

Colonial System Storage Webinar

March 16, 2021



Colonial Pipeline Company

PRESENTERS

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Anti Trust Admonition

- *In compliance with the Interstate Commerce Act (Section 15(13)), Colonial Pipeline will not disclose or discuss the nature or kind of product tendered to or delivered by Colonial Pipeline for a particular shipper, the quantity of such product, the destination or routing of such product, or the identity of the shipper or recipient of such product.*
- *None of the attendees should disclose or discuss any non-public information of a competitively sensitive nature, including individual shippers' pricing, costs, capacity, production, marketing or future business plans*

Colonial System Storage



Capacity Available
for Lease

Capacity Needed
for Throughput

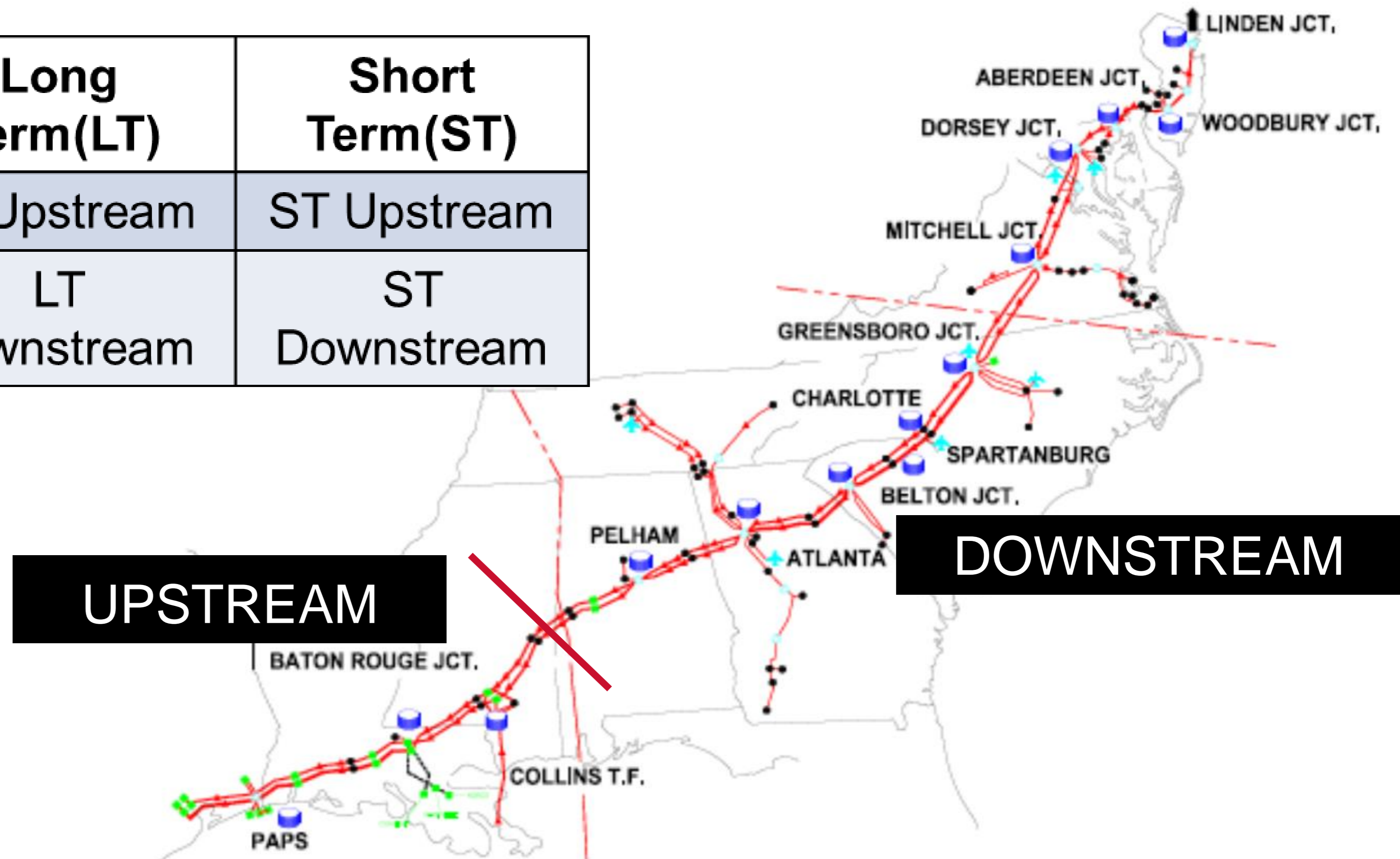
System Storage Overview

- Approximately 5 million barrels (bbls.) of capacity system wide.
- Provides operational flexibility.
- Financial incentives related to storing product during periods of advantageous market conditions.
- Synergistic with Colonial's core business.

System Storage

- System storage has four variations:

	Long Term(LT)	Short Term(ST)
Upstream	LT Upstream	ST Upstream
Downstream	LT Downstream	ST Downstream





Short-Term Storage

Short-Term Storage

- Short-Term Storage
 - 95% terminal constraints/5% commercial opportunities
 - Short-term storage is an important tool used to avoid pipeline disruption
 - Short-term storage costs \$2000/5000 bbls./cycle in 5000 bbl. increments



Short Term Storage Process

- Execution of a Short Term Storage Master Service Agreement(MSA)
- Enter a nomination request in T4 for the batch, volume and number of cycles would like Colonial to store
- Colonial scheduling team reviews the nomination requests and if the space is available approves the request.

MASTER SHORT TERM TANK SPACE USE AGREEMENT

This Master Short Term Tank Space Use Agreement (this "Agreement") is entered into this 9th day of March 2021 by and between COLONIAL PIPELINE COMPANY (hereinafter called "Colonial") with offices at 1185 Sanctuary Parkway, Suite #100, Alpharetta, Georgia 30009, and Customer A (hereinafter called "User") with offices at _____. Colonial and User may hereinafter be referred to individually as a "Party" and collectively as the "Parties".

