

This tariff is being filed solely for the convenience and information of carriers, shippers and potential shippers.

Supplement 1
to
TRRC 1

COLONIAL PIPELINE COMPANY

RULES AND REGULATIONS TARIFF

GOVERNING THE TRANSPORTATION OF

PETROLEUM PRODUCTS

BETWEEN POINTS IN TARIFFS MAKING REFERENCE HERETO

THIS TARIFF APPLIES ONLY TO TARIFFS MAKING SPECIFIC REFERENCE HEREIN.

Origin:
Houston (Pasadena)
Harris County, TX

Destination:
Cedar Bayou
Harris County, TX

THE PROVISIONS PUBLISHED HEREIN WILL, IF EFFECTIVE, NOT RESULT IN AN EFFECT ON THE QUALITY OF THE HUMAN ENVIRONMENT

EFFECTIVE: July 1, 2009

ISSUED BY

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Permit No. T-4-00064

RULES AND REGULATIONS

Item	Subject	Rules and Regulations
29	Capacity Allocation Program	<p>During periods of anticipated segment capacity constraint, carrier will equitably allocate capacity (consistent with carrier's existing Proration of Pipeline Capacity policy, Item 90, to shippers based on the shippers' Committed Nomination. A Capacity Allocation Fee will be assessed on shippers whose actual shipments do not utilize their Threshold Volume. This fee will be determined and assessed as follows:</p> <p>(a) Definitions</p> <p>For the purpose of this item, the following terms are defined as:</p> <p>Available System Capacity - A calculated volume determined by summing, for all shippers, the lesser of each individual shippers' (1) Binding Requests or (2) Calculated Cycle Historical Allocation and subtracting this sum from the total segment capacity</p> <p>Adjusted Binding Request - The nominated volume in the system as of 23:59 on the 2nd business day following the Notice of Allocation plus any adjustments associated with the allocation of Available System Capacity or the nominated volume in the system as of 23:59 on the 1st business day following the Freeze Notice plus any adjustments required.</p> <p>Binding Request - The nominated volume in the system as of 23:59 on the 2nd business day following the Notice of Allocation or the nominated volume in the system as of 23:59 on the 1st business day following the Freeze Notice.</p> <p>Committed Nomination - Adjusted Binding Request accepted by carrier.</p> <p>Calculated Cycle Historical Allocation (CCHA) - Minimum capacity available to a shipper based on carrier's existing Proration of Pipeline Capacity policy, Item 90.</p> <p>Calculated Minimum Nomination - A calculated percentage (80%) of the Initial Nomination or the Initial Nomination less 25,000 barrels whichever is less.</p> <p>Cycle Closing Date - Defined for each line as the first closing date scheduled for a given cycle. This is approximately 4 business days prior to the cycle lifting date. Shippers are notified of the Cycle Closing Date via bulletin.</p> <p>Fourth Invoice Period - The last monthly transportation invoicing period for a calendar month. The 22nd through the last day of the month.</p> <p>Initial Nomination - The nomination submitted by a shipper that contributes to a line being allocated or frozen. It is the nomination recorded at the time the Notice of Allocation or Freeze Notice is issued. the 1st business day following the Freeze Notice.</p> <p>New Shipper - Any shipper who has satisfied the applicable requirements of the tariff rules. [W] The allocated shipments of each new shipper will be that proportion of system capacity that the new shipper's verified forecast volumes bear to the total forecast volumes. The allocated shipments of each new shipper will be no less than minimum batch size.</p> <p>Notice of Allocation (Bulletin) - Bulletin issued by carrier informing shippers that the system may be allocated.</p> <p>Freeze Notice (Bulletin) - Bulletin issued by carrier informing shippers that the nominations in the system may be frozen.</p> <p>Capacity Allocation Fee - A fee of [U] 44 cents per barrel charged to shippers under the Capacity Allocation Program where the Threshold Volume is not shipped. The charge is determined by subtracting the Threshold Volume from the ticketed (final) volume and multiplying any resulting positive value by [U] 44 cents per barrel.</p> <p>Threshold Volume - A calculated percentage (95%) of the Committed Nomination.</p> <p style="text-align: right;">(continued)</p>

For explanation of Abbreviations and Reference Marks not found hereon, see last page of tariff.

