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February 22, 2013

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, 2nd Floor Harrisburg, PA 17120 **VIA HAND DELIVERY**

RE: Affiliated Interest Agreements: (1) Operation and Management Services Agreement between Monroe Energy, LLC and MIPC, LLC; (2) Corporate Services Agreement between Monroe Energy, LLC and MIPC, LLC; (3) Treasury Services Management Agreement between Delta Air Lines, Inc. and MIPC, LLC; and (4) Corporate Services Agreement between Delta Air Lines, Inc. and MIPC, LLC; Docket No.

Dear Secretary Chiavetta:

On behalf of MIPC, LLC, please find the above-captioned Affiliated Interest Agreements filed pursuant to Section 2102 of the Public Utility Code.

If you have any questions, please contact the undersigned. In addition, please date stamp the enclosed extra copy of this transmittal letter and the Agreements, and kindly return them to our messenger for our filing purposes. Thank you.

Sincerely,

McNEES WALLACE & NURICK LLC

By

Robert A. Weishaar, Jr. Adeolu A. Bakare

Counsel to MIPC, LLC

Enclosures

c: Certificate of Service

SECRETARY'S BURFAI

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c: Certificate of Service

OPERATION AND MANAGEMENT SERVICES AGREEMENT

OPERATION AND MANAGEMENT SERVICES AGREEMENT ("Agreement"), effective as of June 22, 2012 (the "Effective Date"), by and between Monroe Energy, LLC a Delaware Limited Liability Corporation, (herein referred to as Monroe), and MIPC, LLC, a Delaware Limited Liability Corporation, (herein referred to as MIPC) who may be referred to herein individually as "Party" or collectively as "Parties."

RECITALS

WHEREAS, the Monroe owns or leases the Facilities defined and described below consisting of pipelines, storage tanks, refined products terminals and other related facilities;

WHEREAS, MIPC has skill, knowledge and experience in operating and maintaining pipelines, storage tanks, refined products terminals and other related facilities;

WHEREAS, Monroe desires that MIPC perform the Services as defined and described below with respect to the Facilities and MIPC has been performing such Services with respect to the Facilities since June 22, 2012; and

WHEREAS. Monroe and MIPC desire to set forth their respective rights and responsibilities with respect to the operation, maintenance and management of the Facilities, the provision of the Services, and other matters addressed herein;

NOW THEREFORE, in consideration of their mutual undertakings and agreements hereunder, the Parties undertake and agree as follows:

ARTICLE 1 DESCRIPTION OF FACILITIES

1.1 Facilities Description. "Facilities" means all gathering pipelines, transportation pipelines, storage tanks, truck racks, terminal facilities, offices and related equipment, real estate and other assets, or portions thereof, owned by Monroe as of the Effective Date hereof and comprising the terminal facilities at known as G Street Terminal in Philadelphia, Pa., and Chelsea Terminal, in Chelsea Pa., and Woodbury Terminal in Woodbury, NJ; and the pipeline from Monroe's Trainer refinery to Chelsea Terminal.

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ARTICLE 2 PERFORMANCE OF SERVICES

- 2.1 <u>Duties and Authority of MIPC</u>. MIPC shall manage, subject to the terms of this Agreement and to any specific or general direction provided by Monroe, the operation, maintenance, repair, design, alteration and replacement of the Facilities and of the business processes associated with the Facilities as more particularly described below.
- 2.2 <u>Services Provided by MIPC</u>. MIPC shall provide, or cause to be provided (through contractors, subcontractors or employees of MIPC), the following services relative to the Facilities (the "<u>Services</u>"):
- (a) MIPC shall conduct, or cause to be conducted, all operations with respect to the Facilities, and shall procure and furnish, or cause to be procured or furnished, all materials, equipment, services, supplies, and labor necessary for the operation and maintenance of the Facilities, engineering support for these activities, and related warehousing and security, including, but not limited to, the following:
 - 1) rack blending, tank sampling, truck sampling, tank-to-tank transfers;
 - 2) information reporting, customer support services;
 - 3) monitoring and storing additives;
 - 4) maintaining and operating flow and pressure control, monitoring, and over-pressure protection;
 - 5) maintaining, repairing, reconditioning, overhauling, and replacing equipment, as needed, to keep the Facilities in good working order:
 - 6) operating and maintaining the Facilities in a manner consistent with the standard of conduct set forth in Section 2.6:
 - 7) conducting all other routine day-to-day operations of the Facilities:
 - 8) pipeline maintenance; and,
 - 9) such other services as requested by Monroe
- (b) MIPC shall provide, manage and conduct, or cause to be provided, managed and conducted, the business operations associated with the Facilities, including without limitation, the following:
 - (1) Transportation and logistics:
 - (2) refined product measurement;
 - (3) Database mapping, reporting and maintenance;
 - (4) Rights of way;
 - (5) Materials management;
 - (6) Engineering support (including facility design and optimization); and