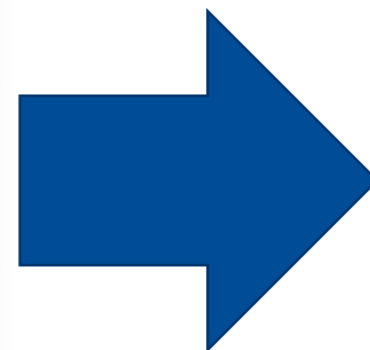
WITNESSETH:

WHEREAS, Colonial may make available to User from time to time certain short-term, nonexclusive space within Colonial's owned or operated tankage that will be used by Colonial incidental to but for the benefit of User, and in connection with User's shipment and Colonial's transportation of refined petroleum products of User (or its consignee, where applicable) on Colonial's refined petroleum products pipeline transportation system; and

WHEREAS, the Parties desire to document the services that may be tendered by Colonial to User from time to time, including the terms and conditions that apply thereto, through the execution and delivery of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Definitions.** In addition to the capitalized terms defined and used elsewhere in this Agreement, (i) "Colonial Shipper Manual" means the then-current shipper manual published by Colonial applicable to all shippers on the Colonial pipeline system, as such manual may be amended, modified or supplemented from time to time by Colonial in its sole discretion, (ii) "Cycle" has the meaning set forth in the Colonial Shipper Manual, (iii) "In-Transit Storage" means the temporary storage, use, and handling of product in tank(s) designated by Colonial, (iv) "Tank Space" means the provision by Colonial of a defined volume of short-term space for refined petroleum products that may be commingled with like-kind product in tanks to be chosen by Colonial, and (v) "T-4" means the Transport4 system for the management of the shipment and storage of refined petroleum products, which the Parties will use for the nomination and acceptance process described in paragraph 3 below.
2. **Term.** The initial term of this Agreement will be twelve (12) months ("Initial Term"), and will automatically renew for successive twelve (12) month periods (each, a "Renewal Term", and together with the Initial Term, the "Term"), unless terminated by either Party upon written notice no later than thirty (30) days prior to the expiration of the then-current Term. Notwithstanding anything contained herein to the contrary, this Agreement may be cancelled by Colonial at any time upon written notice to User. Notwithstanding any termination pursuant to this Section 2, this Agreement shall continue to govern Transaction Agreements entered into



