



Long Haul Segregated Batch Service Overview

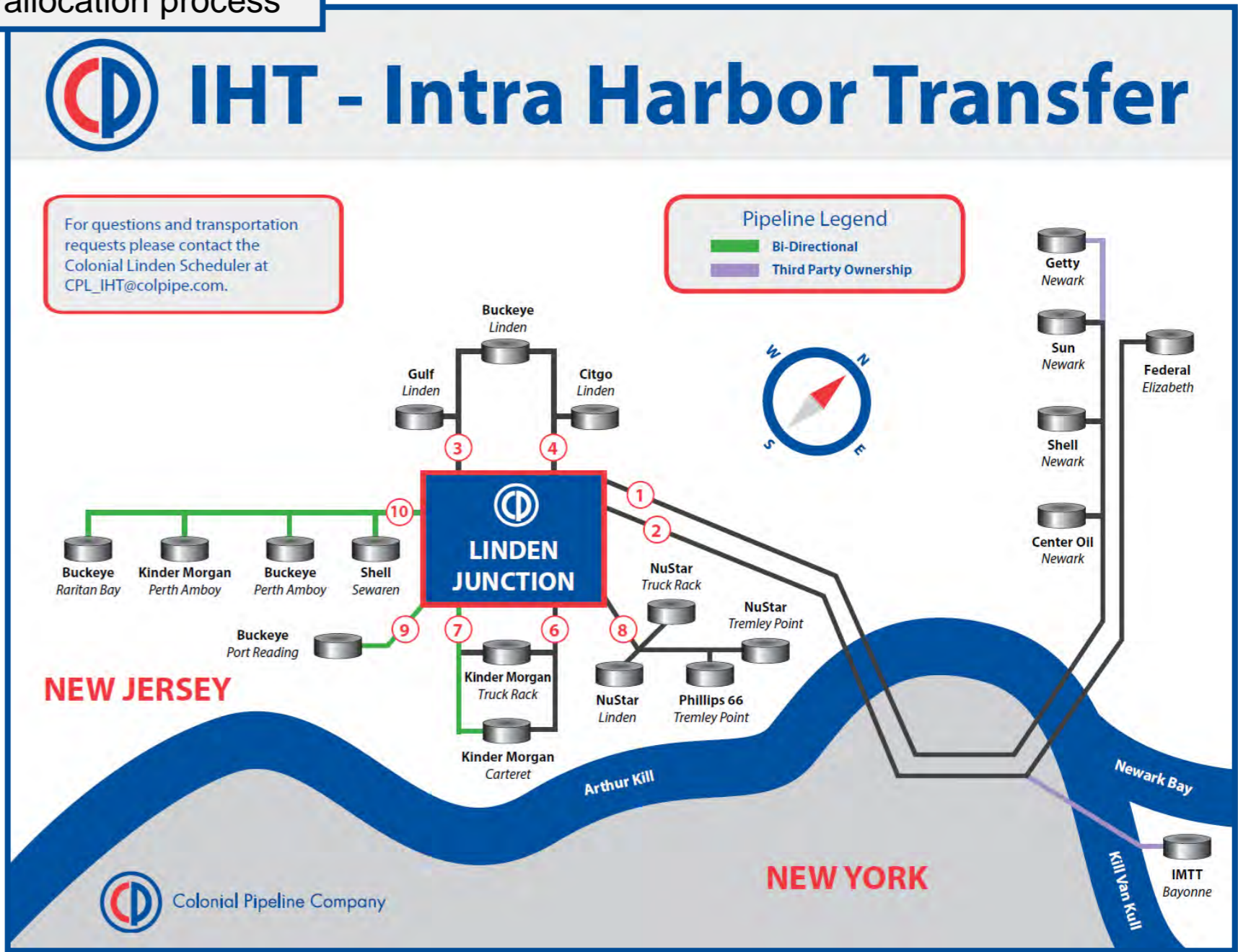
