

RIO GRANDE PIPELINE COMPANY

Local and Volume Incentive Pipeline Tariff

Containing

Rates, Rules and Regulations

Applying On

LIQUEFIED PETROLEUM PRODUCTS

Transported by Pipeline
From and To Points Named Herein

The rate increase is filed in compliance of 18 CFR 342.3(a), Indexing, Rate Changes.

Issued on 30 days' notice.

The rates in this tariff are expressed in dollars per barrel of 42 U.S. Gallons and are subject to change as provided by law, also to the Rules and Regulations published herein, supplements hereto and reissues hereof.

ISSUED: May 28, 2009

EFFECTIVE: July 1, 2009

Issued By
David G. Blair, Manager

Compiled By
Jimmy Harrison, Director, Financial Accounting & Reporting

Rio Grande Pipeline Company
100 Crescent Court, Ste 1600
Dallas, TX 75201
Phone (214) 871-3555 Fax (214) 615-9376

GENERAL APPLICATION OF TARIFF

The General Rules and Regulations published herein apply in their entirety to the services covered by this tariff, that is, to the transportation of Product from the origins to the destinations named herein.

GENERAL RULES AND REGULATIONS

ITEM 5 DEFINITIONS

Barrel - 42 United States gallons of 231 cubic inches at 60°F and equilibrium vapor pressure.

Calendar Week - The 168 hours between 7:00 A.M. Monday and 7:00 A.M. the following Monday.

Carrier – Rio Grande Pipeline Company, singularly as the context may require.

Commitment Period - Any twelve consecutive month period.

Day - The twenty-four hours between 7:00 A.M. and 7:00 A.M. the following day.

Product - Propane or propane/butane mix having a composition ranging from 70%/30% propane to butane up to 100% propane. Propane will meet Carrier's propane specifications and butane will meet Carrier's butane specifications.

Shipper - Any party who gives notice to transport Product under the provisions outlined in this tariff.

U.S./Mexico Border Interconnect - Interconnect located on the United States/Mexico Border that is the terminating point for service within the United States governed by this tariff. The interconnect facilitates delivery of product to a pipeline operated within Mexico by an agency of the Mexican government. There are no terminal facilities provided by Carrier at the interconnect.

Throughput Commitment - The minimum annual volume, which Shippers contractually agreed to deliver to Carrier for transportation over the line segment Lawson Jct. to the U. S./Mexico Border Interconnect during a Commitment Period.

ITEM 10 SCHEDULING OF TRANSPORTATION - Shipper desiring to originate Product shall furnish a Shipment Notice at least 3 weeks prior to the calendar week in which Shipper desires transportation. The Shipment Notice shall specify the volume, origin and destination of the Product offered to Carrier and the component percentages of propane and butane, which will comprise the Product. If Shipper does not furnish such notice, Carrier will be under no obligation to accept such Product for transportation. Product will be accepted for transportation at such time and in such quantity as scheduled by Carrier. Subject to pipeline scheduling, Product received by Carrier for a Shipper's account will be available for delivery to a destination within 7 days following Carrier's receipt date.

ITEM 15 PRODUCT DELIVERABILITY REQUIREMENTS AND TESTING - Carrier reserves the right to refuse receipt of any Product for transportation the components of which do not meet Carrier's propane or butane specifications, or which is not good merchantable Product readily susceptible for transportation through Carrier's existing facilities.

Shipper may be required to furnish Carrier with a certificate setting forth the specifications of each component of Product to be transported in Carrier's pipeline. Carrier may 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 a Shipper has delivered to Carrier's facilities components that have contaminated the common fungible stream, rendering all or a portion of the fungible Product stream undeliverable, Carrier reserves the right to treat or otherwise dispose of all contaminated Product in any reasonable commercial manner and at Shipper's sole expense.

ITEM 20 MINIMUM SHIPMENT/LINEFILL - A shipment of 30,000 barrels or more of the same specification and component percentages shall be required on all Products. Carrier may elect to accept a shipment of less than 30,000 barrels of Product for transportation subject to delay until Carrier has accumulated 30,000 barrels of like Product at a designated origin from the same or other Shippers. Carrier may accept a shipment of less than 30,000 barrels for immediate shipment provided that Shipper and the receiving facility will be responsible for handling interfaces and that all Product will be invoiced without regard to interfaces.

Either prior to or after the acceptance of Shipments for transportation through Carrier's pipeline system, Carrier will require each Shipper to provide a prorata part of the volume of Liquefied Petroleum Products necessary for pipeline fill. Liquefied Petroleum Products provided by a Shipper for this purpose may be withdrawn from the system only with the prior approval of Carrier or after reasonable notice of such Shipper's intention.

ITEM 25 ODORIZATION - Carrier shall not act in any manner on behalf of Shipper in the purchase, storage, and injection of odorant nor act on Shipper's behalf for the purpose of enabling Shipper and its consignees to comply with applicable United States or Mexican regulations governing injection of odorant.