TRANSPORT4 T4 BATCH CODE

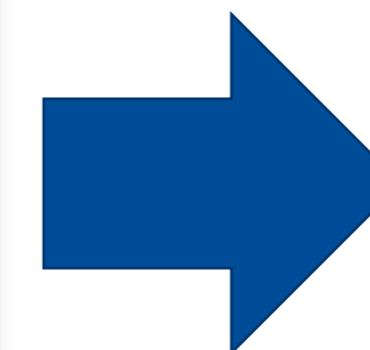
Dashboard **Nominations** Schedules Product Transfer Orders Tickets Allocations In

Search Nominations

Search Criteria
Show My Noms: NO

Batch Search
T4 Batch Code Legacy Batch Code Carrier Shipper Produ
T4 BATCH CODE LEGACY BATCH CODE OR

Party To Event Other Search Criteria
Company Location Tankage Include Deleted Exclude Deleted Carrier Confirm Status S/C C



*Contact Dale Wiseman regarding the execution of the Agreement: dwiseman@colpipe.com

System Storage

- Short-Term Storage

- Example: A customer requests 100,000 bbls. of 54 grade short term storage for six cycles.
 - Colonial may notify the customer only 50,000 bbls. of 54 grade is available for three cycles, and when the three cycles is getting close to ending Colonial will re-evaluate the system to determine if Colonial can hold the product for an additional two to three cycles.
 - The customer would need to make other arrangements for the remaining 50,000 bbls.
 - If at the end of the three cycles, the customer still can't hold the 50,000 bbls., and requests Colonial to hold the product for an additional three cycles, Colonial will determine if we have the necessary tank space and will notify the customer if we can accommodate their request.



Long-Term Storage

Long-Term System Storage

- System storage is leased for all major fungible grades.
- Concentrating on A, F, M, 54 and 62 grades.
- Fungibility is the key.
- Long-term storage is defined as more than one month in duration.
- Typically three months or more.
- No handling charges associated with “turns” into/out of storage.
- Gasoline grades must transition with RVP transition calendar.
- All volumes moved into or out of system storage are subject to any applicable line allocations.



Long-Term System Storage - Downstream



- Downstream System Storage requires the shipper to use allocated space to get barrels into the storage.
- PTOs into and out of downstream system storage are allowed.
- Nominations into and out of downstream system storage are made one cycle in advance of the applicable cycle hitting Greensboro, NC.
- Volumes coming out of downstream system storage can be nominated to any destinations between Birmingham, AL and Linden, NJ, subject to:
 - Any applicable line allocations
 - Grade restrictions
 - Five-day notice ahead of the cycle hitting Greensboro Tank Farm.



Long-Term System Storage - Upstream

- Upstream system storage is upstream of the point of allocation on Colonial mainlines 1 and 2.
- If the applicable mainline is under allocation, the shipper must have allocated space to move the volume out of storage downstream of Collins, MS.
- PTO's out of upstream system storage are allowed if the storage holder doesn't have or desire to ship the batch using there own line space.
- Upstream system storage may be delivered to locations upstream of the point of allocation but downstream of the original origin point of the batch.



Storage Nomination Process

Example: Long-Term Storage In (Upstream)

- Shipper AAA has an upstream long-term storage contract in place with Colonial and would like to place this batch into storage.
- The shipper will nominate this request directly from T4

Batch Details: CPL-AAA-62-611 (apotts)

4 Nominations

Event Type	Volume	UOM	Loc	Location Description	S/C	Tnk
Receipt	25	MBbls	HTN	Houston (HTN)	XXX	XXX
Junction	25	MBbls	GBJ	Greensboro J...	CPL	CPL
Junction	25	MBbls	LNJ	Linden Junctio...	CPL	CPL
Delivery	25	MBbls	LND	Linden Deliver...	XXX	XXX

A	Houston (PDA, CBL, HTN)
E	Hebert (HEB, NPA, PAP)
K	Lake Charles (LKC)
S	Krotz Springs (KSG)
B	Baton Rouge (BEG, BEL)
C	Collins (CLL, CSL, PWL)

- In T4, shipper changes delivery to “Local Storage In”
- Location UVJ is used for Upstream Virtual Junction
- Sup/Con is always the shipper’s code and Tankage is always CPC
- Linked shipper and product the same; cycle is always “00” and sequence is origin code of the nomination. Origin codes are for storage tracking only.

