

# ONEOK ARBUCKLE NORTH PIPELINE, L.L.C.

## LOCAL PIPELINE TARIFF

CONTAINING

## RATES, RULES, AND REGULATIONS

Governing the Interstate Transportation and Handling

of

## DEMETHANIZED MIX

Transported by Pipeline

## FROM AND TO POINTS NAMED HEREIN

Rates are filed in accordance with § [W] 342.3, Indexing 344.

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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 and also to the Rules and Regulations published herein, supplements hereto and reissues thereof.

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

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## GENERAL RULES AND REGULATIONS

### ITEM NO. 5 - DEFINITIONS

“Barrel” shall mean forty-two (42) United States gallons of 231 cubic inches of sixty degrees Fahrenheit (60°F) and equilibrium vapor pressure.

“Carrier” shall mean ONEOK Arbuckle North Pipeline, L.L.C.

“Consignee” means the person, entity and/or facility to whom Demethanized Mix is consigned.

“Contract Year” shall mean each twelve (12) month period during the term hereof beginning for the Contract Year on the Effective Date, and for each Contract Year thereafter beginning on the anniversary of the Effective Date.

“Day” shall mean the twenty-four (24) hours between 7:00 a.m. and 7:00 a.m. the following day.

“Delivery Point(s)” shall mean those points of destination (to) as contained in Item No. 100.

“Demethanized Mix” shall mean unfractionated natural gas liquids containing primarily natural gasoline, normal butane, isobutane, propane, ethane, and all mixtures thereof conforming to Carrier’s specifications.

“Effective Date” shall mean the first Day of the Month upon which the Carrier is complete, operational and, where applicable, available to receive and ship Demethanized Mix. For the Volume Commitment Incentive Program, Shippers have from August 1, 2009 to August 31, 2009 to execute a Transportation Agreement with Carrier with an Effective Date no later than September 1, 2009.

“F.E.R.C.” is the Federal Energy Regulatory Commission.

“Force Majeure” means an event or occurrence beyond the reasonable control of a either Carrier or Shipper (each party is hereinafter individually referred to as a “Party”) that prevents in whole or in part the performance by such Party of any obligation or condition under this tariff, including but not limited to strikes, lockouts, or other industrial disturbances (including those affecting persons transporting Demethanized Mix for either Party), wars, sabotage, terrorism, blockades, insurrections, or acts of the public enemy; epidemics, landslides, lightning, earthquakes, tornadoes, loss of utilities, fires, explosions, storms, floods, washouts, or other acts of God; arrests or restraints of governments and people; riots or civil disturbances, failures, disruptions, breakdowns, or accidents to machinery, facilities, or lines of pipe (whether owned, leased or rented); freezing of lines; embargoes, priorities, expropriation, or condemnation by government or governmental authorities; interference by civil or military authorities.

A third party’s event of Force Majeure preventing the performance of a Party hereunder shall be deemed an event of Force Majeure for such Party for all purposes herein.

“Linefill” means the quantity of Demethanized Mix needed to occupy the physical space in the pipeline.

“Month” shall mean a period of time commencing on the first Day of a calendar Month and ending on the first Day of the next calendar Month.

“Nomination” means an offer by a Shipper to Carrier of a stated quantity of Demethanized Mix for transportation from a specified origin(s) to a specified destination or destinations pursuant to the terms and conditions of this tariff.

“Period One” shall mean the time frame beginning on the first day of the Contract Year during which Shipper did not transport the Minimum Volume and ending on the day before the Tier I Transportation was adjusted in

accordance with the mechanism set forth in F.E.R.C. regulation 18 C.F.R. 342.3 or any successor thereto. "Period Two" shall mean the time frame beginning on the day after the end of Period One and ending on the last day of the applicable Contract Year.

"Ratable" shall mean or refer to the delivery of Demethanized Mix throughout each Month, in daily quantities that are approximately equal to the volume of Demethanized Mix delivered during the Month divided by the number of days in that Month.

"Receipt Point" shall mean those points of origin (from) as contained in item No. 100.

"Shipper" shall mean any party who gives notice and transports Demethanized Mix under the terms and conditions outlined in this tariff.

"Transportation Agreement" is a transportation agreement made by and between Carrier and Shipper for the provision of service under this tariff.