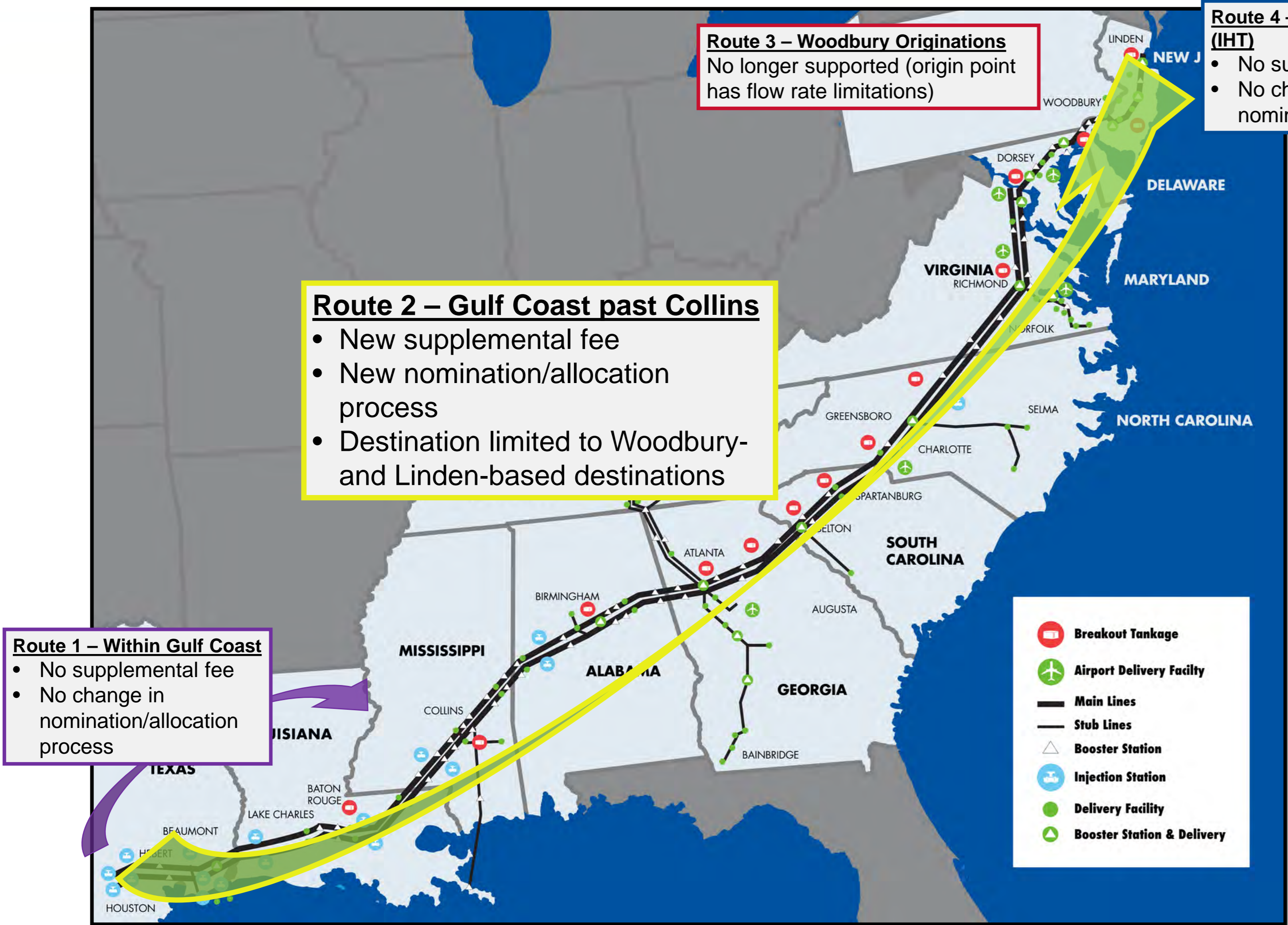
August 2022



