CITGO Pipeline Company

P O Box 4689
Houston, TX 77210-4689

Oil Pipeline Tariff Filing

October 8, 2021

Secretary
Federal Energy Regulatory Commission
888 First Street, N. E.
Washington, D. C. 20426

RE: CITGO Pipeline Company Oil Pipeline Tariff Filing – FERC Tariff No. 70.7.0

FERC tariff No. 70.7.0 issued by CITGO Pipeline Company ("CITGO") with an effective date of November 10, 2021 is being sent to you for filing in compliance with the provisions of the Interstate Commerce Act and the rules and regulations of the Federal Energy Regulatory Commission.

FERC No. 70.7.0, canceling FERC No. 70.6.0 (IS21-394-000)

The tariff filed by CITGO bearing FERC No. 70.7.0, canceling FERC No. 70.6.0 changes some of the rules and regulations. The proposed tariff does not change any rates.

The filing includes the following documents:

1) Transmittal cover letter with explanation of rules and regulations changes.

    a. CITGO Pipeline Company Proration Policy dated January 1, 2019 (attached hereto)

2) FERC tariff No. 70.7.0 that cancels FERC No. 70.6.0.

Rates - The tariff filing has made no rate changes and existing rates remain unchanged.

Rules and Regulations – Rules and Regulations have been changed and some sections added as new and in compliance with Federal Energy Regulatory Commission filing requirements and form of tariff provisions as required by 18 CFR §342.2 and §342.3. In addition, the CITGO Pipeline Company Proration Policy dated January 1, 2019 has been included by reference, and a copy of the Proration Policy is included as an attachment to this Transmittal Letter for reference.

The proposed changes and new additions are outlined as follows:

Item No. 5 Crude Petroleum Transportation Conditions –
Sub - Section (d) – The minimum size of a segregated batch is increased from 10,000 barrels to 50,000 barrels. Due to the high use of the pipeline and the size of the intermediary tankage required at Sour Lake, the segregation of a special batch at the request of a Shipper now requires at minimum an 50,000 barrel batch.

Item No. 7. Linefill or Prepayment Requirement -
Sub - Section (b) – The current rules state that any new Shipper, that is not a regular Shipper and does not provide linefill, must prepay transportation charges or furnish a guaranty for security. This requirement is revised to add that Carrier may accept reasonable proof of credit that is acceptable to Carrier.

Item No. 8. Origin and Destination Facilities; Storage Charge -
Sub - Section (a) – The first sentence is revised to clarify that Carrier will provide facilities necessary for the operation of the pipe line on a “commingled storage basis” and that Carrier will not provide storage at the Pecan Grove destination or the Clifton Ridge destination/origin point. The last sentence of the first paragraph of Item No. 8(a) is revised to clarify that for segregated movements, Shipper must arrange with Carrier for the provision of in-transit storage.

In addition, a new paragraph is added at the end of Item No. 8(a) that briefly describes the lateral pipeline and flow receipt conditions that will be required by a new Shipper to connect to the Pecan Grove delivery meter station.

Sub - Section (b) – The first sentence of Item No. 8(b) is revised to clarify that Carrier storage services are “intransit,” only provided at the Sour Lake Station, and the number of days of intransit storage is increased from 10 days to 20 days. In addition, the first sentence also clarifies that up to 20 days of intransit storage is only provided if the storage facilities are not already scheduled by another Shipper (oversubscribed) and on the condition that the movement is destined for delivery to the Pecan Grove destination.   Finally, at the end of the first paragraph of Sub Section 8(b), language is added that available excess intransit storage will be proportioned out based on tender of nominations received by Shippers requesting intransit storage. This proposed change will allow the Carrier and Shipper flexibility to time batch shipments of Crude to Pecan Grove and subsequent deliveries into the Lake Charles Manufacturing Complex refinery.

The first sentence of the second paragraph of Sub Section 8(b) increases the number of days that the Shipper has to remove its Crude batch from allowed and planned intransit storage from 10 days to 20 days to match the increase in intransit storage amended earlier in Section 8.

Item No. 18. Proration - The title of the Proration Policy is clarified to be by the “CITGO Pipeline Company Proration Policy” in the last sentence and the date of the policy is added as “January 1, 2019”. In addition, a statement is added that explains that the proration policy will be posted on the Carrier’s internet site.

Item No. 19. Payment for Transportation and Lien - The first sentence of Item No. 19 is revised to confirm that, consistent with the revision to Item No. 7, Shipper may provide credit acceptable to Carrier as an alternative to the existing requirements for prepayment or furnishing a guaranty.

Sub - Section (b) -
The place of public auction to Houston, Texas from Tulsa, Oklahoma as Carrier has moved its main office to Houston.

Item No. 20. Liability of Carrier – The liability risks where Carrier shall not be liable are updated in the first sentence to include the risks of hurricane, loss of electric power, integrity maintenance of pipeline and freeze events. These are real risks to today's pipeline systems and these risks are out of the control of the Carrier and could impact deliveries.

Item No. 22. Use of Inhibitors – The use of Drag Reduction Agents is added to clarify to Shippers that this additive agent may be used to improve movements.

CITGO requests that any protest of the tariff filing be sent, at the same time of filing with FERC, to the undersigned at the contact information below and to CITGO's Legal Department by fax at (832) 486-1817 and email to hchasta@citgo.com.