- (9) Such other general services related to the Facilities Monroe and MIPC may mutually agree from time to time.
- (c) MIPC shall coordinate and direct, or cause to be coordinated and directed, the activities of persons (including contractors, subcontractors, consultants, professionals, service and other organizations) required by MIPC to perform its duties and responsibilities hereunder.

It is understood and agreed that some of the services hereunder may be obtained from Monroe under a Corporate Services Agreement between Monroe and MIPC.

- 2.3 Records. MIPC will maintain operations, maintenance, and inspection records, and source documentation substantiating the Services provided under this Agreement, in compliance with the Subject Laws (as defined in Section 2.6(b) below) and MIPC's guidelines. MIPC shall develop and maintain such records as are required by laws, regulations, codes, permits, or governmental agencies.
- 2.4 <u>Outside Agency Requests and Other Notices</u>. Should any Party receive notice of an inspection or request for written comments concerning the Facilities by or from any governmental agency, the Party receiving the notice will notify the other Parties and permit the other Parties' respective representatives to be present at all scheduled inspections and to review all correspondence to or from such governmental agency and to coordinate any necessary response. Each Party shall as soon as reasonably possible notify the other Parties of the occurrence of any incident, accident, action, loss, or existence of any unsafe or other condition which involves or could involve personal injury or property damage or loss relating to the Facilities or Services. If notice is first given orally under this Section 2.4, the notifying Party shall provide written notice to the other Parties as soon as reasonably possible.
- 2.5 <u>Environmental Compliance</u>. All operations conducted hereunder shall be in compliance with all Environmental Laws (as defined in Section 8.8 below).

2.6 Standard of Conduct of MIPC.

- (a) General Standard. MIPC shall perform the Services and carry out its responsibilities hereunder, and shall require all contractors, subcontractors and materialmen furnishing labor, material or services for the operation of the Facilities to carry out their responsibilities in accordance with workmanlike practices common in the energy logistics industry.
- (b) Compliance with Procedures and Laws. MIPC shall perform the Services under this Agreement in compliance with all laws, permits, rules, codes, ordinances, requirements and regulations of all federal, state or local agencies, court and/or other governmental bodies, including without limitation the Pipeline Safety Act of 1968, as amended, and the regulations and orders of the Federal Energy Regulatory Commission ("FERC") and the Department of Transportation ("DOT"), which are applicable to (1) MIPC's business (2) any of the Facilities, and/or (3) the performance of Services or any other obligation of MIPC hereunder (collectively, the "Subject Laws"). MIPC shall also perform its Services for Monroe in a manner consistent with the Monroe's pipeline transportation, storage and terminalling services agreements.

ARTICLE 3 RELATIONSHIP OF PARTIES

- 3.1 <u>Independent Contractor</u>. No party hereto is an agent of any other party hereto and no party hereto has any authority to bind any other party hereto, transact any business in any other party's name or on behalf of any other party, or make any promises or representations on behalf of any other party. Each party hereto will perform all of its respective obligations under this Agreement as an independent contractor, and no joint venture, partnership or other similar relationship shall be created or implied by this Agreement.
- 3.2 Monroe Parties' Right to Observe. Monroe shall at all times have the right to observe and consult with MIPC in connection with MIPC's performance of its obligations under this Agreement. Further, MIPC and Monroe shall have the right to witness all audits or environmental assessments of the other to be performed on or in connection with the Facilities. Monroe shall comply with all reasonable requirements of MIPC prior to such observation or witnessing, including but not limited to safety requirements.

