

Marquart, Janet R.

From: Feisal Gazie [feisal.gazie@enbridge.com]
Sent: Tuesday, November 25, 2008 6:56 PM
To: Marquart, Janet R.
Cc: Feisal Gazie
Subject: Enbridge North Dakota - N.D.P.S.C. Tariff No. 54

As discussed this afternoon, please accept this email to clarify a clerical error contained within the cover letter for Enbridge Pipelines (North Dakota) LLC Tariff Number 54 that was filed with the North Dakota Public Service Commission (N.D.P.S.C.) on October 17, 2008.

It has come to our attention that the cover letter incorrectly reads N.D.P.S.C. Tariff No. 54 canceling N.D.P.S.C. Tariff No. 53. The cover letter should have read:

N.D.P.S.C. Tariff No. 54 canceling N.D.P.S.C. Tariff No. 50.

Enbridge wishes to confirm that this clerical error only pertains to the cover letter and that the tariff filed with N.D.P.S.C. correctly indicates that N.D.P.S.C. Tariff No. 54 cancels N.D.P.S.C. Tariff No. 50.

Please accept our apologies for any inconvenience this may have caused. Should further clarification be required, please do not hesitate to call me directly at (403) 231-5940.

Regards,

Feisal Gazie
Business Planning Specialist
Regulatory Strategy & Compliance
Enbridge Pipelines Inc.
tel (403) 231-5940
fax (403) 508-3140
feisal.gazie@enbridge.com

ENBRIDGE

Enbridge Pipelines Inc.
3000 Fifth Avenue Place
425 – 1st Street S.W.
Calgary, AB T2P 3L8
Canada

Ralph Fischer
Director, Planning & Analysis
Phone: (403) 266 8319
Fax: (403) 231 5787
ralph.fischer@enbridge.com

CERTIFIED MAIL

October 17, 2008

North Dakota Public Service Commission
State Capital – 12th Floor
Bismarck, ND 58505-0480
Attn: Public Utility Division

Tariff Department:

Enclosed for filing are seven copies of the following local tariff issued by Enbridge Pipelines (North Dakota) LLC (“Enbridge North Dakota”). This filing was issued to the Federal Energy Regulatory Commission by Enbridge North Dakota with an issue date of October 17, 2008 and an effective date of December 1, 2008:

FERC Tariff No. 58 cancelling FERC No. 52.
N.D.P.S.C. Tariff No. 54 canceling N.D.P.S.C. Tariff No. ~~53~~ 50

<per: Email
from Enbridge
dated 11-25>

This tariff bears an issue date of October 17, 2008 and an effective date of December 1, 2008.

Explanation of Tariff Filing:

On October 1, 2008, Enbridge North Dakota filed FERC Tariff No. 57, to cancel FERC No. 52 and to revise its prorationing procedures. Subsequently, Enbridge North Dakota found it necessary to implement further changes. Therefore on October 17, 2008, Enbridge North Dakota is withdrawing FERC No. 57, is filing Supplement No. 2 to FERC No. 52, and is filing this FERC No. 58. FERC No. 58 brings forward the changes made in Supplement No. 2 to FERC No. 52 and implements the changes that would have been made in FERC No. 57.

Enbridge North Dakota is filing this tariff to implement a revision to its prorationing procedures relating to the Enbridge North Dakota system. This tariff revision is designed to implement changes to Enbridge North Dakota’s existing prorationing policy in advance of an expansion of the line (the “Phase 6 expansion”), which is the subject of an Offer of Settlement pending Commission approval in *Enbridge Pipelines (North Dakota) LLC*, Docket No. OR08-6. As set forth in the proposed tariff revision, the revised prorationing procedures in FERC Tariff No. 58 go into effect on December 1, 2008, and will govern the nominations in December 2008 for transportation in January 2009.

Background:

Enbridge North Dakota is a 950-mile common carrier oil pipeline regulated by the Commission that currently transports approximately 110,000 barrels per day (“bpd”) of crude from the Williston Basin oil fields in eastern Montana and western North Dakota to Clearbrook, Minnesota where the pipeline interconnects with the Lakehead and Minnesota Pipeline Systems transporting crude to the upper Midwest and eastern Canada. The Phase 6 expansion mentioned above will increase the pipeline’s capacity by approximately 40,000 bpd into Minot, North Dakota and approximately 51,000 bpd from Minot to Clearbrook, Minnesota.