Agenda

- Overview of the Long Haul Segregated Batch service offering
- Product specifications / Product types eligible
- Buffer Batch requirements and process
- Nomination process
- Pricing

Segregated Batch Route Comparison



Long Haul Segregated Batch Service Overview

- A segregated batch is when the Shipper gets the same molecules at delivery that they put into the system
- Colonial received interest from multiple Shippers in shipping gasoline components, mainly naphthas, from the Gulf Coast to the Northeast.
- Before July 2020:
 - Colonial could not reliably transport segregated gasoline batches past Collins, MS
 - Segregated distillate batches moved past Collins, MS, but there was no way to confirm availability
- July 2020 Service Changes:
 - Segregated gasoline batches, including gasoline blending components, could be shipped past Collins, MS –specifically to Woodbury and Linden-based destinations

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Long Haul Segregated Batch Service Overview *(cont.)*

- Nomination process for segregated batches shipping past Collins, applicable to all segregated movements (gas & distillate)
 - Allows Shippers to confirm availability up to 2 months in advance, subject to adequate line space
- Service fee for confirming a Gulf Coast-to-Northeast segregated batch (applies to both gas & distillates)
 - Fee is \$0.21/bbl
- Segregation as a service – open to a variety of products
 - Light/heavy naphthas; alkylates; reformates
 - Segregated batches of finished products
- Contact Colonial Scheduling/QA at segregatedbatch@colpipe.com with any questions

Product specifications / Product types eligible

- Colonial has established product grades that would support components such as light naphtha, heavy naphtha, reformates, and alkylate, and has provided guidance as to the use of the various product grade codes.
 - See 'L Grades' on page 22 in Section 3 of Shipper Manual
 - Shippers must provide Certificate of Analysis
- RVP/TVP
 - Segregated gasoline grades other than L grade have maximum RVP outlined by cycle in Section 4 of the Shipper Manual
 - L grade shipments have more RVP flexibility
 - Colonial uses TVP max of 11.0 for RVP limits on long haul L grade shipments
 - Implication: Can offer 0.5-1.0 psi+ RVP flexibility above RVP calendar in certain seasons (particularly spring/summer/fall) depending on distillation
 - Inquiries can be made to Colonial Scheduling/QA at segregatedbatch@colpipe.com; will require CofA including distillation data with temperatures at 5%, 10%, and 20% evaporation
 - Colonial plans to provide more guidance in a future Shipper Manual update
 - Note: In addition, Colonial does have some flexibility with low RVP materials (i.e. flexibility with RVP minimums) – please contact Colonial's QA group for guidance
- References:
 - [Shipper Manual Section 3: Product Specifications](#)
 - [Shipper Manual Section 4: Quality Assurance](#)

New L Grade Schedule

- Addition of a new L Grade section in the RVP Calendar

2022 L Grade RVP Schedule									
For Gulf Coast Origin Locations delivering to Woodbury- and Linden-based destinations									
Cycle	HTN Lifts	Max RVP			Max RVP			Max RVP	Cycle
		For Distillation Slope of: ≤ 3.5 or > 2.5		For Distillation Slope of: ≤ 2.5 or > 1		For Distillation Slope of: ≤ 1.0			
1	1/7	15.00			15.00			15.00	1
2	1/12	15.00			15.00			15.00	2
3	1/17	15.00			15.00			15.00	3
4	1/22	15.00			15.00			15.00	4
5	1/27	15.00							
6	2/1	15.00	43	8/5	11.50		11.50	12.00	43
7	2/6	15.00	44	8/10	11.50		11.50	12.00	44
8	2/11	15.00	45	8/15	11.50		11.50	12.00	45
9	2/16	15.00	46	8/20	11.50		11.50	12.00	46
10	2/21	15.00	47	8/25	11.50		11.75	12.00	47
11	2/26	15.00	48	8/30	11.50		11.75	12.00	48
12	3/3	15.00	49	9/4	11.50		11.75	12.00	49
13	3/8	14.25	50	9/9	11.50		11.75	12.00	50
14	3/13	14.25	51	9/14	11.50		11.75	12.00	51
15	3/18	14.25	52	9/19	11.50		11.75	12.00	52
16	3/23	14.25	53	9/24	13.50		13.75	14.25	53
17	3/28	14.25	54	9/29	13.50		13.75	14.25	54
18	4/2	14.25	55	10/4	13.50		13.75	14.25	55
19	4/7	12.50	56	10/9	13.50		13.75	14.25	56
20	4/12	12.50	57	10/14	13.50		13.75	14.25	57
21	4/17	12.50	58	10/19	13.50		13.75	14.25	58
			59	10/24	15.00		15.00	15.00	59

- Shippers who wish to move an L Grade batch are required to provide:
 - Distillation slope as calculated by the Shipper, and
 - A certificate of analysis from a laboratory with distillation data that, at minimum, includes evaporation temperature at 5%, 10% and 20%, in order Colonial to verify the distillation slope.