ARTICLE 4 REIMBURSEMENT AND BILLING PROCEDURES

4.1 <u>Billing MIPC</u> shall invoice Monroe quarterly for the Services provided under this agreement at the rate \$0.25 per barrel for each barrel of product (crude oil, gasoline, diesel fuel, jet fuel, heating oil, distillates, liquefied petroleum gas, natural gas liquids, blend stocks, ethanol, xylene, toluene and petrochemical feedstocks, or other refined petroleum products) produced by Monroe which is transferred out of each terminal (Chelsea, G Street or Woodbury) by pipeline, water carrier, motor carrier, or railroad.

Monroe shall reimburse MIPC for the Services it provides pursuant to this Agreement on or before the later of (i) 10 days after its receipt of such invoice or (ii) 30 days following the end of the calendar month during which such invoice was received.

ARTICLE 5 TERM and TERMINATION

- 5.1 <u>Term.</u> The initial term of this agreement shall be five years, and it shall automatically renew in one year terms until terminated by written notice from one party to the other 90 days prior to the end of the then current term.
- 5.2 <u>Termination.</u> In addition to termination as in Section 5.1 above, this Agreement may be terminated as follows:
 - (a) by mutual agreement of the parties hereto; or
- (b) by either party if the other party materially breaches its obligations pursuant to this Agreement or any other agreement between the parties hereto, provided that the non-breaching party has given the breaching party thirty (30) days prior written notice of such breach and the breaching party has not cured such breach within such thirty (30) day period.
- 5.3 <u>Rights upon Termination</u> Upon termination of this Agreement, all rights and obligations of the Parties under this Agreement shall terminate, *provided, however*, that such termination shall not affect or excuse the performance of any Party under the provisions of Article 6 which provisions shall survive the termination of this Agreement indefinitely.

ARTICLE 6 INDEMNITY

6.1 Indemnification.

(a) MONROE SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS MIPC FROM AND AGAINST ANY AND ALL LOSSES, LIABILITIES, CHARGES, DAMAGES, DEFICIENCIES, ASSESSMENTS, INTERESTS, FINES, PENALTIES, COSTS AND EXPENSES (COLLECTIVELY, "COSTS") OF ANY KIND (INCLUDING REASONABLE ATTORNEYS' FEES AND OTHER FEES, COURT COSTS AND OTHER DISBURSEMENTS), INCLUDING ANY COSTS DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATED TO ANY SUIT, PROCEEDING, JUDGMENT, SETTLEMENT OR JUDICIAL OR ADMINISTRATIVE ORDER AND ANY COSTS ARISING FROM COMPLIANCE OR NON-COMPLIANCE WITH ENVIRONMENTAL LAW. (EACH, A "LIABILITY") (INCLUDING, WITHOUT LIMITATION, ANY LIABILITY FOR (1) DAMAGE, LOSS OR DESTRUCTION OF THE FACILITIES, (2) BODILY INJURY, ILLNESS OR DEATH OF ANY PERSON, AND (3) LOSS OF OR DAMAGE TO EQUIPMENT OR PROPERTY OF ANY PERSON) ARISING FROM OR RELATING TO MIPC'S PERFORMANCE OF THIS AGREEMENT, EXCEPT TO THE EXTENT SUCH LIABILITY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF

