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**Dakota Energy Connection, LLC****DAKOTA ENERGY CONNECTION PIPELINE – MCKENZIE COUNTY, N.D.****LOCAL TARIFF RATES****APPLICABLE TO THE TRANSPORTATION OF****CRUDE PETROLEUM****BY PIPELINE**

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**The rates in this tariff are for the transportation of Crude Petroleum by the Transporter. The transportation rates listed in this tariff are subject to the Rules and Regulations published in the Transporter's FERC Tariff No. 1.0.0 and successive tariffs, supplements thereto, and reissues thereof.**

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Issued under authority of 18 CFR § 342.4(c) (settlement rates).

~~[C] Issued on one day's notice under authority of 18 CFR § 341.14. This tariff publication is conditionally accepted subject to refund pending a 30-day review period.~~

As provided in Item No. 18, the rates set forth in this Rates Tariff apply to transportation service from the Initial Origination Points and the Additional Origination Points set forth herein or any intermediate Origination Point to the Initial Destination Points set forth herein or any intermediate Destination Point.

The Committed Rates set forth in [N] Table 1 of this Rates Tariff apply to transportation service from the Initial Origination Points pursuant to a TSA entered into pursuant to the Open Season commenced on January 2, 2015, or prior thereto. The Committed Rates set forth in Table 2 of this Rates Tariff apply to transportation service from the Additional Origination Points pursuant to a TSA entered into pursuant to the Open Season commenced on June 30, 2015, or prior thereto. [N] The Committed Rates set forth in Table 2-A of this Rates Tariff apply to transportation service from the Initial Origination Points and the Additional Origination Points pursuant to a Court-approved Assigned TSA. The reduced minimum Committed Volume applicable to a Court-approved Assigned TSA under Table-2A is 3,100 Bbl/d.

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

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**ISSUED: November 7, 2016****EFFECTIVE: December 8, 2016**

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## TRANSPORTATION RATES

Terms defined in the Rules Tariff of Dakota Energy Connection, LLC (the “Rules Tariff”) and used in this Rates Tariff shall be given the same meaning as they are given in the Rules Tariff.

Reference herein to an “Item” is to the applicable Item in the Rules Tariff.

All tariff rates, Monthly Deficiency Payments and other payments are exclusive of applicable Federal, state and local excise, sales, use or similar taxes (collectively, “Taxes”).

Except as provided otherwise in the TSA, Shipper shall be responsible for and shall pay all Taxes arising from the provision of Services pursuant to the Rules Tariff. Transporter may agree, on a not unduly discriminatory or preferential basis, to waive collection of Taxes in connection with negotiated rates based, *inter alia*, on the term and volume commitment. No such waiver may result in the Committed Service Rate being less than at least \$0.01/Bbl greater than the highest Uncommitted Service rate charged.

Transporter may agree, on a not unduly discriminatory or preferential basis, to waive collection of any Power Charge in connection with negotiated rates based, *inter alia*, on the term and volume commitment. No such waiver may result in the Committed Service Rate being less than at least \$0.01/Bbl greater than the highest Uncommitted Service rate charged.

Transporter may agree, on a not unduly discriminatory or preferential basis, to waive collection of any Charge specified under Item 19(b) in connection with negotiated rates based, *inter alia*, on the term and volume commitment. No such waiver may result in the Committed Service Rate being less than at least \$0.01/Bbl greater than the highest Uncommitted Service rate charged.

The rates set forth in this Rates Tariff apply to transportation service from the Initial Origination Points and the Additional Origination Points set forth herein or any intermediate Origination Point to the Initial Destination Points set forth herein or any intermediate Destination Point. Transportation rates for transportation service from or to other Origination and/or Destination Points shall be set forth in a supplement to this Rates Tariff.

All Origination Points and Destination Points are in McKenzie County, N.D.

[N] The Upside Participation Fee shall never be less than zero and is calculated for each Accounting Period as follows:

- (a) the greater of –
  - (i) the actual volumes delivered by Shipper during such Accounting Period,
  - or
  - (ii) the minimum Committed Volume for such Accounting Period
- multiplied by –
- (b) five percent (5%) of the excess of the Average Crude Price for such Accounting Period above (US) \$55.00/barrel,
- up to a maximum of \$1.50/barrel through the first sixty (60) Months after commencement of service under a Court-approved Assigned TSA, and, thereafter, up to a maximum \$1.00/barrel throughout the remainder of the Primary Term of any such TSA.

