

**Plains Pipeline Montana LLC (“Carrier”)
Pipeline Proration Procedures**

Dated: July 1, 2019

(a) When there shall be nominated to Carrier, for transportation, more Crude Petroleum than can be immediately transported on a line segment, the transportation furnished by Carrier shall be apportioned among Shippers on an equitable basis. Line segments will be prorated separately if necessary.

(b) When it is determined that insufficient capacity is available to accommodate all valid timely and properly submitted Nominations, Carrier will notify via electronic mail, telephone, facsimile, electronic bulletin posting or other appropriate method as selected by the Carrier, each Shipper that has tendered a Nomination (“Initial Nomination”) for the allocated line segment or facility. Each allocated Shipper will have an opportunity to submit a revised Nomination for the month, which revised Nomination must be equal to or less than the Shipper’s Initial Nomination (“Revised Nomination”). A Shipper must submit a Revised Nomination to Carrier within 24 hours of Carrier notifying the Shipper of the opportunity to submit a Revised Nomination. If a Shipper does not submit a Revised Nomination within such 24-hour time period, the Shipper’s Initial Nomination shall be deemed to be its Revised Nomination.

(c) Space in each segment will be allocated among “Regular Shippers” and any “New Shippers” as follows:

1. The capacity of the line segment being prorated shall be divided by the total of all volumes nominated by Regular Shippers and New Shippers. The resultant fraction will be the “proration factor”.
2. New Shippers shall be allocated up to a total of five percent of the available line segment capacity. Each New Shipper shall be allocated space equal to its nominated volumes multiplied by the proration factor, except that in any month for which Carrier is allocating capacity on a System, the capacity allocated to a Regular Shipper shall not be reduced by more than 10 percent of the Regular Shipper’s base period shipments.
3. The remaining capacity shall be allocated among Regular Shippers in proportion to their base period shipments.

(d) The “base period” is a period of 12 months beginning 13 months prior to the month of allocation and excluding the month preceding the month of allocation, except that a New Shipper must ship on a particular line segment for twelve (12) consecutive calendar months before it will become eligible to be classified as a Regular Shipper on such line segment. A “Regular Shipper” is any Shipper having a record of movements in the line segment being prorated, during the base period. A “New Shipper” is a Shipper who is not a Regular Shipper. In no event will any portion of allocated capacity to a New Shipper be used in such a manner that it will increase the allocated capacity of another Shipper beyond the allocated capacity that Shipper is entitled to under the provisions stated in these Pipeline Proration Procedures. Carrier may require written assurances from responsible officials of Shippers regarding use of allocated capacity stating that this requirement has not been violated. In the event any New Shipper shall, by any device, scheme or arrangement whatsoever, make its allocated capacity available to another Shipper, or in the event any Shipper shall receive and use any allocated capacity from a New Shipper, then, in the month following discovery of such violation, the allocated capacity of a New Shipper will be reduced to the extent of the excess capacity made available and the allocated capacity of a Shipper will be reduced to the extent of excess capacity used.