- MIPC. Notwithstanding the foregoing, Monroe liability to MIPC pursuant to this Section 6.1(a) shall be not of any insurance proceeds actually received by from any third Person with respect to or on account of the damage or injury which is the subject of the indemnification claim, MIPC agrees that it shall (1) use all commercially reasonable efforts to pursue the collection of all insurance proceeds to which MIPC is entitled with respect to or on account of any such damage or injury. (2) notify Monroe of all potential claims against any third Person for any such insurance proceeds, and (3) keep Monroe fully informed of the efforts of MIPC in pursuing collection of such insurance proceeds.
- (b) MIPC SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS MONROE FROM AND AGAINST ANY AND ALL LIABILITIES (INCLUDING, WITHOUT LIMITATION, ANY LIABILITY FOR (1) DAMAGE, LOSS OR DESTRUCTION OF THE FACILITIES, (2) BODILY INJURY, ILLNESS OR DEATH OF ANY PERSON AND (3) LOSS OF OR DAMAGE TO EQUIPMENT OR PROPERTY OF ANY PERSON) ARISING FROM OR RELATING TO SERVICES COMPANY'S PERFORMANCE UNDER THIS AGREEMENT TO THE EXTENT SUCH LIABILITY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF MIPC INDEMNITEES. Notwithstanding the foregoing, MIPC's liability to Monroe pursuant to this Section 6.1(b) shall be net of any insurance proceeds actually received by Monroe from any third Person with respect to or on account of the damage or injury which is the subject of the indemnification claim. Monroe agrees that it shall (1) use all commercially reasonable efforts to pursue the collection of all insurance proceeds to which Monroe is entitled with respect to or on account of any such damage or injury, (2) notify MIPC of all potential claims against any third Person for any such insurance proceeds, and (3) keep MIPC fully informed of the efforts of Monroe in pursuing collection of such insurance proceeds.
- 6.2 <u>Damages Limitations</u>. Notwithstanding anything to the contrary contained herein, no Party shall be liable or responsible to another Party for any consequential, punitive, special or exemplary damages, or for loss of profits or revenues (collectively referred to as "<u>Special Damages</u>") incurred by such Party that arise out of or relate to this Agreement, regardless of whether any such claim arises under or results from contract, tort, or strict liability; provided that the foregoing limitation is not intended and shall not affect Special Damages imposed in favor of third Persons that are not Parties to this Agreement.
- 6.3 Express Negligence. THE FOREGOING INDEMNITIES ARE INTENDED TO BE ENFORCEABLE AGAINST THE PARTIES IN ACCORDANCE WITH THE EXPRESS TERMS AND SCOPE THEREOF NOTWITHSTANDING ANY EXPRESS NEGLIGENCE RULE OR ANY SIMILAR DIRECTIVE THAT WOULD PROHIBIT OR OTHERWISE LIMIT INDEMNITIES BECAUSE OF THE SOLE, CONCURRENT, ACTIVE OR PASSIVE NEGLIGENCE, STRICT LIABILITY OR FAULT OF ANY OF THE INDEMNIFIED PARTIES (EXCLUDING, IN THE CASE OF SECTION 6.1(a), GROSS NEGLIGENCE OR WILLFUL MISCONDUCT)

ARTICLE 7 NOTICES

All notices, requests, demands, and other communications hereunder will be in writing and will be deemed to have been duly given: (a) if by transmission by facsimile or hand delivery, when delivered; (b) if mailed via the official governmental mail system, five (5) business days after mailing, provided said notice is sent first class, postage pre-paid, via certified or registered mail, with a return receipt requested; (c) if mailed by an internationally-recognized overnight express mail service such as Federal Express, UPS, or DHL Worldwide, one (1) Business Day after deposit therewith prepaid; or (d) if by e-mail, one (1) business day after delivery with receipt confirmed. All notices will be addressed to the Parties at the respective addresses as follows:

If to Monroe:

Monroe Energy, LLC 4101 Post Road Trainer, PA 19061 Attn: Chief Financial and Administrative Officer Telephone:

With a copy to:

Facsimile:

Monroe Energy, LLC 4101 Post Road Trainer, PA 19061 Attn: VP, Controller and Asst. Treasurer Telephone: Facsimile:

(b) If to MIPC:

MIPC, LLC 4101 Post Road Trainer, Pennsylvania 19061 Attention: President Telephone: Facsimile:

ARTICLE 8 GENERAL

- 8.1 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein. No Party shall have the right to assign its rights or obligations under this Agreement without the consent of the other Parties hereto
- 8.2 Governing Law. This Agreement shall be subject to and governed by the laws of the Commonwealth of Pennsylvania, excluding any conflicts-of-law rule or principle that might refer the construction or interpretation of this Agreement to the laws of another state. Each Party hereby submits to the jurisdiction of the state and federal courts in the Commonwealth of Pennsylvania.
- 8.3 <u>Non-waiver of Future Default</u>. No waiver of any Party of any one or more defaults by the other in performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.
- 8.4 <u>Audit and Maintenance of Records: Reporting.</u> Notwithstanding the payment by Monroe of any charges. Monroe shall have the right to review and contest the charges. For a period of two years from the end of any calendar year. Monroe shall have the right, upon reasonable notice and at reasonable times, to inspect and audit all the records, books, reports, data and processes related to the Services performed by the MIPC to ensure MIPC's compliance with the terms of this Agreement. If the information is confidential, the parties shall execute a mutually acceptable confidentiality agreement prior to such inspection or audit.
- 8.5 Entire Agreement. This Agreement constitutes the entire agreement of the Parties relating to the matters contained herein, superseding all prior contracts or agreements, whether oral or written, relating to the matters contained herein.
- 8.6 Amendment of Modification. This Agreement may be amended or modified from time to time only by the written agreement of all the Parties hereto. Each such instrument shall be reduced to writing and shall be designated on its face an "Amendment" or an "Addendum" to this Agreement.
- 8.7 Force Majeure. If either Party is rendered unable, wholly or in part, by force majeure (as defined in Section 8.8 below) to carry out its obligations under this Agreement, other than to make payments due, the obligations of that Party, so far as they are affected by force majeure, will be suspended during the continuance of any inability so caused, but for no longer period. The Party whose performance is affected by force majeure will provide notice to the other Party, which notice may initially be oral, followed by a written notification, and will use commercially reasonable efforts to resolve the event of force majeure to the extent reasonably possible.
- 8.8 <u>Certain Definitions</u>. For purposes of this Agreement, the following terms have the following meanings:
- (a) "Environmental Law" means all federal, state, and local laws, statutes, rules, regulations, orders, judgments, ordinances, codes, injunctions, decrees, Environmental Permits

and other legally enforceable requirements and rules of common law now or hereafter in effect, relating to pollution or protection of human health and the environment including, without limitation, the federal Comprehensive Environmental Response, Compensation, and Liability Act, the Superfund Amendments Reauthorization Act, the Resource Conservation and Recovery Act, the Clean Air Act, the Federal Water Pollution Control Act, the Toxic Substances Control Act, the Oil Pollution Act, the Safe Drinking Water Act, the Hazardous Materials Transportation Act, and other similar federal, state or local environmental conservation and protection laws, each as amended from time to time.

- (b) "Force majeure" means acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, storms, floods, washouts, arrests, the order of any court or Governmental Authority having jurisdiction while the same is in force and effect, civil disturbances, explosions, breakage, accident to machinery, storage tanks or lines of pipe, inability to obtain or unavoidable delay in obtaining material or equipment, and any other causes whether of the kind herein enumerated or otherwise not reasonably within the control of the Party claiming suspension and which by the exercise of due diligence such Party is unable to prevent or overcome.
- 8.9 <u>Counterparts</u>. This Agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission or in portable document format (.pdf) shall be effective as delivery of a manually executed counterpart hereof.
- 8.10 <u>Third Parties</u>. This Agreement is not intended to confer upon any Person not a Party any rights or remedies hereunder, and no Person other than the Parties is entitled to rely on or enforce any representation, warranty or covenant contained herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

Monroe Energy, LLC

Title: CEO + Pasionect

Date: 12/30/2012

MIPC, LLC

Name: Peter Hours
Title: UP Gon MEPCLLC

Date: /2/20/2012

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA FIRST-CLASS MAIL

Steven C. Gray, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Irwin A. Popowsky, Esq.
Office of Consumer Advocate
555 Walnut Street
Forum Place 5th Floor
Harrisburg, PA 17101 1921

Johnnie Simms, Esq.
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17120

Adeolu A. Bakare

Dated this 22nd day of February, 2013, in Harrisburg, Pennsylvania.

PA PUC SECRETARY'S BUREAS

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