**COMMITTED RATES**

**Rates for Committed Volumes.** For Actual Shipments of Committed Volumes and, in the case of Anchor Shippers, Dedicated Volumes, Shipper shall pay as Crude Petroleum Transportation Fees –

- (1) the applicable per Barrel Committed Rate set forth [N] in Tables 1 or 2 below, plus
- (2) to the extent authorized in Shipper’s TSA, and not waived by Transporter on a not unduly discriminatory or preferential basis pursuant to the Rules Tariff, the applicable per Barrel Power Charge as provided in Item 19(a) of the Rules Tariff, plus
- (3) to the extent authorized in Shipper’s TSA, and not waived by Transporter on a not unduly discriminatory or preferential basis pursuant to the Rules Tariff, any Taxes authorized under Item 19(b) of the Rules Tariff and,
- (4) to the extent authorized in Shipper’s TSA, and not waived by Transporter on a not unduly discriminatory or preferential basis pursuant to the Rules Tariff, any other Charges authorized under the Rules Tariff or the Rates Tariff.

Applicable to TSAs entered into pursuant to Open Season commenced January 2, 2015, or prior thereto.

TABLE 1 COMMITTED SERVICE RATES <sup>1, 2, [C] 3</sup> IN U.S. DOLLARS PER BARREL 15-YEAR TERM ≥ 8,000 Bbl/d		
INITIAL ORIGATION POINTS	DESTINATION	RATE
NW/Q of NE/Q of Section 2, T149N, R102W	N/2 Section 16, T149N, R102W  OR  N/2 Section 30, T149N, R101W	[U] 1.48
NE/Q of NW/Q of Section 16, T149N, R102W		
NW/Q of NW/Q of Section 25, T149N, R102W		
SW/Q of SW/Q of Section 33, T149N, R102W		
NW/Q of NE/Q of Section 18, T148N, R102W		
NW/Q of SW/Q of Section 27, T149N, R102W		
SE/Q of SE/Q of Section 22, T149N, R102W		
NW/Q of NE/Q of Section 16, T149N, R102W		

Applicable to TSAs entered into pursuant to Open Season commenced June 30, 2015, or prior thereto.

TABLE 2 COMMITTED SERVICE RATES <sup>1, 2</sup> IN U.S. DOLLARS PER BARREL 15-YEAR TERM ≥ 8,000 Bbl/d		
ADDITIONAL ORIGINATION POINTS	DESTINATION	RATE
SE/Q of SW/Q of Section 10, T149N, R102W SE/Q of SW/Q of Section 8, T149N, R102W NE/Q of NW/Q of Section 25, T149N, R102W SE/Q of SE/Q of Section 32, T149N, R102W SE/Q of SW/Q of Section 8, T148N, R102W	N/2 Section 16, T149N, R102W  OR  N/2 Section 30, T149N, R101W	[U] 1.48

- 1 Commencing July 1, 2010, and annually thereafter, the Committed Service Rate may be adjusted by multiplying the rate in effect on June 30 immediately prior to the annual period to which the adjustment shall apply by the index published by the Federal Energy Regulatory Commission pursuant to Section 342.3(d) of the oil pipeline rate regulations of the Federal Energy Regulatory Commission. If there is a decrease in the referenced Index, the Firm Committed Rate will not be reduced, but will remain the same as the Firm Committed Rate in effect during the immediately preceding year.
- 2 Exclusive of Taxes authorized under Item 19 and any other Charges authorized under the Rules Tariff or the Rates Tariff.

