

TORRANCE BASIN PIPELINE COMPANY LLC

LOCAL TARIFF

Containing

RULES AND REGULATIONS

Governing

INTRASTATE TRANSPORTATION

Of

PETROLEUM PRODUCTS

by

PIPELINE

The rules and regulations published herein apply only under tariffs making specific reference by CAL. P.U.C. number to this tariff; such reference will include supplements hereto or successive reissues hereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

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EFFECTIVE: July 1, 2016

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

[W] Wording Change Only

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ITEM NO.	SUBJECT	RULES AND REGULATIONS CAL. P.U.C. No.8 3 [W]
1	Definitions	<p>"Petroleum Products" as used herein means, and is limited to, gasoline, MBTE, Oxygenated Gasoline and petroleum oil distillates.</p> <p>"Barrel" means a barrel of forty-two (42) gallons, United States measurement at 60 degrees Fahrenheit and zero pounds per square inch gauge pressure.</p> <p>"Carrier" means and refers to Torrance Basin Pipeline Company LLC.</p>
2	Specifications Required	<p>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 consignor to furnish a certificate by a licensed petroleum inspector showing the final tests of the petroleum products tendered for transportation.</p>
3	Storage, Origin and Destination Facilities	<p>The Carrier has NO working tankage incident to transportation of the petroleum products and, unless otherwise specifically provided in a published tariff, Carrier does not have Working Tankage for tendering, nor does it offer a storage service. Shippers or Consignees shall be responsible for providing tankage to meet minimum tender requirements as provided for in Item No. 4 hereof at a point where the Carrier facilities are available for receipt and transportation of such petroleum product tenders. Shipper or Consignee provided tankage shall conform to/ comply with environmental regulations.</p> <p>(A) The Carrier may refuse to accept petroleum products for transportation unless satisfactory evidence is furnished that the Shipper(s) or Consignee(s), has provided the necessary facilities for the prompt receiving of said petroleum product at its destination.</p> <p>(B) If the Shipper(s) or Consignee(s), is unable or refuses to receive said petroleum as it arrives at destination, the Carrier reserves the right to make those arrangements for disposition of the petroleum product it deems appropriate to clear its pipeline. Any additional expenses incurred by the Carrier in making such arrangements shall be borne by the Shipper or Consignee.</p>
4	Minimum Tender	<p>Petroleum products will be accepted for transportation only where there has been tendered by the shipper or consignor a quantity of petroleum products of the same kind, quality, and characteristics of no less than 10,000 barrels consigned to one consignee.</p>
5	Apportionment	<p>When there shall be tendered to Carrier, for transportation, more petroleum products than can be immediately transported, the transportation furnished by Carrier shall be apportioned among all shippers in proportion to the amounts tendered by each, based on the capacity of the system. Shippers will be required to submit tenders by the tenth (10th) of the month of shipment and no tender shall be considered beyond the amount which the party requesting shipment has readily accessible for shipment. If a shipper is unable to deliver petroleum products equal to the space allocated to it, its volumes for the second succeeding month may be reduced by the amount of allocated throughput not utilized during the preceding month.</p>
6	Petroleum Products Involved in Litigation, Etc.	<p>The act of delivering petroleum products into Carrier's pipeline for transportation shall constitute a warranty by Shipper that Shipper has unencumbered title thereto and that unencumbered title shall remain with Shipper until such petroleum products is delivered out of Carrier's pipeline. Shipper agrees to hold the Carrier harmless from any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto; provided that acceptance for transportation shall not be deemed a representation by the Company as to title.</p> <p>Carrier shall have the right to reject any Petroleum Product, 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 Shipper satisfactory evidence of his perfect title or satisfactory Indemnity Bond to protect Carrier against any and all loss resulting from transporting Petroleum Products involved in litigation.</p>
7	Measuring, Testing and Deductions	<p>All shipments tendered to 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 or delivery to consignee, but the shipper or consignee 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 temperature to 60 degrees Fahrenheit basis by use of applicable API-ASTM-IP correction tables. Full deduction will be made for all water and other impurities.</p> <p>Carrier shall account to each shipper for all Petroleum Products received. Any overage or shortage not due to the negligence of Carrier, including losses or gains resulting from shrinkage, evaporation, expansion or other Petroleum Products losses or gains inherent in the operation of a pipeline system, will be allocated on a monthly accrual basis among the shippers in the proportion that the total number of barrels delivered from the pipeline system for each shipper bears to the total number of barrels delivered from the pipeline system for all shippers.</p> <p>The net balance, after applicable deductions defined above, and any loss as provided for in Item No. 11 (Liability of Carrier), will be the quantity deliverable by Carrier and upon which transportation charges will be assessed.</p>