#### **ITEM NO. 10 - DEMETHANIZED MIX SPECIFICATIONS**

Carrier is engaged in the transportation of Demethanized Mix as herein defined and will not accept any other commodity for transportation under this tariff.

Carrier reserves the right to refuse to accept any Demethanized Mix for transportation which does not conform to ONEOK Arbuckle North Pipeline, L.L.C. Demethanized Mix Specifications dated May 28, 2013, (available upon request,) or which is not good merchantable Demethanized Mix readily acceptable for transportation through Carrier's existing facilities and/or would otherwise adversely affect Carrier's pipeline or another Demethanized Mix. As a prerequisite to transportation, Shipper's Demethanized Mix must also conform to its nominated delivery point specifications.

Shipper may be required to furnish Carrier with a certificate setting forth the specifications of each shipment of Demethanized Mix to be transported in Carrier's facilities. Carrier reserves the right to sample and/or test any such shipment prior to acceptance or during receipt, and in the event of variance between Shipper's certificate and Carrier's test, the latter shall prevail.

If, upon investigation, Carrier determines that Shipper has delivered to Carrier's facilities Demethanized Mix that has contaminated the common fungible stream, rendering all or a portion of the fungible Demethanized Mix stream undeliverable, Carrier reserves the right to treat or otherwise dispose of all contaminated Demethanized Mix in any reasonable commercial manner at Shipper's sole expense.

If Demethanized Mix received by Carrier does not meet Demethanized Mix specifications, Carrier reserves the right to bill and Shipper shall pay the greater of (i) the costs and expenses incurred to treat or otherwise dispose of all contaminated Demethanized Mix including without limitation any penalties or charges incurred by Carrier as a result of such contamination, or (ii) **[U]** \$1.00 per Barrel penalty for the volume transported by Shipper.

In addition, Shipper will be liable for and will defend, indemnify and hold harmless Carrier for any and all claims, actions, suits, losses, demands, costs and expenses (including attorney's fees and costs of repairing, inspecting, cleaning, or decontaminating the facilities of Carrier or third parties) of every kind, nature or description resulting from the chemical or physical properties of any Demethanized Mix that Shipper has delivered into Carrier's system except to the extent such liability arises from Carrier's gross negligence.

#### **ITEM NO. 15 - MINIMUM NOMINATION AND PLACE OF DELIVERY**

Demethanized Mix of the required specifications shall be tendered for transportation in quantities of not less than 20,000 Barrels.

Demethanized Mix shall be offered for transportation in Ratable quantities which can be received into Carrier's

pipeline at full line flow rates.

#### **ITEM NO. 20 - STORAGE, ORIGIN AND DESTINATION FACILITIES**

Carrier does not furnish storage facilities or services at origins or destinations.

Carrier shall accept Demethanized Mix only when Shipper and Consignee have provided necessary equipment and facilities, including storage facilities for receipt of Demethanized Mix into Carrier's pipeline and delivery of Demethanized Mix from Carrier's pipeline at pressures and pumping rates required by Carrier. Carrier may require evidence showing that necessary facilities are available for delivering shipments at origin and receiving shipments at destination before any obligation to furnish transportation shall arise.

#### **ITEM NO. 25 - TITLE**

Shipper has the obligation to seek approval from Carrier before nominating shipments that are encumbered by a lien, or charge of any kind or which may be involved in litigation or the ownership thereof may be in dispute. Carrier has the right to refuse such shipment. When any Demethanized Mix so encumbered or subject to litigation or dispute is nominated for transportation, Carrier will require of Shipper satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity bond to protect Carrier against any or all loss. Shipper agrees not to cause or permit any lien or charge of any kind to be filed with respect to Linefill or Demethanized Mix in Carrier's possession or facilities by reason of Shipper's actions or agreements nor should such action give rise to a lien on Carrier.

#### **ITEM NO. 30 - MEASUREMENT**

All Demethanized Mix transported by Carrier will be measured at the Receipt Point(s) and Delivery Point(s) in accordance with applicable Carrier and industry accepted practices and procedures. All measurements and tests shall be performed by Carrier, but Shipper and any Consignee or their representatives may be present to witness such measurements and tests. All measurements and tests performed by Carrier shall be determinative unless they are contested within 90 days of receipt of appropriate documentation by Shipper.