Event Type	Volume	Location	Sup/Con	Tankage	Grantees	Link Shipper	Link Product	Link Cycle	Link Sequence
Junction	25	UVJ	CPL	CPL					
Locl Storage In ▾	25	UVJ ▾	AAA	CPC	Add	AAA	62	00	A
Receipt ▾	25	HTN ▾	XXX ▾	XXX ▾	Add				



Example: Long-Term Storage Out (Upstream)

Batch Code

Carrier* Shipper* Product* Cycle* Sequence Batch Year*

Batch Remarks

2 Nominated Events

Event Type	Volume	Location	Sup/Con	Tankage	Grantees	Link Shipper	Link Product	Link Cycle	Link Sequence
Locl Storage Out	25	UVJ	AAA	CPC	Add	AAA	62	00	A
Delivery	25	LND	XXX	XXX	Add				

- A Houston (PDA, CBL, HTN)
- E Hebert (HEB, NPA, PAP)
- K Lake Charles (LKC)
- S Krotz Springs (KSG)
- B Baton Rouge (BEG, BEL)
- C Collins (CLL, CSL, PWL)

- In T4, shipper creates a new batch, using “Local Storage Out” as the origin
- Location UVJ is used for Upstream Virtual Junction
- Sup/Con is always the shipper’s code and Tankage is always CPC
- Linked shipper and product the same; cycle is always “00” and sequence is origin code of barrels being lifted from storage. Origin codes are for storage tracking only.

Example: Long-Term Storage Out (Upstream) #2

Batch Code

Carrier*	Shipper*	Product*	Cycle*	Sequence	Batch Year*
CPL - Colonial	BBB - BBB Test	62	63	1	2021

Additional Information

Shipper Batch ID	Batch Remarks

2 Nominated Events

Event Type	Volume	Location	Sup/Con	Tankage	Grantees	Link Shipper	Link Product	Link Cycle	Link Sequence
Transfer Receipt✓	25	UVJ ↓	AAA ↓	CPC ↓		AAA	62	00	A
Delivery ✓	25	LND ↓	XXX ↓	XXX ↓					

A	Houston (PDA, CBL, HTN)
E	Hebert (HEB, NPA, PAP)
K	Lake Charles (LKC)
S	Krotz Springs (KSG)
B	Baton Rouge (BEG, BEL)
C	Collins (CLL, CSL, PWL)

- In T4, shipper creates a new batch, using “Transfer Receipt” as the origin
- Location UVJ is used for Upstream Virtual Junction
- Sup/Con is always the shipper’s code that is providing the barrels and Tankage is always CPC
- Linked shipper and product the same; cycle is always “00” and sequence is origin code of barrels being lifted from storage. Origin codes are for storage tracking only.

Example: Long-Term Storage In (Downstream)

- Shipper AAA has a downstream long-term storage contract in place with Colonial and would like to place batch AAA-62-611 into storage.
- The shipper will nominate this movement request from T4

Batch Details: CPL-AAA-62-611-

- In T4, shipper changes delivery to “Local Storage In”
- Location DVJ is used for Downstream Virtual Junction
- Sup/Con is always the shipper’s code and Tankage is always CPC
- Linked shipper and product the same; cycle is always “00” and sequence is origin code of the nomination. Origin codes are for storage tracking only.

4 Nominations

Event Type	Volume	UOM	Loc	S/C	Tnk
Receipt	25	MBbls	HTN	XXX	XXX
Junction	25	MBbls	GBJ	CPL	CPL
Junction	25	MBbls	LNJ	CPL	CPL
Delivery	25	MBbls	LND	XXX	XXX

A	Houston (PDA, CBL, HTN)
E	Hebert (HEB, NPA, PAP)
K	Lake Charles (LKC)
S	Krotz Springs (KSG)
B	Baton Rouge (BEG, BEL)
C	Collins (CLL, CSL, PWL)