[N] **Rates for Committed Volumes Under Court-approved Assigned TSA.** For Actual Shipments of Committed Volumes and, in the case of Anchor Shippers, Dedicated Volumes, under a Court-approved Assigned TSA, Shipper shall pay as Crude Petroleum Transportation Fees:

- (1) the applicable per Barrel Committed Rate set forth in Table 2-A below,  
plus
- (2) to the extent authorized in Shipper's TSA, and not waived by Transporter on a not unduly discriminatory or preferential basis pursuant to the Rules Tariff, the applicable per Barrel Power Charge as provided in Item 19(a) of the Rules Tariff,  
plus
- (3) to the extent authorized in Shipper's TSA, and not waived by Transporter on a not unduly discriminatory or preferential basis pursuant to the Rules Tariff, any Taxes authorized under Item 19(b) of the Rules Tariff,  
plus

- (4) any applicable Upside Participation Fee, and
- (5) to the extent authorized in Shipper’s TSA, and not waived by Transporter on a not unduly discriminatory or preferential basis pursuant to the Rules Tariff, any other Charges authorized under the Rules Tariff or the Rates Tariff.

Applicable to any Court-approved Assigned TSA.

<u>[N] TABLE 2-A</u> <u>COMMITTED SERVICE RATES<sup>1, 2</sup></u> <u>IN U.S. DOLLARS PER BARREL</u> <u>15-YEAR TERM</u> <u>≥ 3,100 Bbl/d</u>		
<u>ORIGINATION POINTS</u>	<u>DESTINATION</u>	<u>RATE</u>
<u>Initial Origination Points set forth in Table 1</u>  <u>Additional Origination Points set forth in Table 2</u>	<u>N/2 Section 16,</u> <u>T149N, R102W</u>  <u>OR</u>  <u>N/2 Section 30,</u> <u>T149N, R101W</u>	<u>[N] 1.48</u>

- 1 Commencing July 1, 2010, and annually thereafter, the Committed Service Rate may be adjusted by multiplying the rate in effect on June 30 immediately prior to the annual period to which the adjustment shall apply by the index published by the Federal Energy Regulatory Commission pursuant to Section 342.3(d) of the oil pipeline rate regulations of the Federal Energy Regulatory Commission. If there is a decrease in the referenced Index, the Firm Committed Rate will not be reduced, but will remain the same as the Firm Committed Rate in effect during the immediately preceding year.
- 2 Exclusive of Taxes authorized under Item 19, any applicable Upside Participation Fee, and any other Charges authorized under the Rules Tariff or the Rates Tariff.

**UNCOMMITTED RATE**

**Rate for Uncommitted Volumes.** For Actual Shipments of Uncommitted Volumes, Shipper shall pay as Crude Petroleum Transportation Fees –

- (1) the applicable per Barrel Uncommitted Service Rate set forth below,  
plus
- (2) to the extent not waived by Transporter on a not unduly discriminatory or preferential basis pursuant to the Rules Tariff, the applicable per Barrel Power Charge as provided in Item 19(a) of the Rules Tariff,  
plus

- (3) to the extent not waived by Transporter on a not unduly discriminatory or preferential basis pursuant to the Rules Tariff, any Taxes authorized under Item 19(b) of the Rules Tariff and,
- (4) to the extent not waived by Transporter on a not unduly discriminatory or preferential basis pursuant to the Rules Tariff, any other Charges authorized under the Rates Tariff or the Rules Tariff.

TABLE 3 UNCOMMITTED SERVICE RATES <sup>1, 2</sup> IN U.S. DOLLARS PER BARREL		
INITIAL AND ADDITIONAL ORIGINATION POINTS	DESTINATION	RATE
NW/Q of NE/Q of Section 2, T149N, R102W	N/2 Section 16, T149N, R102W  OR  N/2 Section 30, T149N, R101W	[U] 1.47
NE/Q of NW/Q of Section 16, T149N, R102W		
NW/Q of NW/Q of Section 25, T149N, R102W		
SW/Q of SW/Q of Section 33, T149N, R102W		
NW/Q of NE/Q of Section 18, T148N, R102W		
NW/Q of SW/Q of Section 27, T149N, R102W		
SE/Q of SE/Q of Section 22, T149N, R102W		
NW/Q of NE/Q of Section 16, T149N, R102W		
SE/Q of SW/Q of Section 10, T149N, R102W		
SE/Q of SW/Q of Section 8, T149N, R102W		
NE/Q of NW/Q of Section 25, T149N, R102W		
SE/Q of SE/Q of Section 32, T149N, R102W		
SE/Q of SW/Q of Section 8, T148N, R102W		

<sup>1</sup> Based on the adjustment of Committed Service Rates pursuant to Note 1 of the Committed Service Rate Schedule, the base Rate for Uncommitted Service shall be \$0.01/Bbl less than the lowest adjusted rate for Committed Firm Service.