Shipper acknowledges that deliveries of Product under this tariff will not be injected with odorant, and Shipper warrants to Carrier that odorization is not required by any applicable law or regulation or applicable standards for prudent operation as to or in connection with the purposes and uses to be made of Product. Shipper shall indemnify and defend Carrier from any claims, liability, or losses (including costs of defense and reasonable attorney's fees) arising out of or related to any inaccuracy of such warranty or arising out of or related to the failure of Shipper or Shipper's consignee to handle in a prudent manner unodorized Product.

To the extent that odorization is or becomes required by any applicable law or regulation, shipper acknowledges and represents that it is knowledgeable in the chemical and physical properties and limitations, storage, use, and handling of odorant and Product, whether odorized or unodorized, and that Shipper provides its consignees with such information and warnings it believes necessary for proper use of Product. Excepting losses or damages to the Product transported or handled by Carrier hereunder, Shipper agrees to indemnify and defend Carrier from any claims, liabilities, or losses (including costs of defense and reasonable attorney's fees), including claims for personal injury, death, or property damage involving Carrier, Shipper, Shipper's consignee, or third parties based on or arising out of selection or use of an odorant or arising from Shipper's or Shipper's consignee's delivery, receipt, use, transportation, storage, or sale of Product. Such indemnification shall include but not be limited to any claim against Carrier as described above whether based on product liability, shipper's, shipper's consignee, or third parties' negligence, breach of warranty, or other fault or any other cause of action, whether legal or equitable in nature.

ITEM 30 APPLICATION OF RATES - Transportation and all other lawful charges accruing on Product accepted for transportation shall be assessed by Carrier at the rate in effect on the date Product is delivered to destination.

ITEM 35 ORIGIN AND DESTINATION FACILITIES - Product shall be accepted by Carrier only at Carrier's origins shown herein when Shipper has provided necessary facilities for receipt of Product into Carrier's pipeline and delivery of Product from Carrier's pipeline at pressures and pumping rates required by Carrier.

ITEM 40 MEASUREMENT - Except as otherwise provided, Carrier shall make no charge for metering Product upon receipt and delivery. Observed volumes of Product at operating pressures and temperatures shall be corrected to net volume at 60°F and equilibrium vapor pressure by the use of flowing mass, a component analysis of a sample accumulated from the flowing stream, and component densities from the latest GPA 2145 Standard as stated in the English language version.

ITEM 45 ALLOCATION - When there is offered to Carrier Product quantities greater than can be transported, Carrier shall allocate transportation capacity. Allocation will be based on the greater of Shipper's historical volume or Shipper's volume committed pursuant to Throughput Commitments referenced in Item 130. Historical volume is defined as the Shipper's Product movement during the first 12 calendar months following a date 13 calendar months prior to the first day of the calendar month during which capacity will be allocated. Allocation will be stated as a daily volume but will be calculated for the calendar month. During periods of allocation, 5% of the system capacity will be reserved for those Shippers who have not established historical volumes. This 5% will be allocated on a current tender basis. Allocated space is not transferable between Shippers. If tender changes are made after space allocations have been distributed which result in unused or additional space becoming available, this space will be allocated to all scheduled Shippers using a current tender basis.

ITEM 50 IDENTITY OF SHIPMENTS - Carrier may commingle Product received from the origins shown herein. Carrier reserves the right at any time to substitute and deliver Product of the same specification as the Product shipped.

ITEM 60 DEMURRAGE - Shipper shall remove Product, or cause Product to be removed, from Carrier's facilities following transportation to a nominated destination. In the event failure to remove Product 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 Product 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.

ITEM 65 INVOICING AND PAYMENT OF CARRIER CHARGES - Carrier will invoice Shipper for transportation charges on a weekly basis. Shipper shall pay all transportation and other charges and, if required, shall pay the same before delivery at destination. Shipper shall pay all charges within 10 days of the date of invoice from Carrier. All charges that remain unpaid for more than 30 days from the date of Carrier's invoice shall accrue an interest charge of the lesser of (i) 18% per annum, or (ii) the maximum non-usurious interest rate which may then be charged under Texas law.

Carrier shall have a lien on all Product in its possession belonging to Shipper or its consignee to secure the payment of any and all unpaid charges that are due Carrier, and may withhold Product from delivery until all unpaid charges have been paid. If charges remain unpaid 60 days from the date of Carrier's invoice, Carrier shall have the right, after 5 days' written notice to Shipper, to sell Product at public auction in not less than 48 hours after publication of notice of such sale in a daily newspaper of general circulation published in the town or city where the sale is to be held, stating the time (on any day not a legal holiday), place of sale, and the quantity and location of Product to be sold. At said sale, Carrier shall have the right to bid, and if the highest bidder, to become the purchaser. From the proceeds of said sale, Carrier will pay itself the unpaid charges and all expenses incident to said sale, including a reasonable attorney's fee. The balance remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.