2 Nominated Events

Event Type	Volume	Location	Sup/Con	Tankage	Grantees	Link Shipper	Link Product	Link Cycle	Link Sequence
Receipt	25	HTN	XXX	XXX					
Local Storage In	25	DVJ	AAA	CPC		AAA	62	00	A

Example: Long-Term Storage Out (Downstream)

- In T4, shipper creates a new batch, using “Local Storage Out” as the origin as the origin
- Location DVJ is used for Downstream Virtual Junction
- Sup/Con is always the shipper’s code and Tankage is always CPC
- Linked shipper and product the same; cycle is always “00” and sequence is origin code of barrels being lifted from storage. Origin codes are for storage tracking only.

Batch Code

Carrier* Shipper* Product* Cycle* Sequence Batch Year*

Additional Information

Shipper Batch ID

Batch Remarks

2 Nominated Events

Event Type	Volume	Location	Sup/Con	Tankage	Grantees	Link Shipper	Link Product	Link Cycle	Link Sequence
Locl Storage Out	25	DVJ	AAA	CPC		AAA	62	00	A
Delivery	25	LND	XXX	XXX					

A	Houston (PDA, CBL, HTN)
E	Hebert (HEB, NPA, PAP)
K	Lake Charles (LKC)
S	Krotz Springs (KSG)
B	Baton Rouge (BEG, BEL)
C	Collins (CLL, CSL, PWL)



Example: Short-Term Storage In (Downstream)

Shipper AAA has a signed Master Service Agreement (“MSA”) w/Colonial, allowing them to directly nominate product into short-term storage.

Batch Details: CPL-AAA-62-611 (apotts)

4 Nominations

Event Type	Volume	UOM	Loc	Location Description	S/C	Tnk
Receipt	25	MBbls	HTN	Houston (HTN)	XXX	XXX
Junction	25	MBbls	GBJ	Greensboro J...	CPL	CPL
Junction	25	MBbls	LNJ	Linden Junctio...	CPL	CPL
Delivery	25	MBbls	LND	Linden Deliver...	XXX	XXX

Event Type	Volume	Location	Sup/Con	Tankage	Grantees	Link Shipper	Link Product	Link Cycle	Link Sequence
Receipt	25	HTN	XXX	XXX	Add				
Junction	25	GBJ	CPL	CPL					
Junction	25	LNJ	CPL	CPL					
Delivery	20	LND	XXX	XXX	Add				
Shrt Trm Stg In	5	GBJ	AAA	CPC		AAA	62	63	1

- Shipper AAA wishes to store 5.0 barrels for two cycles on their LND delivery
- Customer will reduce delivery to 20.0 and add an event “Shrt Trm Stg In”, short-term storage in, for 5.0 at Greensboro Jct. (Junction varies by location)
- Sup/Con is the shipper’s code and Tankage is always CPC
- Linked shipper and product the same; cycle is the next available cycle per the length of the lease. Since AAA will hold for two cycle, the link batch is a C63 batch.

Example: Short-Term Storage Out (Downstream)

Batch Code

Carrier*	Shipper*	Product*	Cycle*	Sequence	Batch Year*
CPL - Colonial	AAA - AAA Test	62	63	1	2021

Additional Information

Shipper Batch ID	Batch Remarks

2 Nominated Events

Event Type	Volume	Location	Sup/Con	Tankage	Grantees	Link Shipper	Link Product	Link Cycle	Link Sequence
Shrt Trm Stg Out✓	5	GBJ ↓	AAA	CPC		AAA	62	61	1
Delivery ↓	5	LND ↓	XXX ↓	XXX ↓					

- In T4, shipper creates a new batch, using “Shrt Trm Stg Out” as the origin
- Location is GBJ, where original batch was stored (can vary)
- Sup/Con is the shipper’s code and Tankage is always CPC
- Linked shipper and product the same; cycle links back to the original batch

Example: Short-Term Storage In (Upstream)

Shipper AAA has a signed Master Service Agreement (“MSA”) with Colonial, allowing them to directly nominate product into short-term storage.