On January 26, 2007, Enbridge North Dakota filed a tariff to implement changes to its prorating policy to address increasing capacity demands on the line that had kept the system in prorating for many months. Those changes included limiting the nominations to the physical capacity of the pipeline and adding a penalty for shippers that, in the absence of *force majeure*, did not ship at least 95% of the volume allocated to them through the nomination and prorating process. The Commission accepted those changes, with certain conditions that were subsequently implemented. *See Enbridge Pipelines (North Dakota) LLC*, 118 FERC ¶ 61,162 (2007).

Because those changes were not effective in eliminating the over-nominations on the Enbridge North Dakota system, on August 1, 2007, Enbridge North Dakota proposed additional changes to its prorating process. Those proposed changes transitioned from the then-existing historical based policy to a revised historical policy by amending the definition of a shipper’s “Average Monthly Volume” (“AMV”) beginning with nominations made in September 2007. In response to concerns that the penalty provisions implemented in January 2007 were not sufficiently flexible, the revised rules also changed the provision imposing the penalty for shipping less than 95 percent of a shipper’s apportionment to a floor of 90 percent. Those proposed changes were approved over protest in *Enbridge Pipelines (North Dakota) LLC*, 120 FERC ¶ 61,197 (2007), *reh’g denied*, 122 FERC ¶ 61,196 (2008).

In response to more recent concerns raised by shippers relating to the manner in which the revised policies unexpectedly advantaged New Shippers over Regular Shippers in the allocation process, Enbridge North Dakota formulated a proposal to further modify its prorating policies that was discussed at a meeting on September 22, 2008 in Denver to which all shippers were invited and provided in advance with a draft of the proposed tariff. Enbridge North Dakota did not receive any opposition to the proposed tariff changes. Accordingly, Enbridge North Dakota is proposing the attached prorating policy to go into effect on December 1, 2008.

Proposed Rule Changes:

(1) The primary change in the revised tariff is to the prorating policy set forth in Rule 65(b). This rule change reduces the amount of the total Available Capacity available to each individual New Shipper during prorating and revises when in the process New Shippers share in residual capacity allocation. This rule change is necessary to address two respects in which the existing policy currently tends in practice to favor New Shippers over Regular Shippers. First, over the past year, the number of Regular Shippers has steadily increased, from 12 in August 2007 to 30 as of September 2008. Given the number of Regular Shippers on the line today, a particular Regular Shipper may be allocated as little as 0.51 percent of the total system capacity in a given month. By comparison, the existing proration rule allows

a New Shipper to obtain as much as 2.5 percent of the pipeline's Available Capacity starting from the very first month the New Shipper nominates to the system and continuing for as long as the New Shipper remains a New Shipper. This provision, which appeared reasonable given the circumstances when it was first adopted, has the unintended consequence of making it more attractive to be a New Shipper than to become a Regular Shipper during a period of expanding capacity. If, as is expected, the number of Regular Shippers continues to increase, allocations will be further skewed in favor of New Shippers. To address this concern, the proposed revision to Rule 65(b)(iii) limits each New Shipper allocation to no more than 1 percent of the total Available Capacity. Thus, New Shippers will receive allocations that are more in line with those available to Regular Shippers that have transported oil consistently over the Base Period. Notably, under revised Rule 65(b)(v), a New Shipper can exceed the 1 percent cap if there is space available at the end of the process that would otherwise go unused and that New Shipper's original nomination has not been fully satisfied.

Second, the current prorating policy has had the effect in practice of allocating a disproportionate share of any expansion capacity to New Shippers rather than Regular Shippers. This effect has become particularly problematic for two reasons: (1) the upcoming completion of Enbridge North Dakota's Phase 6 expansion will result in a significant increase in new capacity available and (2) the growth in the number of Regular Shippers relative to the number of New Shippers means that the small population of New Shippers could receive a significantly greater share of the new capacity than the much larger pool of Regular Shippers.

Accordingly, Rule 65(b)(iv) has been revised to provide that the residual capacity remaining after Regular Shippers have been allocated their Average Monthly Volumes under Rule 65(b)(ii) and New Shippers have been allocated up to 10 percent of the Available Capacity under Rule 65(b)(iii) will be apportioned on a pro rata basis among the Regular Shippers. As noted above, if the Regular Shippers' nominations fail to fill the residual capacity, any remaining Available Capacity is allocated among all shippers (including New Shippers) under Rule 65(b)(v).

