

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

Supplement 2
to
TRRC 1
Cancels Supplement 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: January 1, 2010

ISSUED BY

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Permit No. T-4-00064

RULES AND REGULATIONS

Item	Subject	Rules and Regulations
5A Cancels 5	Definitions	<p>As used in these rules and regulations, the following terms have the following meanings:</p> <p>"API Gravity" means gravity determined in accordance with ASTM Designation D-287-67 or latest revision thereof.</p> <p>"ASTM Color" means color determined by the ASTM standard method of test ASTM Designation D-1500-64 or latest revision thereof.</p> <p>"Barrel" means 42 United States gallons at 60 degrees Fahrenheit and zero psi gauge.</p> <p>"Batch" means a quantity of petroleum product moved through the pipeline as an identifiable unit. A "Batch" shall be classified as segregated, joint or fungible, each classification being described as follows:</p> <ul style="list-style-type: none"> (a) A "Segregated Batch" is a quantity of petroleum product being the product of a single shipper. (b) A "Joint Batch" is the combination of two or more quantities of petroleum product commingled by the carrier at the request of the participating shippers. (c) A "Fungible Batch" is a quantity of petroleum product meeting carrier's established specification which may be commingled with other quantities of petroleum product meeting the same specification. <p>"Carrier" means Colonial Pipeline Company and other pipeline companies concurring in tariffs making specific reference hereto by FERC number.</p> <p>"Change Fee Begin Date" is the date [W] ten (10) <u>five (5)</u> days prior to the Cycle Begin Date.</p> <p>"Change Fee Periods" are defined as Fee Period 1 which commences on each Change Fee Begin Date and ends on each Cycle Begin Date and Fee Period 2 which commences on each Cycle Begin Date and ends on each Cycle End Date.</p> <p>[N] <u>"Closing Date" is defined as the date that is approximately four (4) business days prior to the cycle lifting date at each major origin (Houston, Hebert, Lake Charles, Krotz Springs, Baton Rouge, or Collins). All current shippers are notified of the Closing Dates via the <i>Date Info</i> bulletin provided by Transport 4. The Closing Dates can also be obtained by contacting Scheduling at customerrelations@colpipe.com .</u></p> <p>"Cycle Begin Date" is [W] the first, sixth, eleventh, sixteenth, twenty-first, or twenty-sixth day of each month representing a close approximation of the first Houston origin start of any Petroleum Products Shipment within a Cycle. the published lifting date out of Houston of the first Petroleum Products Shipment within a cycle as defined in Colonial's <i>Origin Starts</i> bulletin provided by Transport 4 to all current shippers. The dates in the bulletin represent a close approximation of the targeted lifting date. The targeted lifting dates can also be obtained by contacting Scheduling at customerrelations@colpipe.com .</p> <p>"Cycle End Date" is the date of the conclusion of the shipper's final Petroleum Product Shipment from any Gulf Coast origin location in each Cycle.</p> <p>"Consignee" means the party to whom a shipper has ordered the delivery of petroleum product.</p> <p>"Cycle" means a period of time (approximately 5 days) during which each type of product is pumped for all shippers desiring transportation of such product.</p> <p>"Final Termination" means complete removal of a batch or the final portion thereof from carrier's main lines.</p> <p>"Gross Nomination Change Value" is the absolute difference between the sum of the nominations volumes for gasoline products and likewise for distillate products, at all Gulf Coast origin locations, recorded in the carrier's electronic information network, at the end of the first and last days of the Change Fee Periods.</p> <p>"Interface Mixture" is that mixture occurring in pipeline operations between adjoining batches of petroleum product having either similar or dissimilar physical characteristics.</p> <ul style="list-style-type: none"> (a) "Compatible Interface" is that mixture occurring between adjoining batches of petroleum product having similar physical characteristics which can be absorbed into the adjoining batches. (b) "Transmix" is that mixture occurring between adjoining batches of petroleum product having dissimilar physical characteristics which cannot be absorbed into the adjoining batches. <p>"Petroleum Products" means gasolines and petroleum oil distillates as further described in Item 10.</p>
		(continued)
For explanation of Abbreviations and Reference Marks not found hereon, see last page of tariff.		
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RULES AND REGULATIONS

Item	Subject	Rules and Regulations
5A Cancels 5	Definitions (Continued)	<p>Pipeline segments within the Colonial Pipeline system are identified in the following manner:</p> <ul style="list-style-type: none"> (a) "Main Lines" are those pipelines in carrier's system being 30 inches or more in diameter. (b) "Stub Lines" are carrier's pipelines extending from other main line system to one or more of carrier's custody metering facilities. (c) "Delivery Lines" are those pipelines extending from carrier's custody metering facilities to consignee's or connecting carrier's receiving facilities. <p>"Point of Origin" means the specific location on carrier's system as designated in its tariff where carrier accepts petroleum product for shipment and may be referred to in other items of this tariff as "origin station [N] <u>or origin.</u>"</p> <p>"Shipment" means a volume of petroleum product offered to carrier at a point of origin for transportation through carrier's system to designated delivery locations.</p> <p>"Shipper" means the party who contracts with carrier for shipment of petroleum products under the rules, regulations and rates of this tariff and other tariffs making specific reference hereto by FERC number.</p> <p>[N] <u>"Transport 4" is the internet-based shipper information system allowing Colonial customers to access nominations, schedules, tickets, inventories, invoices and bulletins.</u></p>
29A Cancels 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 [N] <u>on lines 1 & 2 only.</u> [W] This fee <u>The allocated volume and fee will be determined and assessed as follows:</u></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 - [C] 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. [N] <u>Binding Request plus any adjustments required.</u></p> <p>Binding Request - [N] <u>For lines 1, 2, 3 and 4 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. [N] For all other lines the nominated volume in the system as of 23:59 on the 1st 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.</u></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 align="right">(continued)</p>
<p align="center">For explanation of Abbreviations and Reference Marks not found hereon, see last page of tariff.</p> <p align="center">3</p>		

RULES AND REGULATIONS

Item	Subject	Rules and Regulations
29A Cancels 29	Capacity Allocation Program	<p>Cycle Closing Date - Defined for each line as the first [W] <u>Closing Date</u> scheduled for a given cycle. [C] 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.</p> <p>New Shipper - Any shipper who has satisfied the applicable requirements of the tariff rules. 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 [N] <u>(for Lines 1 & 2 only)</u>. 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>(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 [N] <u>for Lines 1, 2, 3 & 4, two business days prior to the Cycle Closing Date for all stublines upstream of Greensboro, NC, and 3 business days prior to the cycle arriving in Greensboro, NC for all lines downstream of Greensboro, NC.</u> 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 [N] <u>for Lines 1, 2, 3, & 4 and one business day for all other lines</u> to confirm or resubmit their Initial Nominations. This confirmation or resubmission will be considered the shipper's 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 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
29A Cancels 29	Capacity Allocation Program (Continued)	<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 [W] four business days prior to the Cycle Closing Date, <u>the time outlined in (b) above</u> 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 shipper's 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.</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 IHT..... Intra Harbor Transfer No..... Number Psi..... Pounds per square inch ULSD..... Ultra Low Sulfur Diesel</p> <p>[W] Change in Wording Only [U] Unchanged rate [N] New</p>

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