RULES AND REGULATIONS

Item	Subject	Rules and Regulations
29	Capacity Allocation Program (Continued)	<p>(Continued)</p> <p>(b) If it is determined that carrier's system may be allocated, carrier will issue a Notice of Allocation to shippers four business days prior to the Cycle Closing Date. At this time, carrier will record each shippers' Initial Nomination, Calculated Minimum Nomination and Calculated Cycle Historical Allocation (CCHA). Each shipper will have two business days to confirm or resubmit their Initial Nominations. This confirmation or resubmission will be considered the shippers' Binding Request.</p> <p>(c) Following the receipt of the Binding Request, if it is determined that there is no remaining Available System Capacity, then the lesser of each individual shippers', both existing and New Shippers, (1) Binding Request or (2) Calculated Cycle Historical Allocation (CCHA) will be recorded as an Adjusted Binding Request.</p> <p>(d) Following the receipt of the Binding Request, if it is determined that there is Available System Capacity, then the Available System Capacity will be divided proportionately among those shippers, both existing and New Shippers, whose Binding Requests are in excess of their CCHA until such requests are fully satisfied or all Available System Capacity has been equitably allocated. The resulting adjustments will be added to each shippers' Binding Requests and will be recorded as an Adjusted Binding Request.</p> <p>(e) If Available System Capacity remains after all shippers, both existing and New Shippers, Binding Requests in excess of the CCHA have been satisfied, carrier will proportionately allocate the remaining Available System Capacity to shippers whose Binding Requests are less than their Calculated Minimum Nomination. The resulting adjustments will be added to each shippers' Binding Request and will be recorded as an Adjusted Binding Request.</p> <p>(f) Each Adjusted Binding Request will be reviewed by carrier and accepted as a Committed Nomination. Following the acceptance of Committed Nominations, carrier will publish for each shipper their Committed Nomination and Threshold Volume.</p> <p>(g) In the event Initial Nominations rise to levels that indicate that carrier's system may be allocated prior to the Cycle Closing Date, but less than four business days prior to the Cycle Closing Date, carrier may find it necessary to close and lock the Initial Nominations for that cycle. This closing and locking process is called a Freeze. Should a Freeze be required, carrier will immediately issue a Freeze Notice to shippers. At this time, carrier will record each shippers' Initial Nomination and a Calculated Minimum Nomination. Each shipper will have one business day after the Freeze Notice to confirm or resubmit their Initial Nominations. This confirmation or resubmission will be considered the shippers' Binding Request.</p> <p>(h) In the event of a <i>Freeze Notice</i>, no <i>Binding Request</i> nomination can be greater than the level of the Initial Nomination. Further, no Binding Requests will be allowed that are less than the Calculated Minimum Nomination. Any Binding Request submitted at a level that is less than the Calculated Minimum Nomination will be adjusted up to the Calculated Minimum Nomination level and become an Adjusted Binding Request. The Adjusted Binding Requests will be reviewed by carrier and accepted as a Committed Nomination. Following the acceptance of Committed Nominations, carrier will publish for each shipper their Committed Nomination and Threshold Volume.</p> <p>(i) A charge for a shipper will be determined and applied by subtracting each cycle's actual ticketed volume from the Threshold Volume. If the resulting volume is greater than zero, this volume will be multiplied by the Capacity Allocation Fee. This charge will be assessed during the Fourth Invoice Period. locking process is called a Freeze. Should a Freeze be required, carrier will immediately issue a Freeze Notice to shippers. At this time, carrier will record each shippers' Initial Nomination and a Calculated Minimum Nomination. Each shipper will have one business day after the Freeze Notice to confirm or resubmit their Initial Nominations. This confirmation or resubmission will be considered the shippers' Binding Request.</p>
		<p align="center">EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS</p> <p>API..... American Petroleum Institute ASTM..... American Society of Testing and Materials CCHA..... Calculated Cycle Historical Allocation FERC..... Federal Energy Regulatory Commission No..... Number Psi..... Pounds per square inch ULSD..... Ultra Low Sulfur Diesel cpb..... Cents per Barrel TRRC..... Railroad Commission of Texas</p> <p>[W]..... Change in Wording Only</p>
<p align="center">For explanation of Abbreviations and Reference Marks not found hereon, see last page of tariff.</p>		