Given that all shippers have had an ample opportunity to become Regular Shippers during the period of more than 12 months that has expired since Enbridge North Dakota last revised its prorating policy, and that many shippers have taken advantage of the opportunity to become Regular Shippers during that interval, there is no unfairness in providing that Regular Shippers who have consistently used the pipeline over the Base Period should have greater access to the expanded pipeline capacity rather than having a disproportionate share of that capacity go to New Shippers. Nevertheless, as described above, New Shippers will continue to have access to the pipeline through the 10 percent set-aside for New Shippers as well as the residual space potentially available under Rule 65(b)(v).

(2) A technical change is proposed to Rule 65(e)(iv) to clarify whose responsibility it is to resolve discrepancies between binding nominations made by a Shipper and information provided by a connecting facility. The proposed rule permits Enbridge North Dakota to rely on the information provided by a connecting facility and requires the Shipper to resolve any discrepancies with that information with the owner of the connecting facility within 30 days of the end of the month in which the transportation occurred.

(3) Rule 71(f) clarifies the provision regarding transfer of a Shipper's rights and obligations to substitute the reference from "this tariff" to "Rule 71."

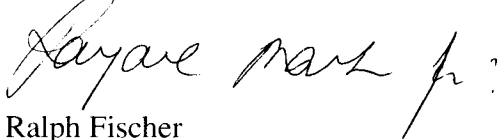
(4) In addition, FERC No. 58 carries forward the change made by Supplement 2 to FERC No. 52. As explained in the transmittal letter accompanying FERC No. 52, Rule 65 is amended by adding a new paragraph in order to allow the transfer of capacity allocations (1) in the event of a bona fide sale of a shipper's business, or (2) to a successor to the shipper's business by the operation of law, such as an executor or trustee in bankruptcy. The transfer of allocations is permitted only in those two circumstances.

Notification:

I hereby certify that Enbridge North Dakota has, on or before this date, delivered copies of the above tariffs to each person on Enbridge North Dakota's subscriber list by the U.S. Postal Service (First Class Mail) and by other means agreed upon. Please date stamp the enclosed extra copy of this transmittal letter and the accompanying tariffs and return it to the messenger.

If you have any questions concerning this filing, please call Feisal Gazie at (403) 231-5940.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ralph Fischer".

Ralph Fischer
Director, Planning & Analysis

Enclosures

cc: Tariff Subscribers

ENBRIDGE PIPELINES (NORTH DAKOTA) LLC

LOCAL PROPORTIONAL TARIFF

RULES AND REGULATIONS

Governing the Gathering and Transportation of

CRUDE PETROLEUM BY PIPELINE

Note: For rates see Enbridge Pipelines (North Dakota) LLC Local Tariff applying on Crude Petroleum.

GENERAL APPLICATION

The Rules and Regulations published herein apply only under tariffs making specific reference by F.E.R.C. number to this tariff: such reference will include supplements hereto and successive issues hereof. Specific rules and regulations published in individual tariffs will take precedence over Rules and Regulations published herein.

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

ISSUED OCTOBER 17, 2008

EFFECTIVE DECEMBER 1, 2008

ISSUED BY

Ralph J.W. Fischer
Director, Planning & Analysis
Enbridge Pipelines Inc.
3000 Fifth Avenue Place
425 – 1st Street SW
Calgary, AB Canada T2P 3L8
Tel. (403) 266-8319
Fax (403) 231-5787

COMPILED BY

Feisal Gazie
Regulatory Strategy & Compliance
Enbridge Pipelines Inc.
3000 Fifth Avenue Place
425 – 1st Street S.W.
Calgary, AB Canada T2P 3L8
Tel. (403) 231-5940
Fax (403) 508-3140

RULES AND REGULATIONS

5. APPLICATION

The rates named in this tariff apply on the gathering and transportation of Crude Petroleum from the established receiving points of Enbridge Pipelines (North Dakota) LLC, hereinafter referred to as "Carrier", in the areas of Montana and North Dakota, to established destination points of Carrier, in Minnesota, Montana and North Dakota, for the movement beyond to interstate destinations.

8. ACCEPTANCE OF DELIVERY

The Carrier shall not be required to accept delivery of Crude Petroleum from field batteries at intervals of less than 7 days, except in parcels of more than four hundred (400) barrels each.

9. HEATING OF CRUDE PETROLEUM

The Carrier may require Crude Petroleum tendered hereunder to be heated prior to acceptance, and may refuse to accept Crude Petroleum tendered at temperatures in excess of 120 degrees (120°) Fahrenheit.