#### **ITEM NO. 35 - MIXTURES**

Carrier may commingle Demethanized Mix's received from the Receipt Point(s). Carrier reserves the right at any time to substitute and deliver Demethanized Mix of the same specification as the Demethanized Mix shipped.

Demethanized Mix will be accepted for transportation only on condition that it shall be subject to such changes in characteristics (including component changes), while in transit, as may result from the mixture with other Demethanized Mix. Carrier shall be under no obligation to make delivery of the identical Demethanized Mix, but may make delivery out of common stock and Shippers will be required to accept such delivery.

#### **ITEM NO. 40 - NOTICE OF NOMINATIONS**

Demethanized Mix for shipment through the line of Carrier will be received only on properly executed nominations from the Shipper showing the Receipt Point at which the Demethanized Mix is to be received, Delivery Point, Consignee and amount of Demethanized Mix to be transported. If Shipper does not furnish such nomination, Carrier will be under no obligation to accept such Demethanized Mix for transportation.

Any Shipper desiring to nominate Demethanized Mix for transportation shall make such nomination to Carrier in writing on or before the fifteenth (15th) day of the Month preceding the Month during which the transportation under the nomination is to begin, on forms which will be supplied by the Carrier upon request; except that, to the extent space is available for current movement, a Shipper may nominate Demethanized Mix for transportation after the fifteenth (15th) day of the Month preceding the Month during which the transportation under the nomination is to begin.

#### **ITEM NO. 45 - SCHEDULING SHIPMENTS**

Carrier will transport and deliver Demethanized Mix with reasonable diligence considering the quantity, the quality of the Demethanized Mix, distance of transportation, safety of operations, and other material factors but will accept no Demethanized Mix to be transported in time for any particular market. Furthermore, Carrier shall not be liable for any delay in shipments resulting from such scheduling.

Schedules of shipments and consignments will be issued to each Shipper by Carrier from time to time and in a manner and to the extent reasonably desirable to facilitate the efficient and economical use and operation of Carrier's facilities and to reasonably accommodate Shipper's needs for transport of Demethanized Mix.

#### **ITEM NO. 50 - FAILURE TO TAKE DELIVERY AT DESTINATION**

Shipper shall remove Demethanized Mix, or cause Demethanized Mix to be removed, from Carrier's facilities following transportation to a nominated Delivery Point(s). In the event failure to remove Demethanized Mix threatens or prevents delivery of succeeding shipments into or out of Carrier's facilities, and/or threatens or causes congestion at Carrier's terminals, Carrier shall have the right, without liability to Shipper, to make such disposition of unremoved Demethanized Mix as is necessary for the efficient operation of the pipeline, and Shipper shall pay Carrier all charges associated with such disposition the same as if Shipper had authorized such, together with any associated additional costs and damages borne or incurred by Carrier.

In addition to any remedy available to Carrier, including remedies under Item No. 50, Shipper will pay a daily demurrage charge in the event Shipper fails to remove Demethanized Mix from Carrier's pipeline and that failure prevents or threatens the movement of succeeding shipments. The daily demurrage charge will be calculated by taking the tariff rate in Item No. 100, Rates Applicable to Transportation of Demethanized Mix times the daily average of the previous Month's deliveries of the impacted shipments.

#### **ITEM NO. 55 - PAYMENT OF CARRIER CHARGES**

Carrier shall assess transportation and all other lawful charges accruing on Demethanized Mix accepted for transportation at the rate in effect at the date Demethanized Mix is delivered to Delivery Point(s). Carrier will invoice Shipper for transportation charges and all other lawful charges accruing on Demethanized Mix accepted in accordance with Carrier's then current payment policies and procedures at the rates published herein.

Carrier shall bill Shipper Monthly for all transportation charges and other charges due based upon volumes delivered by Carrier to Shipper during each Month's period. Shipper shall pay the net amount of such invoice within ten days from receipt of the invoice. Carrier, at its option, may require Shipper to pay all such charges and fees in advance or to provide an irrevocable letter of credit satisfactory to Carrier.

