers Petroleum Products out of Carrier's pipeline at the Interconnection to Magellan Pipeline Galena Park, TX.

"Origin" means the facility of Carrier at which Carrier receives Petroleum Products into Carrier's pipeline at the Valero Houston Refinery.

"Petroleum Products" shall mean gasoline and distillate products conforming to specifications issued by Carrier.

"Shipper" shall mean the party who contracts with Carrier for transportation of Petroleum Products under the terms of this tariff.

**1000.02. SPECIFICATIONS REQUIRED**

Petroleum products will be accepted for transportation only at such time as petroleum products of similar quality and characteristics are being transported from receiving point to delivery point.

Carrier may require Shipper to furnish a certificate by a licensed petroleum inspector showing the final tests of the petroleum products tendered for transportation.

Petroleum products, before tender, shall be dehydrated sufficiently to prevent the deposition of free water in the pipelines, and shall be free of suspended aqueous chemical solutions and solid matter in suspension.

**1000.03. STORAGE AND DESTINATION FACILITIES**

Carrier will not provide storage or other tankage facilities at the Origin or the Destination. Petroleum Products will be accepted for transportation only when Shipper has provided equipment and facilities satisfactory to the Carrier, including but not limited to the facilities necessary to meet Carrier's mainline pumping rate at the Origin, and when Shipper has furnished evidence satisfactory to the Carrier that there are adequate facilities at the Destination, which are available for receipt of the shipment as it arrives without delay.

In the event Shipper fails to provide adequate facilities at the Destination for receipt as provided above, Carrier shall have the right, on 24 hours notice, to divert, subject to the rates, rules and regulations applicable from the Origin to the Destination, or make whatever arrangements for disposition as are deemed appropriate to clear the Carrier's facilities, including the right of private sale for the best price reasonably obtainable. The Carrier may be a purchaser at such sale. Out of the proceeds of said sale, the Carrier shall pay itself all transportation and other applicable lawful charges and necessary expenses of the sale and the expense of caring for and maintaining the Petroleum Products until disposed of and the balance shall be held for Shipper.

Storage necessarily incident to transportation and only such storage will be provided by Carrier. Any additional storage in Carrier's tankage (i.e., storage beyond what is incidental and necessary to transportation pursuant to the applicable tariff) will be subject to the terms and conditions of Carrier's standard storage agreement.

**1000.04. MINIMUM TENDER**

Petroleum products may be tendered for transportation in quantities of not less than 5,000 barrels.

**1000.05. APPORTIONMENT WHEN TENDERS ARE IN EXCESS OF FACILITIES.**

When there shall be tendered to Carrier for transportation greater quantities than can be immediately transported, the transportation shall be apportioned among all Shippers in proportion to the amounts tendered by each; provided that no tender for transportation shall be considered beyond the amount which the Shipper requesting the shipment has on hand available and ready for shipment. Carrier shall be considered as a Shipper of quantities tendered by itself and held for shipment through its lines and its shipments shall be entitled to participate ratably in such apportionment.

**1000.06. PETROLEUM PRODUCTS INVOLVED IN LITIGATION, ETC.**

Carrier shall have the right to reject any petroleum products, when tendered for transportation, which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by lien or charge of any kind, and it may require of the Shipper satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity bond to protect Carrier against all loss.

**1000.07. MEASURING, TESTING AND DEDUCTIONS**

All shipments tendered Carrier for transportation shall be tested, gauged or metered by a representative of Carrier prior to, or at the time of receipt from the Shipper, but the Shipper shall at all times have the privilege of being present or represented during the testing, gauging or metering. Quantities shall be corrected as to temperature from observed temperatures to sixty degrees (60°F.) Fahrenheit. Full deduction will be made for all water and other impurities. A further deduction of 0.1% may be made to allow for inherent losses, including, but not limited to shrinkage, evaporation, interface losses and normal "over and short" losses not due to negligence of Carrier. The net balance after all deductions will be the quantity the Carrier is obligated to deliver at Destination.

**1000.08. IDENTITY OF PETROLEUM PRODUCTS**

Petroleum products will be accepted for transportation only on condition same will be subject to changes in gravity, color, quality or characteristics while in transit or as may result from unavoidable contamination and Carrier will not be obligated to make delivery of the identical petroleum products received for transportation. Carrier may, therefore, make delivery of petroleum products out of common stocks of similar petroleum products on hand at delivery point.

**1000.09. LIABILITY OF CARRIER**

Carrier shall not be liable for any loss of any petroleum products, or damage thereto, or delay, because of an act of God, the public enemy, quarantine, the authority of law, strikes, riots, or the acts of default of the Shipper or consignee, or from any other cause not due to negligence of the Carrier in case of losses from such causes, other than the negligence of the Carrier, losses shall be charged proportionately to each shipment in the ratio that such shipment or portion thereof, received and undelivered at the time the loss or damage occurs bears to the total of all shipment, or portions thereof, then in the custody of the Carrier for shipment via the lines or other facilities in which the loss or damage occurs; the consignee shall be entitled to receive only that portion of its shipment remaining after deducting its proportion of such loss or damage determined as aforesaid and shall be required to pay transportation charges only on the quantity delivered.

Carrier will assume no liability where operational, scheduling, excess demand, delays and other problems encountered in pipeline operations prevents its ability to maintain schedules or comply with Shipper's withdrawal requirements.

**1000.10. UNPAID CHARGES, LIEN FOR AND SALE TO COVER**

The Shipper or consignee shall pay the transportation and all other lawful charges accruing, and, if required, shall pay same before delivery at destination. Carrier shall have a lien on all petroleum products to cover charges for more than five (5) days after notice of readiness to deliver, Carrier, by agent, may sell said petroleum products at public auction at the office of the Carrier in San Antonio, Bexar County, Texas, on any day not a legal holiday and not less than forty-eight (48) hours after publication of notice in a daily newspaper of general circulation published in San Antonio, Texas, said notice giving the time and place of the sale and the quantity of the petroleum products to be sold. Carrier may be a bidder and purchase at such sale. From the proceeds of the sale Carrier may pay itself all charges lawfully accruing, and all expenses of said sale, and the net balance shall be held for whosoever may be lawfully entitled thereto.

**1000.11. NOTICE OF CLAIMS**

Notice of any claim for loss, damage or liability for or in connection with Petroleum Products ("Claim", whether one or more) must be made in writing to the Carrier within nine (9) months after delivery of the Petroleum Products at the Destination, or, in the case of a failure of Carrier to so deliver, then within nine (9) months after a reasonable time for delivery has elapsed. Failure to give such notice of any Claim shall be deemed to be a waiver and release of such Claim and of all rights to assert such Claim, and Carrier shall have no liability or obligation with respect thereto.

Suit against Carrier for any Claim must be instituted within one (1) year and one (1) day from the day when notice in writing is given by Carrier to the claimant that the Carrier has disallowed all or any part of such Claim. Any Claim

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for which suit has not been instituted in accordance with the foregoing provisions shall be deemed to have been waived, relinquished and released, and Carrier shall have no liability or obligation with respect thereto.

### **RAILROAD COMMISSION OF TEXAS PROVISIONS**

The Railroad Commission of Texas Tariff Requirements identified in 16 Texas Administrative Code § 3.71(1)-(19) are incorporated in these Rules and Regulations by reference. If any matter is addressed with greater specificity in these Rules and Regulations, or in the event of conflict between the Texas Tariff Requirements and these Rules and Regulations, these Rules and Regulations will govern the rights and obligations of Carrier and Shippers.