10. DEFINITIONS

As used in these rules and regulations, the following terms have the following meanings:

"API gravity" or "gravity" means gravity determined in accordance with the ASTM Designation D-287-82 or the latest revision thereof.

"Barrels" means 42 United States gallons at sixty degrees (60°) Fahrenheit.

"Crude Petroleum" means either (1) the direct liquid products of oil or gas wells regardless of gravity, which are produced at the well head in liquid form, or (2) the indirect liquid products of oil or gas wells recovered or extracted from gas, at gas plants or refineries, known as natural gas liquids and consisting of ninety percent (90%) or more pentanes and heavier hydrocarbons, regardless of gravity, or (3) a mixture of the direct liquid products of oil or gas wells with the indirect liquid products of oil or gas wells, as provided in Item 16.

"Financial Assurances" means the financial assurances provided by the Shippers and accepted by the Carrier in accordance with Rule 102.

"Shipper" means the party that contracts with the Carrier for the transportation of Crude Petroleum under the terms of this tariff, and that has satisfied the Carrier of that party's capacity to perform its financial obligations that may arise from the transportation of its Crude Petroleum under the terms of this tariff, and includes a transferee of a Shipper's rights and obligations, as approved in accordance with Rule 71 (f).

"Tender" means an offer by a shipper to Carrier of a stated quantity of Crude Petroleum for transportation from a specified reception point or points to a specified delivery point or points in accordance with these rules and regulations.

16. MIXTURES

(a) The indirect liquid products of oil or gas wells, hereinafter referred to as indirect products, may be accepted and transported as a mixture with the direct liquid products of oil and gas wells, hereinafter referred to as direct products, provided the following conditions are met: (1) The Carrier's facilities permit segregation of the mixture; (2) the mixture is segregated from other streams which do not contain indirect products; and (3) the vapor pressure of the mixture does not exceed that permitted by Carrier's facilities and operating conditions.

(b) The indirect products portion of the mixture may be accepted for transportation at reception points other than the one at which the direct products portion of the same mixture is received, provided that the consignee and destination are the same, and that operating conditions and Carrier's facilities permit the indirect products portion to be mixed with the direct products of the same consignee. The rate to be assessed on each portion of the mixture shall be the rate applicable from the point at which each is received. The direct and indirect products shall be measured and tested separately, and must be shown separately on the tender form.

(Continued on Next Page)

RULES AND REGULATIONS

16. MIXTURES (Concluded)

(c) Mixtures may be transported and delivered as Crude Petroleum. Nothing in this item is to be construed to waive provisions of Item 35 or to require Carrier to receive, transport and deliver unmixed indirect products, except that unmixed indirect products may be gathered for subsequent mixing with direct products in accordance with this rule where facilities exist for performing a gathering service for such products.

20. DESTINATION FACILITIES REQUIRED

(a) Crude Petroleum shall be received for transportation only at established receiving points and when consigned to the shipper or consignee at one or more regular delivery points.

(b) No duty to transport shall arise until evidence satisfactory to Carrier has been furnished that consignee has provided necessary facilities to which Carrier is connected and has made necessary arrangements for accepting delivery of shipments promptly on arrival at destination, as provided in these rules and regulations.

26. SPECIFICATIONS AS TO QUALITY TRANSPORTED

(a) Except as provided in Item 26(b), Carrier reserves the right to reject any Crude Petroleum offered for transportation other than good and merchantable Crude Petroleum of acceptable character which, when measured and tested by Carrier or Carrier's representative at the reception point, meets all of the following specifications:

- (1) Readily susceptible to transportation through Carrier's existing facilities;
- (2) API gravity of between twenty three degrees (23°) and ninety degrees (90°) at sixty degrees (60) Fahrenheit;
- (3) Reid vapor pressure which does not exceed 103 kilopascals;
- (4) Basic sediment, water and other impurities of one-half (1/2) of one (1) percent or less, with a maximum of three tenths (0.3) percent free water.

(b) Carrier reserves the right to reject Crude Petroleum which does not meet the specifications set forth in Item 26(a) unless (1) it is tendered for delivery from a designated shipper to a designated consignee, (2) Carrier's facilities and operating conditions permit the segregation of the off specification Crude Petroleum, and (3) the off specification Crude Petroleum is segregated from other Crude Petroleum which meets the specifications set forth in Item 26(a).