<sup>2</sup> Exclusive of additional Charges authorized under Item 19 for Power, Taxes, etc.

## DEFICIENCY RATES

Subject to the provisions of the Rules Tariff, if, at the end of any Accounting Period, Shipper's Actual Shipments result in a Deficiency Volume, Shipper shall make a payment to Transporter equal to the Monthly Deficiency Payment based upon the Deficiency Rates set forth below.

Applicable to TSAs entered into pursuant to Open Season commenced January 2, 2015, or prior thereto.

TABLE 4 DEFICIENCY RATES <sup>1, [C]2</sup> IN U.S. DOLLARS PER BARREL 15-YEAR TERM ≥ 8,000 Bbl/d		
INITIAL ORIGINATION POINTS	DESTINATION	RATE
NW/Q of NE/Q of Section 2, T149N, R102W NE/Q of NW/Q of Section 16, T149N, R102W NW/Q of NW/Q of Section 25, T149N, R102W SW/Q of SW/Q of Section 33, T149N, R102W NW/Q of NE/Q of Section 18, T148N, R102W NW/Q of SW/Q of Section 27, T149N, R102W SE/Q of SE/Q of Section 22, T149N, R102W NW/Q of NE/Q of Section 16, T149N, R102W	N/2 Section 16, T149N, R102W  OR  N/2 Section 30, T149N, R101W	[U] 1.48

Applicable to TSAs entered into pursuant to Open Season commenced June 30, 2015, or prior thereto.

TABLE 5 DEFICIENCY RATES <sup>1, [C]2</sup> IN U.S. DOLLARS PER BARREL 15-YEAR TERM ≥ 8,000 Bbl/d		
ADDITIONAL ORIGINATION POINTS	DESTINATION	RATE
SE/Q of SW/Q of Section 10, T149N, R102W SE/Q of SW/Q of Section 8, T149N, R102W NE/Q of NW/Q of Section 25, T149N, R102W SE/Q of SE/Q of Section 32, T149N, R102W SE/Q of SW/Q of Section 8, T148N, R102W	N/2 Section 16, T149N, R102W  OR  N/2 Section 30, T149N, R101W	[U] 1.48

[N] Applicable to Court-approved Assigned TSAs.

<u>[N] TABLE 5-A</u> <u>DEFICIENCY RATES<sup>1</sup></u> <u>IN U.S. DOLLARS PER BARREL</u> <u>15-YEAR TERM</u> <u>≥ 3,100 Bbl/d</u>		
<u>ORIGINATION POINTS</u>	<u>DESTINATION</u>	<u>RATE</u>
<u>Initial Origination Points set forth in Table 1</u>	<u>N/2 Section 16,</u> <u>T149N, R102W</u>	[N] <u>1.48<sup>2</sup></u>
<u>Additional Origination Points set forth in Table 2</u>	<u>OR</u>  <u>N/2 Section 30,</u> <u>T149N, R101W</u>	

<sup>1</sup> Commencing July 1, 2020, and annually thereafter, [N] (except as noted in note 2 of this Table 5-A) the [N] Deficiency ~~Committed Service~~ Rate may be adjusted by multiplying the rate in effect on June 30 immediately prior to the annual period to which the adjustment shall apply by the index published by the Federal Energy Regulatory Commission pursuant to Section 342.3(d) of the oil pipeline rate regulations of the Federal Energy Regulatory Commission. If there is a decrease in the referenced Index, the [N] Deficiency ~~Firm Committed~~ Rate will not be reduced, but will remain the same as the [N] Deficiency ~~Firm Committed~~ Rate in effect during the immediately preceding year.

[N]<sup>2</sup> Plus any applicable Upside Participation Fee. The Upside Participation Fee component of the Deficiency Rate shall not be subject to the adjustment set forth in note 1 of this Table 5-A.

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### Explanation of Letter Designations

- [C] Cancel
- [I] Increased rate
- [N] New
- [U] Unchanged rate