Operational requirements

- Batch size is a minimum of 75,000 bbls and a maximum of 100,000 bbls
 - Exceptions may be granted for larger batch size
- Origination:
 - No Krotz Springs or Moundville origins
- Destinations:
 - Only Woodbury- and Linden-based delivery locations
 - Only 1 destination per batch; i.e. no batch splitting
 - Booth, Pennsauken and Trenton are not eligible delivery points due to flow rate limitations
- References:
 - [Rules and Regulations Tariff – Item 21](#)

Buffer Batches

- Colonial may require a buffer batch to accompany any segregated gasoline movement, as determined by Colonial's QA group
 - For batches moving from the Gulf Coast to Woodbury- or Linden-based destinations, a portion of the buffer batch will be cut into (i.e. commingled with) the segregated batch at Greensboro and again at Woodbury- or Linden prior to final delivery.
- Buffer will be needed for gasoline blendstocks, and will depend on specifications of the segregated batch
 - A grade for 1L/2L; M grade for 3L; V grade for 4L
- Expect 25kb size requirement for buffer batch
- Buffer batch must be originated from same origin location, but tankage party can vary

Gains/Losses

- Expect 20-25kb of buffer batch to be cut into segregated batch in-transit to the Northeast destination
 - Losses of the buffer batch will be compensated per settlement pricing for the related buffer grade
 - Gains of L grade (i.e. the segregated batch) will be priced to Shipper at monthly settlement pricing per product mapping
- References:
 - [Shipper Manual Section 2.9.2 – Product Mapping](#)

Gulf Coast - Lowest Prompt Pipeline Price

PLATT'S DESCRIPTION	PLATT'S CODE	COLONIAL PRODUCT CODES
RBOB 83.7	AAMFB00	F
RBOB 91.4	AAMNG00	H
CBOB 87	AARQU00	A*, 1L, 2L, 90, 93, 96
CBOB 93	AARQV00	D
Ultra Low Sulfur Diesel (ULSD)	AATGY00	61, 62, 63, 65, 67, 69, 83, 87
ULS Kero	AAVTL00	51
Unleaded 87	PGACT00	M, 3L, 44
Unleaded 93	PGAJB00	V, 4L, 20
Jet 54	PJABO00	52, 53, 54, 56, 57, 58
Jet 55	PJABP00	55
No. 2	POAED00	59, 70, 71, 72, 73, 75, 77, 78, 79, 80, 84, 85, 88, 89

*Product code 1A will be adjusted using Platt's Code AGLOB00 as described above.

Nomination Process

- Before confirming nomination or if seeking Colonial assistance:
 - Contact Colonial Scheduling/QA by emailing segregatedbatch@colpipe.com
 - Provide Certificate of Analysis and volume, origin, destination, special handling instructions if necessary, and cycle information
 - Colonial will provide buffer batch requirements and latest cycle availability
- When Ready
 - Nominate segregated batches in Transport4 **AND** an email to segregatedbatch@colpipe.com. (Must do both).
 - Requests will be fulfilled on a first come first served basis
 - Approvals / Rejections provided within 3 business days of receipt
- Segregated batch requests may be made up to 2 months in advance of the requested cycle
- Request can be made up to Closing Date (Date Info Bulletin) for any movement

Allocation and Fees

- Upon approval of nomination, the Shipper has an obligation to pay a non-refundable segregated batch facilities fee based on approved segregated batch volume
 - Does NOT include buffer batch volume
 - Current Facilities Fee: \$0.21/bbl
- Shipper must have adequate line space on the actual cycle to move segregated batch and buffer batch
 - Segregated batch facilities fee will not be refunded due to lack of line space on any line segment
- Shipper can work with other shippers to move portions of the segregated batch to resolve allocation shortage
 - Colonial will require all parties to acknowledge their involvement and to confirm their understanding of the batch handling and gain/loss settlement pricing
 - Colonial will bill the facilities fee to the shipper requesting the segregated movement equal to the total segregated batch volume
 - Both segregated batch and buffer batch must originate from same origin
- Shippers must also ship within their allocated volume on downstream lines

Pricing

The segregated batch facilities fee is due upon issuance upon a Segregated Batch Confirmation Notice from Colonial's Scheduling department (not due upon lifting or delivery) and is non-refundable

- Payable in addition to the applicable local rates tariff and any other fees due under the tariff
- For Gulf Coast to Northeast movements only; does not apply to short haul or IHT movements
- Fee applies to segregated gasoline and distillate movements
- Applies to confirmed nomination volume of segregated product and not buffer batch



Thank you for attending!

Follow up questions can be directed to:
customerrelations@colpipe.com
segregatedbatch@colpipe.com