(c) At Carrier's request, shipper shall furnish Carrier with a certificate setting forth in detail the characteristics of each shipment offered for transportation and certifying that the shipment either (1) meets the specifications set forth in Item 26(a), or (2) the shipment is to be transported under Item 26(b). Carrier may, but shall not be required to, sample and/or test any shipment prior to or during receipt of the shipment, for the purpose of verifying the characteristics of the shipment contained in a shipper's certificate, and in the event of variance between said certificate and Carrier's test, Carrier's test shall prevail. Crude Petroleum which, either (1) does not meet the specifications set forth in Item 26(a) or (2) is not being offered for transportation under Item 26(b), shall be deemed to be unmerchantable and a shipper who offers unmerchantable Crude Petroleum shall be deemed to have breached the warranty and representation set forth in Item 40.

(d) The presence of contaminants in Crude Petroleum, including but not limited to chemicals such as chlorinated and/or oxygenated hydrocarbons and/or lead, shall be reason for Carrier to reject any Crude Petroleum. Crude Petroleum containing such contaminants shall be deemed to be unmerchantable and a shipper who offers contaminated Crude Petroleum shall be deemed to have breached the warranty and representation set forth in Item 40.

(e) Carrier reserves the right to reject any Crude Petroleum offered or received for transportation when, in addition to the applicable specifications, the sulfur content exceeds .5% by weight.

30. FACILITIES AT POINT OF ORIGIN REQUIRED

(a) Shipper shall provide, at the origin station, adequate storage and other facilities for receiving, measuring, testing and collecting into minimum batch volumes.

(b) Gathering services shall be performed only from established receiving points of Carrier to established origin stations of Carrier for movement beyond to established destinations.

RULES AND REGULATIONS

35. SEGREGATION AND CHANGES IN QUALITY

(a) Crude Petroleum offered for transportation shall be received by Carrier only on the condition that it shall be subject to such changes in gravity or quality while in transit as may result from the transportation thereof, or the mixture of said Crude Petroleum with other Crude Petroleum in the pipe lines or facilities of Carrier.

(b) Carrier shall be under no obligation to make delivery of the identical Crude Petroleum received, and (1) [W] in the case of any stream, other than a mixed stream, shall make delivery out of its common stock of that stream, and (2) [W] in the case of a mixed stream, shall make delivery out of its common stock of that stream. Any revaluations deemed appropriate by reason of difference in grade and/or quality that occur, by reason of the mixing, between receipt of the component parts and delivery of the stream, shall be between and for the account of the shipper and consignee. Carrier shall have no responsibility in or for such revaluations or settlements other than to furnish such data as it may have in its possession on the quality and gravity of the Crude Petroleum received into and delivered out of the mixed stream.

(c) Notwithstanding the provisions of sub-sections (a) and (b) of this item, if Crude Petroleum offered is of a kind or quality not being currently transported through Carrier's facilities, Carrier shall at the request of the shipper and to the extent permitted by its existing facilities, endeavor to segregate such Crude Petroleum during the transportation and to make deliver of substantially the same Crude Petroleum at destination; provided that in such instances Carrier may require the shipper to make such Crude Petroleum available in such quantities and at such times as may be necessary to permit such segregated movements.

(d) The Carrier shall not be liable for failure to deliver the identical Crude Petroleum or for any variations in quality while in its custody, nor shall Carrier be liable for any consequential loss resulting from any variations in quality of Crude Petroleum while in its custody.

(e) CARRIER MAKES NO WARRANTY AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER WARRANTY OR REPRESENTATION WITH RESPECT TO THE GRADE OR QUALITY OF CRUDE PETROLEUM TRANSPORTED UNDER THIS TARIFF.

40. TENDERS AND QUANTITIES ACCEPTED

(a) Shippers desiring to offer Crude Petroleum for transportation shall make such offer to Carrier by submitting, on Carrier's prescribed Notice of Shipment form or other form acceptable to Carrier, a separate tender for each calendar month on or before the 15th day of the preceding month. On or before December 31 of each year, shippers desiring to offer Crude Petroleum for transportation during the following year shall submit, on Carrier's prescribed Notice of Shipment form, a blanket tender for the following year.

(b) A monthly tender shall be accepted only when the total quantity covered thereby shall be made available for transportation within said calendar month at a daily rate, or in quantities and at times, to be specified by Carrier. Except as hereunder provided, Carrier shall not specify a daily rate or a quantity of less than 5,000 barrels.