ITEM 70 CLEAR TITLE REQUIRED - Carrier may refuse any Product for transportation which may be encumbered by a lien or charge of any kind, which may be involved in litigation, or which the ownership thereof may be in dispute. When any Product so encumbered or subject to litigation or dispute is tendered for transportation, Carrier may require of the Shipper satisfactory evidence of Shipper's perfect and unencumbered title or satisfactory indemnity bond to protect Carrier against any or all loss.

Shipper shall be responsible for obtaining all necessary U.S. Customs Service approvals and providing the U.S. Customs Service with appropriate documentation.

ITEM 75 LIABILITY OF CARRIER - Carrier shall not be liable for any delay in delivery or for any loss of Product caused by an act of God, public enemy, quarantine, authority of law, strikes, riots, fire, floods or by act of default of consignor or consignee, or resulting from any other cause not due to the negligence of Carrier, whether similar or dissimilar to the causes herein enumerated. Any such loss shall be apportioned by Carrier to each shipment of Product or portion thereof involved in such loss in the proportion that such shipment or portion thereof bears to the total of all Product in the loss, and each Shipper or consignee shall be entitled to receive only that portion of its shipment remaining after deducting its proportion as above determined of such loss. Carrier shall prepare and submit a statement to Shippers and consignees showing the apportionment of any such loss.

ITEM 80 NOTICE OF CLAIMS - Notice of claims for loss or damage must be made in writing to Carrier within 9 months after delivery of the Product, or in the case of a failure to make the delivery, then within 9 months after a reasonable time for delivery has elapsed. Suit against Carrier shall be instituted only within 2 years and 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, such claims will not be paid and the Carrier shall not be liable.

ITEM 85 PIPEAGE CONTRACTS - Separate pipeage contracts, in accord with this tariff and these regulations, covering further details, may be required by Carrier before any duty for transportation shall arise.

ITEM 90 APPLICATION OF RATES FROM INTERMEDIATE ORIGIN POINTS - For Product accepted for transportation from any point on Carrier's pipeline not named in this tariff, which point is an origin point located intermediate to published origin and destination points, the Carrier will apply from such intermediate origin point the rate from the next more distant origin point specified in this tariff.

ITEM 95 APPLICATION OF RATES TO INTERMEDIATE DESTINATION POINTS - For Product accepted for transportation to any point on Carrier's pipeline not named in this tariff, which point is a destination point located intermediate to published origin and destination points, the Carrier will apply to such intermediate destination point the rate to the next more distant destination point specified in this tariff.

ITEM 100 ROUTING - Rates in this tariff apply via routes made by the use of origins on to destinations on Rio Grande Pipeline Company's system. Continuation of transportation to destinations in Mexico is via pipeline operated by an agency of the Mexican government.

ITEM 110 DEFICIENCY PAYMENTS – If Shippers fail to deliver to Carrier for transportation the committed throughput under any Throughput Commitment Contract during the Commitment Period established under the Contract, the person or entity specified in the Throughput Commitment Contract as financially responsible for the deficiency shall pay a lump sum deficiency payment equal to the deficient volume multiplied by the per Barrel Throughput Commitment Rate.

ITEM 123 SHIPPING EXPORT DECLARATION - Shipper of Record is responsible for filing a Shipper Export Declaration (SED) and reporting the volumes and estimated value of the product shipped into Mexico.

RATES

ITEM 130 - TABLE OF RATES			
RATES IN DOLLARS PER BARREL OF 42 UNITED STATES GALLONS			
ORIGIN CARRIER'S RECEIVING POINT	DESTINATION	RATE	[N] RATE TYPE
Lawson Jct., TX Patriot – Midland, TX	U.S./Mexico Border Interconnect, El Paso County, TX	[I] 1.9799	Without Executed Throughput Commitment Contract
		[I] 1.8292 /1	With Executed 5 Year Throughput Commitment Contract
		[I] 1.6140 /2	With Executed 5 Year Throughput Commitment Contract

/1 – Throughput Commitment Rate. Applicable to volumes up to 5,840,000 Barrels delivered to Carrier, under a Throughput Commitment Contract for the transportation of 5,840,000 Barrels per year, during the Commitment Period established under the Contract.

/2 – Throughput Commitment Excess Rate. Applicable to volumes in excess of 5,840,000 Barrels delivered to Carrier, under a Throughput Commitment Contract for transportation of 5,840,000 Barrels per year, during the Commitment Period established under the Contract.

ABBREVIATIONS AND REFERENCE MARKS

F.E.R.C.	Federal Energy Regulatory Commission
G.P.A.	Gas Processors Association
No.	Number
ST.	U.S. Postal Service Two-Letter State Abbreviations
U.S.	United States
<u>Underline</u>	New or Change in Wording Only
[N]	New
Strikethrough	Cancel
[I]	Increased Rate