I hereby certify I have on or before this day sent one copy of the publication listed hereon to each subscriber thereto by first class mail, electronic email or by other means of transmission agreed upon in writing by the subscriber.

If you have any questions, please contact me at scrosto@citgo.com or (832) 486-4720 (Business Phone) or 281-684-9213 (Cell).

Sincerely,

CITGO Pipeline Company

Scott M. Croston
Business Development Manager
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CITGO PIPELINE COMPANY
PRORATION POLICY

Effective Date January 1, 2019

Date: January 1, 2019

During any period of time when the aggregate volume of Crude Petroleum products to be received and / or transported by CITGO Pipeline Company (Carrier), exceeds the available capacity of the Main Line Segment, space in Carrier's facilities shall be equitably allocated among all Regular Shippers in compliance with Carrier's obligations under Part 1 of the Interstate Commerce Act, as amended, and the following Proration Policy:

(a) Definitions

1) "Allocation Month" means any calendar month, or portion thereof as applicable, for which Carrier has determined that Nominated volumes exceed Available Capacity.

2) "Base Period" means the rolling twelve-month period ending the calendar month that is two months prior to the Allocation Month.

3) "Main Line Segment", "pipeline" or "segment" means the main crude service pipeline that runs from Sour Lake to the Pecan Grove receipt station.

4) "Allocation" means the pipeline capacity, expressed in total barrels for the month or cycle if applicable which Carrier apportions to a given Shipper during the period of proration.

5) "New Shipper" means any Shipper on Carrier's Main Line Segment who does not qualify as a Regular Shipper. A New Shipper qualifies to be a Regular Shipper upon twelve (12) months of shipping on Carrier's Main Line Segment at the status of New Shipper and meets the requirements of New Shipper as specified in the Rules and Regulations.

6) "Regular Shipper" means any shipper not a New Shipper and that has met the requirement of having shipped on the Carrier's Main Line Segment for twelve (12)

months with actual shipments of at least the minimum batch size each month of the Base Period.

(b) In order to determine if it is necessary to allocate space in any portion of Carrier's facilities, Carrier requires that monthly tenders be received by the 20th of each month for the next month's Crude Petroleum product movement. If the shipper makes such tender nomination by telephone, it shall promptly confirm the tender to Carrier's control center scheduler in writing by electronic mail ("email").

(c) When the total tendered volume for any month including available space by cycle, if any, exceeds the capacity available for any line segment, all shippers tendering on the affected line segment will be called and notified by email and such notification shall be of Carrier's intent to prorate, pending verification of shipments from all shippers. At this time, a shipper must confirm to Carrier its intent to move the volume specified in its original tender, or a lower volume, but a shipper cannot change its original tender to increase its forecasted movements in excess of its original tendered volume, on a net delivered by barrel basis.

(d) If total verified tenders for any month or available space by cycle or total month, as applicable, exceeds available capacity, all in the Allocation Month, the space will be allocated by shipper in proportion to that shipper's total average barrels shipped in the Base Period of the previous twelve months that is two months prior to the Allocation Month. Such allocation, as it may be reduced by application of paragraph "d" below, is hereafter called the "Allocated Volume." If the Allocated Volume for any shipper is less than the minimum tender requirement set forth in Carrier's tariff,

such Allocated Volume shall be increased to equal the minimum tender requirement. All of the foregoing calculations will be made on a net delivered barrel basis.

(e) The final schedule for each month will be made electronically available by electronic email to each shipper by the 27th day of that nomination month. The schedule will show planned crude movements to begin on the 1st of the following month. If a shipper fails to move its Allocated Volume, such shipper's Allocated Volume for the first prorated scheduling month occurring after the next scheduling month (if such prorated month occurs within the next twelve scheduling months) will be reduced by the difference between its Allocated Volume and actual shipments for the month; except that to the extent that such failure is, in the sole opinion of Carrier, due to causes beyond the reasonable control of shipper. All of the foregoing calculations will be made on a net delivered barrel basis.

(f) Allocated space of one shipper may not be assigned, conveyed, loaned, transferred to, or used in any manner by another shipper during such time as prorationing may be in effect unless such transfer is to a successor to substantially all of the Shipper's business. If a Crude Petroleum batch is not available at the time allocated in the schedule, it will be dropped from the schedule. In such event, Carrier may redistribute space allocation among other shippers to efficiently utilize the pipeline capacity. Lost Crude Petroleum tenders may be picked up at the end of the cycle or month, if time permits, but may not be carried forward into any subsequent month.

(g) New shippers will be assigned as a "New Shipper" class for the first consecutive twelve (12) months that the new shipper nominates and ships volume that at minimum meets the minimum batch size each month. The New Shipper class or group will be

allocated ten percent (10.0 %) of the capacity of the pipeline as rated without drag reducing agent and based on average viscosity of west Texas intermediate crude at 60 degrees Fahrenheit if the pipeline is in proration. Carrier may at Carrier's option each month allocate additional capacity volume to new Shipper class until their 12-month history is established based on economics of adding drag reducing agent that will create capacity. If there is more than one New Shipper, then the shippers in this New Shipper class will be allocated an equal percent of the total of ten percent (10%) for each month the pipeline is in proration.