(c) Each monthly tender by a shipper shall contain either (1) a warranty in favor of Carrier that the Crude Petroleum identified in the tender meets Carrier's specifications as set forth in Item 26(a), or (2) a statement that the Crude Petroleum identified in the tender is being offered for transportation under Item 26(b).

(d) If space is available and operating conditions permit Carrier may, at its discretion, accept monthly tenders after the 15th of the month and take delivery of Crude Petroleum in lots less than 5,000 barrels. However, in no event shall Carrier undertake to make a single delivery of less than 5,000 barrels. A single delivery is a delivery in one continuous operation into a single facility to which Carrier is connected.

45. GAUGING, TESTING AND DEDUCTIONS

Prior to or during receipt of Crude Petroleum tendered by a shipper, and prior to or during release thereof for delivery to a consignee, it shall be measured and tested by a representative of Carrier. At Carrier's option, the Crude Petroleum may be measured by metering or gauging. At Carrier's option, measurements and tests may be made on composite samples. The results of such gauging or metering and testing shall be final.

(Continued on Next Page)

RULES AND REGULATIONS

45. GAUGING, TESTING AND DEDUCTIONS (Concluded)

If tank gauges are used, quantities shall be computed from correctly compiled tank tables on a one hundred percent volume basis. The shipper or consignee may be present or represented at such gauging or metering and testing. A representative of Carrier shall have the right to enter upon the premises where such Crude Petroleum is received or delivered and have access to any and all tanks, storage receptacles or meters for the purpose of such gauging or metering and testing and to make any examination, inspection, measurement or test authorized by these regulations.

(b) Crude Petroleum shall be received and delivered with volume corrected as to temperature from observed degrees Fahrenheit to sixty degrees (60°) Fahrenheit. A centrifuge or other methods agreed upon shall be used for ascertaining the percentage of basic sediment, water or other impurities in the Crude Petroleum, and the full amount of basic sediment, water and other impurities shall be deducted from the corrected volume.

(c) A further deduction of ONE QUARTER OF ONE PERCENT (.25%) as allowance oil shall be made by the Carrier upon delivery to the Shipper to cover losses inherent in the transportation of Crude Petroleum by the pipeline. The net balance at sixty degrees (60°) Fahrenheit shall be the quantity deliverable by Carrier and transportation charges shall be assessed in accordance therewith.

50. EVIDENCE OF RECEIPTS AND DELIVERIES

Crude Petroleum received from the shipper and delivered to the consignee shall, in each instance, be evidenced by a ticket, showing quantity received or delivered as the case may be, temperature, basic sediment and water, and any other data essential to the determination of quantity. Such tickets shall be jointly signed by representatives of the Carrier and the shipper or consignee, as appropriate, and shall constitute full receipt for the Crude Petroleum received or delivered.

51. LINE FILL AND STORAGE

(a) Each shipper shall supply its quantity of line fill and working stock as determined from time to time by Carrier.

(b) Carrier has working tanks required in the process of transporting Crude Petroleum, but has no other tankage and, therefore, does not have facilities for rendering, nor does it offer, a storage service.

55. DELIVERY AND DEMURRAGE

(a) Carrier shall transport and deliver Crude Petroleum with reasonable diligence and dispatch, but shall accept no Crude Petroleum to be transported in time for any particular market.

(b) After any shipment has had time to arrive at destination, Carrier may begin delivery at its current rate of pumping.

(c) Inasmuch as Carrier has no facilities for rendering, nor does it offer, a storage service, time for accepting delivery is of the essence, and upon failure to accept promptly any shipment, a demurrage charge [U] four tenths of one cent (0.4¢) per barrel per day of twenty-four-hours shall accrue on any part of said shipment offered for delivery and not taken as prescribed in paragraph (b) of this item. After expiration of said notice, Carrier's liability for loss, damage, or delay shall be that of warehouseman only.

60. PAYMENT OF TRANSPORTATION AND OTHER CHARGES

(a) The shipper shall be responsible for payment of transportation and all other charges as provided for in this tariff or otherwise lawfully due to the Carrier applicable to the shipment, and if required, shall prepay such charges or furnish Financial Assurances satisfactory to Carrier. Carrier shall have a lien on all of a Shipper's Crude Petroleum accepted for transportation to secure the payment of all charges, including demurrage charges, and may refuse to deliver Crude Petroleum, may refuse to accept a transfer of Crude Petroleum, and may exercise any other rights and remedies provided at law or by contract, until all charges have been paid. The general lien provided herein shall be in addition to any lien or security interest otherwise provided by law or contract.

(Continued on next Page)