Shipper hereby assigns and grants to Carrier a continuous and continuing security interest in, and assignment of, all of the following, whether now or hereafter existing or acquired, as collateral security for the prompt and complete payment and performance of the Obligations (as defined below): (a) all Demethanized Mix accepted by Carrier for transportation or otherwise, including but not limited to Shipper's minimum Linefill (as defined in Item No. 80 of this tariff); (b) all other property of Shipper now in the possession of and at any time and from time to time hereafter delivered to Carrier or its agents, (c) all of Shipper's pre-payments, deposits, balances, and credits with, and any of its claims against, Carrier, at any time existing; and (d) all Demethanized Mixes and proceeds of any of the foregoing property in any form. The property described or referred to in subsections (a) through (d) above is collectively referred to as the "Collateral". This grant and assignment secures the following (collectively the "Obligations"): (a) all antecedent, current and future transportation, special, ancillary and other lawful charges arising under or related to this tariff or the Transportation Agreements entered into in connection with this tariff; (b) the repayment of any amounts that Carrier may advance or spend for the storage or maintenance and preservation of the Collateral; and (c) all amounts owed under any modifications, renewals or extensions of any of the foregoing Obligations. Carrier may withhold such Collateral from delivery until all unpaid charges have been paid. If said charges remain unpaid ten (10) days after final notice and demand therefore,

Carrier shall have the right, in addition to and not in limitation of its other rights and remedies, directly or through an Agent, to sell such Collateral. Such sale will be at a private sale for the best price obtainable. Out of the proceeds of any such sale, Carrier may pay itself all lawful charges, including incidental expenses associated with the sale. The balance remaining, if any, shall be held for whosoever may be lawfully entitled thereto.

If transportation or any other 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 the rate equal to one hundred twenty-five percent (125%) of the prime rate of interest charged by Citibank N.A., New York, New York, as of the due date or the maximum finance charge rate allowed by law, whichever is less. Carrier reserves the right to set-off any charges due Carrier by Shipper against any monies owed to Shipper by Carrier or any Demethanized Mix of Shipper in Carrier's custody.

#### **ITEM NO. 60 - CLAIMS, SUITS AND TIME FOR FILING**

Notice of claims for loss or damage must be made in writing to Carrier within nine (9) Months after delivery of the Demethanized Mix, or in the case of a failure to make delivery, then within nine (9) Months after delivery of the Demethanized Mix to Carrier for shipment.

Suit against Carrier shall be instituted 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, such claims will not be paid and the Carrier shall not be liable therefore.

#### **ITEM NO. 65 - PRORATION OF PIPELINE CAPACITY**

##### **1. Definition of terms.**

Except where the context requires another meaning, the following terms have the following meanings:

1.1 **Regular Shipper** means a Shipper that has shipped Demethanized Mix on Carrier's system from the date of start up through the first three (3) Months of operation. Thereafter, a Regular Shipper is a shipper that has shipped Demethanized Mix on Carrier's system at any time during the twelve (12) Month period preceding the first day of the Month in which the system or a portion of the system is prorated.

1.2 **New Shipper** means a Shipper that is not a Regular Shipper. A Shipper that becomes a New Shipper shall remain one for twelve (12) consecutive Months.

##### **2. Prorating of capacity.**

2.1 **When capacity will be prorated.** Carrier will prorate the capacity of its system or a portion of its system during any Month when it determines, based upon the nominations properly submitted by Shippers, that the total volume nominated by all Shippers for shipment on Carrier's system or portion thereof during that Month exceeds the capacity of the system or portion thereof.

2.2 **Division of capacity between Shipper classes.** Except as provided in paragraphs 2.7 and 2.9, prorated capacity shall be divided between Regular Shippers as a class and New Shippers as a class.

2.3 **Availability of capacity to Regular Shippers.** After the adjustment for New Shippers, as provided in paragraphs 2.5 and 2.6, all remaining capacity plus any un-nominated capacity (as determined in accordance with paragraph 2.7) plus any unused allocated capacity as determined in accordance with paragraph 2.9 shall be available to Regular Shippers who have

nominated volumes for the Month.