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8	Identity of Petroleum Products	<p>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.</p>
9	Split Deliveries	<p>Upon written instructions of the shipper or consignor, endorsed on the original and shipping order of the tender, the Carrier will deliver part of any shipment of petroleum products at any established destination which is intermediate to another destination, provided that the quantity of such shipment remaining for transportation and delivery to the last destination is sufficient to avoid excessive mixing. Transportation rates and charges will be assessed on the basis of the net quantity of petroleum products actually delivered at each destination.</p>
10	Reconsignment	<p>If no out of line or back haul movement or interference with shipping sequence is required, diversion or reconsignment may be made prior to arrival at original destination without charge, subject to the rates, rules and regulations applicable from point of origin to point of final destination.</p>
11	Liability of Parties	<p>As a condition to Carrier's acceptance of Petroleum Products under this tariff, each Shipper agrees to protect and indemnify Carrier against claims or actions for injury and/or death of any and all persons whomever and for damage to property of Carrier, Shipper, Consignee and/or third party resulting from or arising out of 1) any breach of or failure to adhere to any provision of this tariff by Shipper, Consignee, their agents, employees or representatives and 2) the negligent act(s) or failure(s) to act of Shipper, Consignee, their agents, employees or representatives in connection with Delivery or Receipt of Petroleum Products.</p> <p>The Carrier, while in possession of Petroleum Products herein described, shall not be liable for any loss thereof, damage hereto; or delay caused by act of God, war, act of public enemy, quarantine, the authority of law, strikes, riots, civil disorder, requisition or necessity of the Government of the United States in time of war, default of Shipper or owner, or from any cause not due to the sole negligence of the Carrier.</p> <p>(a) In case of loss of any Petroleum Products, from any such causes, after it has been received for transportation and before the same has been delivered to Shipper or Consignee, such loss will be charged proportionately to each Shipper in the ratio that his Petroleum Products, or portion thereof, received and undelivered at the time the loss occurs, bears to the total of all Petroleum Products then in the custody of the Carrier for transportation via the lines or other facilities in which the loss occurs.</p> <p>(b) Carrier will be obligated to deliver only that portion of such Petroleum Products remaining after deducting Shipper's proportion of such loss determined as aforesaid. Transportation charges will be assessed only on the quantity delivered.</p> <p>(c) Carrier will compensate Shippers for Petroleum Products losses for which Carrier is liable by paying the value of such Petroleum Products at the point where transportation originated. The dollar value of such loss shall be determined by the average posted price of all postings of Petroleum Products of like specification and quality. The average posted price shall be determined by the postings of Petroleum Products in effect on the date the Petroleum Product was lost. If there are no posted prices for the Petroleum Products lost, the dollar value of such loss shall be its average price based upon the average of the two highest and two lowest prices posted in California for petroleum products of similar specification and quality in effect on the date the Petroleum Products was lost.</p>
12	Payment of Transportation and Other Charges	<p>The Shipper or Consignee shall pay the transportation and all other charges applicable to the shipment and, if required, shall prepay or guarantee the same before acceptance by the Carrier, or pay the same before delivery. The Carrier shall have a Lien on all petroleum products in its possession belonging to the Shipper to secure the payments of all unpaid transportation charges as well as Demurrage charges due by the Shipper, and may withhold such petroleum products from delivery until all such unpaid charges shall have been paid. In the absence of unpaid charges, and when there shall be failure on the part of the Shipper to make payment in a reasonable time period, the Carrier may dispose of such petroleum products in any commercially reasonable manner, including but not limited to public or private proceeding in one or more contracts. Sale or other disposition may be as a unit or in parcels and at any time and place and on any terms which are commercially reasonable. The Carrier may be a bidder and purchaser at such sales. The proceeds of disposition shall be applied in the following order: (a) to the reasonable expense of holding, preparing for sale and to the extent allowed by law, reasonable attorney's fees and legal expense incurred by the Carrier, and (b) to the satisfaction of indebtedness secured hereby. The Carrier will account to the Shipper or Consignee for any surplus, and the Shipper or Consignee is liable to the Carrier for any deficiency.</p>

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13	Communication Facilities	When Carrier maintains a private communication system, shippers may use the same without extra charge for messages incident to shipment. However, Carrier shall not be held liable for delivery of messages away from its office, for delays in transmission, or for interruption of service.	
14	Claims, Suits, Time for Filing	As a condition precedent to recovery, claims 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 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.	
15	Privileges and Charges	Shipments transported under this tariff are entitled to such privileges and subject to such charges as are or shall be published by the Carrier and as are lawfully in effect on date of shipment and lawfully on file with the California Public Utilities Commission as to intrastate traffic, providing for transit privileges, or any other privileges, charges, or rules which in any way increase or decrease the amounts to be paid on any shipment transported under this tariff, or which increase or decrease the value of the service to the shipper.	
16	Other Fees and Assessments	In addition to any transportation revenues due Carrier from shipper hereunder, shipper shall also be liable to Carrier for any direct per-barrel fees or assessments levied upon Carrier by any duly constituted entity having legal authority and jurisdiction to assess such fees. Such fees or assessments, as they pertain to shippers's movements, shall be included as a charge on the invoices rendered each month for transportation charges and shall be due and payable in accordance with Item 12.	
17	Tender Nomination Requirements	Any Shipper desiring to tender petroleum products for transportation shall make such tender to the Carrier on or before 3:00 P.M. PST of the twenty-fifth day of the month preceding the month during which the transportation under the tender is to begin (FINAL NOMINATION DAY); a Shipper may tender petroleum products for transportation after the FND if space is available for current movement and the additional nomination does not impair the movement of crude nominated on or before the FND. All tenders will be confirmed in writing prior to the end of the month during which transportation of the petroleum products tendered is begun. Such tenders will be the basis for scheduling concerning bi-directional flow.	
18	Additives	Carrier reserves the right to require, approve or reject the injection of corrosion inhibitors, viscosity depressants, pour point depressants, drag reducing additives, or other such additives in the Petroleum Products to be transported.	
19	Liability for Non-compliance With Tariff	Any shipper or Consignee who does or permits to be done any act, matter or thing which violates the terms of this tariff shall be liable to Carrier for all loss, damages, or injury caused thereby or resulting therefrom.	
20	Liability for Charges	The Shipper and Consignee shall be jointly and severally liable for the payment of transportation charges, fees, and other lawful charges accruing to or due Carrier by Shipper or Consignee, including but not limited to, penalties, interest and late payment charges on Petroleum Products delivered by Carrier to Consignee. All accrued charges are due on delivery of Petroleum Products by Carrier to Consignee.	

EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS

ASTM means American Society for Testing Materials
IP means Institute of Petroleum (Great Britain)