Batch Details: CPL-AAA-62-611 (apotts)

4 Nominations

Event Type	Volume	UOM	Loc	Location Description	S/C	Tnk
Receipt	25	MBbls	HTN	Houston (HTN)	XXX	XXX
Junction	25	MBbls	GBJ	Greensboro J...	CPL	CPL
Junction	25	MBbls	LNJ	Linden Junctio...	CPL	CPL
Delivery	25	MBbls	LND	Linden Deliver...	XXX	XXX

Event Type	Volume	Location	Sup/Con	Tankage	Grantees	Link Shipper	Link Product	Link Cycle	Link Sequence
Receipt	25	HTN	XXX	XXX	Add				
Junction	25	GBJ	CPL	CPL					
Junction	25	LNJ	CPL	CPL					
Delivery	15	LND	AAA	XXX	Add				
Shrt Trm Stg In	10	UVJ	AAA	CPC		AAA	62	63	1

- Shipper AAA wishes to store 10.0 barrels for 2 cycles for short-term storage upstream of Collins
- Customer will reduce LND delivery to 15.0 and add an event “Shrt Trm Stg In” for 10.0 at location UVJ. (location will not vary)
- Sup/Con is the shipper’s code and Tankage is always CPC
- Linked batch should be setup as right after saving the changes to the current nom.

Example: Short-Term Storage Out (Upstream)

Batch Code

Carrier*	Shipper*	Product*	Cycle*	Sequence	Batch Year*
CPL - Colonial	AAA - AAA Test	62	63	1	2021

Additional Information

Shipper Batch ID	Batch Remarks

2 Nominated Events

Event Type	Volume	Location	Sup/Con	Tankage	Grantees	Link Shipper	Link Product	Link Cycle	Link Sequence
Shrt Trm Stg Out✓	10	UVJ ↓	AAA	CPC		AAA	62	61	1
Delivery ↓	10	LND ↓	XXX ↓	XXX ↓					

- In T4, shipper creates a new batch, using “Shrt Trm Stg Out” as the origin
- Location is UVJ, where original batch was stored (can vary)
- Sup/Con is the shipper’s code and Tankage is always CPC
- Linked shipper and product the same; cycle links back to the original batch

Example: Long-Term Storage Inventory Report

AAA TEST COMPANY Storage

Cycles 08 - 14

Product	Origin	Cycle	Batch	Volume	Total
DVJ					
62	K (LKC)	08			0
62	K (LKC)	09	AAA-62-093	25,000	25,000
62	K (LKC)	10			25,000
62	K (LKC)	11			25,000
62	K (LKC)	12			25,000
62	K (LKC)	13			25,000
62	K (LKC)	14			25,000
A4	A (PDA/HTN)	08	AAA-A4-083	25,000	25,000
A4	A (PDA/HTN)	09			25,000
A4	A (PDA/HTN)	10			25,000
A4	A (PDA/HTN)	11	AAA-A4-113	-15,000	10,000
A4	A (PDA/HTN)	12			10,000
A4	A (PDA/HTN)	13			10,000
A4	A (PDA/HTN)	14			10,000
UVJ					
62	A (PDA/HTN)	08			25,000
62	A (PDA/HTN)	09			25,000
62	A (PDA/HTN)	10			25,000
62	A (PDA/HTN)	11			25,000
62	A (PDA/HTN)	12			25,000
62	A (PDA/HTN)	13			25,000
62	A (PDA/HTN)	14			25,000
62	B (Baton Rouge)	08			50,000
62	B (Baton Rouge)	09			50,000
62	B (Baton Rouge)	10	AAA-62-108	-25,000	25,000
62	B (Baton Rouge)	11			25,000
62	B (Baton Rouge)	12			25,000
62	B (Baton Rouge)	13			25,000
62	B (Baton Rouge)	14			25,000
A4	A (PDA/HTN)	08			0
A4	A (PDA/HTN)	09			0
A4	A (PDA/HTN)	10			0
A4	A (PDA/HTN)	11			0
A4	A (PDA/HTN)	12	AAA-A4-123	25,000	25,000
A4	A (PDA/HTN)	13			25,000
A4	A (PDA/HTN)	14			25,000

- Reports are sent daily via email.
- Individuals wishing to receive the report must add “Scheduler” to their assigned roles in T4 User Configuration.



Questions?

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