- 2.4 **Allocation to each Regular Shipper.** Each Regular Shipper shall be allocated a volume of the capacity available to all Regular Shippers that is equal to a fraction, the numerator of which is the Shipper's average barrels shipped on Carrier's system during the latest twelve (12) Month period, for which the month-end processes are completed preceding the Month for which the Shipper's allocation is being calculated, and the denominator of which is the total shipments during such 12-Month period by all Regular Shippers, multiplied by the total capacity available to all Regular Shippers during that Month. If Carrier has been in operation less than twelve (12) Months then the allocation shall be based on the number of Months during which the Carrier has been in operation.
- 2.5 **Availability of capacity to New Shippers.** Not more than five (5) percent of the total available prorated capacity of Carrier's system or portion thereof shall be made available to New Shippers.
- 2.6 **Allocation to each New Shipper.** Each New Shipper shall be allocated a volume of the capacity available to all New Shippers which is equal to the lesser of –
- (a) seven and one-half (7 1/2) percent of the total available prorated capacity of Carrier's system or portion thereof divided by the number of New Shippers who nominated volumes for shipment on the system or portion thereof during the Month for which the allocation is being calculated; or
  - (b) 1.25 percent of the available capacity of the system or portion thereof for that Month.
- 2.7 **Unnominated capacity.** Any amount of prorated capacity which is available to New Shippers under the rules in paragraphs 2.5 and 2.6, but is not nominated by an eligible New Shipper and shall be made available to Regular Shippers in accordance with the rules in paragraphs 2.3 and 2.4.
- 2.8 **Basis for allocation: notification.** When prorating of the capacity of Carrier's system or portion thereof is in effect –
- (a) Carrier's available capacity shall be allocated among eligible Shippers on a Monthly basis; and
  - (b) Carrier shall use reasonable efforts to notify each Shipper entitled to an allocation of capacity of the amount of its allocation not later than the first working day of the Month for which the allocation is made.
- 2.9 **Reallocation of unused allocated capacity.** If, during a Month of prorating, a Shipper fails to use all of its allocated capacity, such unused capacity shall be available to other Shippers, as follows:
- (a) Unused allocated capacity resulting from a Regular Shipper's failure to use all of its allocated capacity shall be reallocated among other Regular Shippers in accordance with the rules in paragraph 2.4.
  - (b) Unused allocated capacity resulting from a New Shipper's failure to use all of its allocated capacity shall be reallocated among other New Shippers in accordance with the rules in paragraph 2.6. If, however, the reallocation would cause any New Shipper's total allocation for a Month to exceed 1.25 percent of the available capacity for that Month, such excess shall be treated as unused allocated capacity and shall be reallocated among Regular Shippers in accordance with the rules in subparagraph (a) of this paragraph.
- 2.10 **Failure to use allocated capacity.**
- (a) Except as provided in subparagraph (b) of this paragraph, a Shipper that fails to use at least ninety-five percent of its allocated capacity during a Month of prorating shall have its allocation of capacity reduced for the subsequent Month of prorating in an



amount equal to the deficiency below ninety-five percent of Shippers allocation of capacity. The amount of any such reduction shall be treated as unused allocated capacity and shall be reallocated among other Shippers in accordance with the rules in paragraph 2.9.

- (b) Reduction of a Shipper's allocation for failure to use its allocated capacity during a prior Month of prorationing may be waived, in whole or in part if Carrier determines, in its sole discretion, that the Shipper's failure to use all or some of its allocated capacity was due to factors beyond the Shipper's reasonable control.

- 2.11 ***Transfer of prorated capacity; Use of affiliates.*** Except as provided in paragraph 2.9, prorated volumes allocated to a Shipper may not be assigned, conveyed, loaned, transferred to, or used in any manner by another Shipper. However, a Shipper's allocation 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. A Shipper may not use an affiliated or cooperating entity to obtain an increased allocation of prorated capacity or, in the case of a Regular Shipper, seek New Shipper status in order to pool two or more allocations to the benefit of the Shipper.

#### **ITEM NO. 70 - LIABILITY OF CARRIER**

While in possession of Demethanized Mix nominated to it for shipment, Carrier shall not be liable to Shipper for any delay in delivery, damage thereto, or for any loss of Demethanized Mix caused by Force Majeure or by act of default of Shipper or Consignee, or resulting from any other cause not due to the gross negligence of Carrier, whether similar or dissimilar to the causes herein enumerated. Any such loss or damage shall be apportioned by Carrier to each shipment of Demethanized Mix or portion thereof involved in such loss in the proportion that such shipment or portion thereof bears to the total of all Demethanized Mix in the loss, and each Consignee 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 Shipper and Consignee showing the apportionment of any such loss.

Carrier will not be liable for discoloration, contamination, or deterioration of Demethanized Mix transported unless such discoloration, contamination, or deterioration of Demethanized Mix transported results from the gross negligence of Carrier.

The Carrier operates under this tariff solely as a common carrier and not as an owner, manufacturer, or seller of the Demethanized Mix transported or stored hereunder, and Carrier expressly disclaims any liability for any expressed or implied warranty for Demethanized Mix transported or stored hereunder including any warranties of merchantability or fitness for intended use.

#### **ITEM NO. 71 – GAINS OR LOSSES**

In addition to Item No. 70 Liability of Carrier, Shippers are responsible for pipeline gains and losses (including component imbalances), calculated as the difference between measured receipts and measured deliveries. Gains or losses will be apportioned according to each Shipper's proportionate share of measured deliveries.

#### **ITEM NO. 75 - COMPONENT BALANCING**

Carrier shall attempt to minimize the differences in component composition of volumes of Demethanized Mix that may arise between receipt and delivery due to composition variations resulting from the blending of various streams. Shipper shall bring into balance within the week after January 1 and within the week after July 1 of each year any accumulated component volume difference by Demethanized Mix delivery to Carrier or Demethanized Mix exchanges.

#### **ITEM NO. 80 - LINEFILL REQUIREMENTS**

Each Shipper will supply a pro rata share of Demethanized Mix for Linefill as Carrier determines is necessary to maintain efficient operations of Carrier's pipeline. Each Month Carrier shall adjust the Linefill so that each Shipper shall provide its pro-rata amount of Linefill based upon a ratio of the total shipments by the Shipper to the total shipments over the respective line for the preceding Month. Subject to the provisions of Item No. 55, Payment of Carrier Charges, Demethanized Mix furnished to Carrier pursuant to this Item No. 80 shall be returned to Shipper after such Shipper has provided written notice to Carrier of Shipper's intent to cease shipping and after a reasonable period of time to allow for administrative and operational requirements associated with the withdrawal of such Demethanized Mix. Such notice shall be provided to the Director of Marketing.

#### **ITEM NO. 85 - PIPEAGE CONTRACTS**

Separate agreements may be required of the proposed Shipper before any duty of transportation shall arise.

#### **ITEM NO. 87 – APPLICATION OF RATES TO INTERMEDIATE POINTS**

For Product accepted for transportation from a point not named in Carrier's tariff, the existing rates between points named in the tariff will be applied to transportation movements from intermediate origin points not named in the tariff to named destination points, and from named origin points to intermediate destination points not named in the tariff. Carrier will file a tariff publication applicable to the transportation movements within 30 days of the start of the service if the intermediate point is to be used on a continuous basis for more than 30 days.

#### **ITEM NO. 90 – VOLUME COMMITMENT INCENTIVE PROGRAM**

The rates applicable to this Item No. 90 will be charged to Shippers transporting the Minimum Volume from the Receipt Points to the Delivery Points, listed in the Tier I and Tier II Transportation Fee in Item No. 100, subject to all of the following conditions:

1. Shippers have from August 1, 2009 to August 31, 2009 to execute a Transportation Agreement with Carrier with an Effective Date no later than September 1, 2009.
2. Shipper commits to transport a volume of a least 10,950,000 (10,980,000 in a leap year) Barrels of Demethanized Mix for each Contract Year (Minimum Volume); provided, however, the Minimum Volume in the first Contract Year shall be reduced by an amount equal to 30,000 Barrels times the number of days in the calendar month of the Effective Date during which the ONEOK Arbuckle North Pipeline, L.L.C. is not complete and operational; provided further, for the period beginning on the date Demethanized Mix is first delivered under the Transportation Agreement until the end of the sixth month from the Effective Date, the Minimum Volume shall equal 20,000 barrels of Demethanized Mix per Day.
3. If capacity on the Carrier's pipeline is restricted for any reason, including without limitation Force Majeure maintenance, or prorationing and Shipper is unable to meet Shipper's Minimum Volume commitment as a result of such restriction, Shipper's Minimum Volume commitment will be reduced by the difference between 30,000 Barrels and the daily Barrels allocated to Shipper calculated and applied daily for each Day on which the Pipeline's capacity is restricted. If Shipper's allocated capacity on any Day is greater than 30,000 Barrels, no subtraction will be made from Shipper's Minimum Volume commitment for such Day.
4. Volumes up to 18,250,000 Barrels (18,300,000 in a leap year) will be considered "Tier I Volume" for that Contract Year and the Shipper will be charged the Item No. 100 Tier I Transportation Fee, as adjusted from time to time, on all Tier I Volumes.
5. If during any Contract Year Shipper fails to transport a volume of Demethanized Mix equal to or greater than the applicable Minimum Volume, then Shipper shall be required to pay Carrier an

additional amount (as adjusted from time to time, the "Shortfall Fee") equal to (i) the difference between (a) the applicable Minimum Volume and (b) the volume of Demethanized Mix actually transported by Shipper during such Contract Year, times (ii) the Item No. 100 Tier I Transportation Fee.

6. Notwithstanding the foregoing, if the Item No. 100 Tier I Transportation Fee rate has been adjusted during a Contract Year and Shipper fails to transport the Minimum Volume during such Contract Year, the Shortfall Fee will be calculated as follows where the following definitions and conditions apply:

"Period One" shall mean the time frame beginning on the first day of the Contract Year during which Shipper did not transport the Minimum Volume and ending on the day before the Item No. 100 Tier I Transportation was adjusted in accordance with Section 8 below.

"Period Two" shall mean the time frame beginning on the day after the end of Period One and ending on of the last day of the applicable Contract Year.

"Period One Deficiency Volume" shall mean (i)(a) 30,000 Barrels less (b) the average daily volume of Barrels actually transported by Shipper during Period One times (ii) the number of Days in Period One.

"Period Two Deficiency Volume" shall mean (i)(a) 30,000 Barrels less (b) the average daily volume of Barrels actually transported by Shipper during Period Two times (ii) the number of Days in Period Two.

- A. If either the Period One Deficiency Volume or Period Two Deficiency Volume is negative, the amount due to Carrier will be calculated as follows:
- i. If the Period One Deficiency Volume is negative, the Shortfall Fee will equal: (Period One Deficiency Volume plus Period Two Deficiency Volume) times the Item No. 100 Tier I Transportation Fee in effect during Period Two.
  - ii. If Period Two Deficiency Volume is negative, the Shortfall Fee will equal: (Period One Deficiency Volume plus Period Two Deficiency Volume) times the Item No. 100 Tier I Transportation Fee in effect during Period One.
- B. If neither Period One Deficiency Volume nor Period Two Deficiency Volume is negative, the Shortfall Fee due to Carrier will be calculated by adding (i) the result of multiplying the Period One Deficiency Volume times the Item No. 100 Tier I Transportation Fee in effect during Period One and (ii) the result of multiplying the Period Two Deficiency Volume times the Item No. 100 Tier I Transportation Fee in effect during Period Two.
7. If Shipper transports more than 18,250,000 Barrels in a Contract Year (18,300,000 in a leap year), the volume above 18,250,000 Barrels (18,300,000 in a leap year) will be considered "Tier II Volume" for that Contract Year and the Shipper will be charged the Item No. 100 Tier II Transportation Fee, as adjusted from time to time, on all Tier II Volumes.
8. The Item No. 100 Tier I Transportation Fee and the Item No. 100 Tier II Transportation Fee are subject to adjustment by and at the option of Carrier each year in accordance with the mechanism set forth in F.E.R.C. regulation 18 C.F.R. § 342.3 or any successor thereto. The Item No. 100 Tier I Transportation Fee and Item No. 100 Tier II Transportation Fee are incentive discount rates and are not intended to be and will not be used to calculate maximum

or ceiling transportation rates. In addition, Carrier may in its discretion add Receipt Points to the Tier I and Tier II Transportation Fee in Item No. 100.

**ITEM NO. 100 – BASE AND INCENTIVE RATES APPLICABLE TO TRANSPORTATION OF DEMETHANIZED MIX**

**Base Transportation Fee**  
*(in dollars per Barrel)*

<b>ORIGIN (FROM)</b>	<b>DESTINATION (TO)</b>	<b>RATE</b>
Carter, Stephens, Garvin, McClain, Caddo, Oklahoma, Canadian, Lincoln, Okfuskee, Creek, Coal, Hughes, Grady, Tulsa, Beckham, Washita, Kingfisher, Logan, Custer and Pottawatomie Counties in Oklahoma.	Mont Belvieu, TX area <sup>(1)</sup>	<b>[I]</b> \$4.5393

<sup>(1)</sup> Includes deliveries to ONEOK Southeast Texas NGL Pipeline, L.L.C.

**VOLUME COMMITMENT INCENTIVE PROGRAM RATES**  
 See Item No. 90 for application

**Tier I Transportation Fee**  
*(in dollars per Barrel)*

<b>ORIGIN (FROM)</b>	<b>DESTINATION (TO)</b>	<b>RATE</b>
Carter, Stephens, Garvin, McClain, Caddo, Oklahoma, Canadian, Lincoln, Okfuskee, Creek, Coal, Hughes, Grady, Tulsa, Beckham, Washita, Kingfisher, Logan, Custer and Pottawatomie Counties in Oklahoma.	Mont Belvieu, TX	<b>[I]</b> \$4.3261

**Tier II Transportation Fee**  
*(in dollars per Barrel)*

<b>ORIGIN (FROM)</b>	<b>DESTINATION (TO)</b>	<b>RATE</b>
Carter, Stephens, Garvin, McClain, Caddo, Oklahoma, Canadian, Lincoln, Okfuskee, Creek, Coal, Hughes, Grady, Tulsa, Beckham, Washita, Kingfisher, Logan, Custer and Pottawatomie Counties in Oklahoma.	Mont Belvieu, TX	<b>[I]</b> \$3.5803

**ITEM NO. 110 – VOLUME COMMITMENT INCENTIVE PROGRAM EFFECTIVE SEPTEMBER 1, 2018**

A Volume Commitment Incentive Program will be available subject to the following conditions:

1. The Volume Commitment Incentive Program is effective 7:00 am central clock time September 1, 2018 and expires 6:59 am central clock September 1, 2028 (Contract Term).
2. Shippers must notify Carrier in writing of their intent to ship under this Item prior to September 1, 2018.
3. Shipper must transport a minimum average of 10,000 Barrels per day, during the Contract Term (Minimum Average Volume), from the origins to the destination shown in the rates table below in this Item No. 110. The Minimum Average Volume calculation shall be based on a year of 365 days (366 days in a leap year), except when and as extended for Force Majeure or under any written transportation agreement between Shipper and Carrier.
4. Carrier shall invoice and Shipper shall pay each month the volume incentive rate in this Item No. 110. Carrier will reconcile the transportation rate for each Shipper electing to ship under this Item No. 110 at the end of the Contract Term. If a Shipper does not transport the Minimum Average Volume during the Contract Term, at the end of the Contract Term, Carrier shall invoice Shipper and Shipper shall pay an additional transportation rate calculated by subtracting the volume incentive rate in this Item No. 110 from the applicable Base Transportation Fee in Item No. 100, of this tariff, for all volumes transported under this Item No. 110.
5. The incentive rate in this Item No. 110 may be increased effective July 1 of each year during the Contract Term in accordance with the rate index published by the FERC.

**VOLUME COMMITMENT INCENTIVE RATE FOR PRODUCT TRANSPORTED IN ITEM NO. 110  
 (Rate in cents per Barrel)**

Origin(s)	Destination	Rate
Carter, Stephens, Garvin, McClain, Caddo, Oklahoma, Canadian, Lincoln, Okfuskee, Creek, Coal, Hughes, Grady, Tulsa, Beckham, Washita, Kingfisher, Logan, Custer and Pottawatomie Counties in Oklahoma.	ONEOK Southeast Texas NGL Pipeline, L.L.C. located in Liberty County, Texas	[I] 202.84

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**EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS:**

- [C] Cancel
- [I] Increase
- [U] Unchanged
- [W] Change in wording