

**Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee**

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Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Total Cost of Service
(000's)

Statement A

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Year 1</u>
1	Overall Return on Rate Base	Statement C, Line 16	\$704.7
2	Income Tax Allowance	Statement D, Line 9	\$402.5
3	Operating Expenses Excl. Depreciation	Statement B, Line 21	\$49.9
4	Depreciation Expense	Statement B, Line 13	\$695.3
5	Amortization of AFUDC	Statement F2, Lines (3 + 8)	\$42.9
6	Amortization of Deferred Return	Statement E2, Line 13	<u>\$17.4</u>
7	Total Cost of Service	Sum Lines (1 through 6)	<u>\$1,912.6</u>
8	Estimated Throughput	Assumptions Schedule	44,731.2
9	Allowed Tariff Surcharge per Barrel	Lines (7 / 8)	<u><u>\$0.0428</u></u>

Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Operation And Maintenance Expense
(\$000's)

Statement B

Line No.	FERC Acct	Description	Source	Year 1
<u>OPERATIONS AND MAINTENANCE</u>				
1	300	Salaries and Wages		\$0.0
2	310	Materials and Supplies		\$0.0
3	320	Outside Services	Workpaper	\$49.9
4	330	Operating Fuel and Power		\$0.0
5	340	Oil Losses and Shortages		\$0.0
6	350	Rentals		\$0.0
7	390	Other Expenses		<u>\$0.0</u>
8		Total Operations Expense	Lines (1 through 7)	<u>\$49.9</u>
<u>GENERAL</u>				
9	500	Salaries and Wages		\$0.0
10	510	Materials and Supplies		\$0.0
11	520	Outside Services		\$0.0
12	530	Rentals		\$0.0
13	540	Depreciation and Amortization	Assumptions Schedule	\$695.3
14	550	Employee Benefits		\$0.0
15	560	Insurance		\$0.0
16	570	Casualty and Other Losses		\$0.0
17	580	Pipeline Taxes		\$0.0
18	590	Other Expenses		<u>\$0.0</u>
19		Total General Expense	Lines (9 through 18)	<u>\$695.3</u>
20		Total Operating Expenses	Lines (8 + 19)	<u>\$745.1</u>
21		Total Operating Exp. Excl. D&A	Lines (20 - 13)	<u>\$49.9</u>

Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Overall Return on Rate Base
(\$000's)

Statement C

Line No.	Description	Source	Year 1
1	Net Trended Original Cost Rate Base	Statement E1, Line 16	\$7,032.8
2	Net Deferred Return	Statement E1, Line 14	<u>\$156.6</u>
3	Subtotal	Lines (1 - 2)	\$6,876.2
4	Debt Ratio	1.0 - Ln 5	31.07%
5	Equity Ratio	Workpaper	68.93%
6	Adjusted Debt Portion of Subtotal	Lines (3 * 4)	\$2,136.4
7	Equity Portion of Subtotal	Lines (3 * 5)	\$4,739.8
8	Net Deferred Return	Line 2	<u>\$156.6</u>
9	Adjusted Equity Portion of Subtotal	Lines (7 + 8)	\$4,896.4
10	Adjusted Debt Ratio	Lines (6 / 1)	30.38%
11	Adjusted Equity Ratio	Lines (9 / 1)	69.62%
12	Cost of Debt	Workpaper	5.48%
13	Equity Rate of Return (Real)	Assumption	12.00%
14	Weighted Cost of Capital	Lines ((10 * 12) + (11 * 13))	10.02%
15	Net Trended Original Cost Rate Base	Line 1	<u>\$7,032.8</u>
16	Overall Return on Rate Base	Lines (14 * 15)	<u><u>\$704.7</u></u>
17	Weighted Cost of Debt	Lines (10 * 12)	1.66%
18	Net Trended Original Cost Rate Base	Line 1	<u>\$7,032.8</u>
19	Interest Expense	Lines (17 * 18)	<u><u>\$116.7</u></u>

Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Income Taxes
(\$000's)

Statement D

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Source</u>	<u>Year 1</u>
1	Overall Return on Rate Base	Statement C, Line 16	\$704.7
2	Interest Expense	Statement C, Line 19	<u>\$116.7</u>
3	Return on Equity	Lines (1 - 2)	\$588.0
4	Amortization of Deferred Return	Statement E2, Line 13	\$17.4
5	Amortization of Equity AFUDC	Statement F2, Line 3	<u>\$37.0</u>
6	Taxable Allowed Return	Lines (3 + 4 + 5)	\$642.4
7	Composite Income Tax Rate	Workpaper	38.52%
8	Net-to-Tax Multiplier	Line 7 / (1 - Line 7)	<u>62.65%</u>
9	Income Tax Allowance	Lines (6 * 8)	<u><u>\$402.5</u></u>

Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Rate Base
(\$000's)

Statement E1

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Source</u>	<u>Year 1</u>
	<u>Total Carrier Property in Service</u>		
1	Carrier Property in Service	Assumptions Schedule	\$6,952.8
2	Accumulated AFUDC	Statement F1, Line 14	<u>\$428.7</u>
3	Total Carrier Property in Service	Lines (1 + 2)	\$7,381.5
	<u>Total Accumulated Depreciation</u>		
4	Accumulated Depreciation of Carrier Property	Assumptions Schedule	\$695.3
5	Accumulated Amortization of AFUDC	Statement F2, Line 11	<u>\$42.9</u>
6	Total Accumulated Depreciation	Lines (4 + 5)	<u>\$738.2</u>
7	Net Carrier Property In Service	Lines (3 - 6)	\$6,643.3
	<u>Working Capital</u>		
8	Oil Inventory		\$0.0
9	Materials and Supplies		\$0.0
10	Prepayments		<u>\$0.0</u>
11	Total Working Capital	Lines (8 + 9 + 10)	\$0.0
12	Accumulated Deferred Income Taxes	Workpaper 2, Line 8	\$115.9
13	Original Cost Rate Base	Lines (7 + 11 - 12)	\$6,527.4
14	Net Deferred Return	Statement E2, Line 16	\$156.6
15	Net Trended Original Cost Rate Base	Lines (13 + 14)	\$6,684.0
16	Average Net Trended Original Cost Rate Base 1/	Average Line 15	\$7,032.8

1/ Year 1 based on average of beginning and ending Year 1 balances.

Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Calculation of Deferred Return
(\$000's)

Statement E2

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Year 0</u>	<u>Year 1</u>
1	Carrier Property in Service	Statement E1, Line 1	\$6,952.8	\$6,952.8
2	Net Carrier Property Additions	Lines (1 - Prior 1)	\$6,952.8	\$0.0
3	Equity Ratio	Workpaper	68.93%	68.93%
4	Equity Portion of Carrier Property Additions	Lines (2 * 3)	\$4,792.6	\$0.0
5	Carrier Property in Trending Base	Lines (4 + Prior 5) [1]	\$4,792.6	\$4,792.6
6	Ratio of Carrier Property in Trending Base	Lines (5 / 1)	68.93%	68.93%
7	Original Cost Rate Base	Statement E1, Line 13	\$7,381.5	\$6,527.4
8	Original Cost RB Included in Trending Base	Lines (6 * 7)	\$5,088.1	\$4,499.4
9	Accumulated Net Deferred Return	Line 16	\$0.0	\$156.6
10	Trending Base	Lines (8 + 9)	\$5,088.1	\$4,656.0
11	Inflation Factor	2005 CPI-U		3.42%
12	Deferred Return	Lines (Prior 10 * 11)		\$174.0
13	Amortization of Deferred Return	Statement E3, Line 4		\$17.4
14	Accumulated Deferred Return	Cumulative Line 12		\$174.0
15	Accumulated Amortization of Deferred Return	Cumulative Line 13		\$17.4
16	Net Deferred Return	Lines (14 - 15)		\$156.6

Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Calculation of Deferred Return Amortization
(\$000's)

Statement E3

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Source</u>	<u>Year 1</u>
1	Deferred Return	Statement E2, Line 12	\$174.0
2	Amortization Rate	Assumptions Schedule	10.00%
3	Amortization of Yr 1 Deferred Return	Yr 1 Lines (1 * 2)	<u>\$17.4</u>
4	Total Amortization of Deferred Return	Sum Lines (3 thru 3)	<u><u>\$17.4</u></u>

Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Allowance for Funds Used During Construction ("AFUDC")
(\$000's)

Statement F1

Line No.	Description	Source	Year 0	Year 1
1	Equity Ratio	Workpaper	68.93%	68.93%
2	Debt Ratio	1.0 - Line 1	31.07%	31.07%
3	Nominal Equity Rate of Return	Assumption	15.42%	15.42%
4	Cost of Debt	Workpaper	5.48%	5.48%
5	CPIS Additions	Assumptions Schedule	\$6,952.8	\$0.0
6	AFUDC - Base %	Assumption	<u>50.0%</u>	<u>50.0%</u>
7	AFUDC Base CPIS Additions	Lines (5 * 6)	\$3,476.4	\$0.0
8	Equity Portion of AFUDC	Lines (1 * 3 * 7)	\$369.5	\$0.0
9	Accumulated Equity AFUDC	Cumulative Line 8	\$369.5	\$369.5
10	Debt Portion of AFUDC	Lines (2 * 4 * 7)	\$59.2	\$0.0
11	Interest During Construction Booked		<u>\$0.0</u>	<u>\$0.0</u>
12	Net Debt Portion of AFUDC	Line (10 - 11)	\$59.2	\$0.0
13	Accumulated Debt AFUDC	Cumulative Line 12	\$59.2	\$59.2
14	Total Accumulated AFUDC	Lines (9 + 13)	\$428.7	\$428.7

Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Calculation of AFUDC Amortization
(\$000's)

Statement F2

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Source</u>	<u>Year 0</u>	<u>Year 1</u>
1	Accumulated Equity AFUDC	Statement F1, Line 9	\$369.5	\$369.5
2	Amortization Rate	Schedule 12		10.00%
3	Amortization of Equity AFUDC	Avg. Line 1 * Line 2		\$ 37.0
4	Accumulated Amortization of Equity AFUDC	Cumulative Line 3		\$ 37.0
5	Net Equity AFUDC	Lines (1 - 4)		\$ 332.5
6	Accumulated Debt AFUDC	Statement F1, Line 13	\$ 59.2	\$ 59.2
7	Amortization Rate	Line 2		10.00%
8	Amortization of Debt AFUDC	Avg. Line 6 * Line 7		\$ 5.9
9	Accumulated Amortization of Debt AFUDC	Cumulative Line 8		\$ 5.9
10	Net Debt AFUDC	Lines (6 - 9)		\$ 53.3
11	Total Accumulated AFUDC Amortization	Lines (4 + 9)		\$ 42.9

Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Revenues
(000's)

Statement G

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>
1	Estimated Annual Throughput	Assumptions Schedule	44,731.2
2	Proposed Tariff Surcharge (\$/bbl)	Management Decision	\$0.0428
3	Revenues Under Proposed Surcharge	Lines (1 * 2)	\$1,914.5
4	Allowed Tariff Surcharge (\$/bbl)	Statement A, Line 9	\$0.0428
5	Revenues under Allowed Tariff Surcharge	Lines (1 * 4)	\$1,914.5
6	Revenue Excess/(Deficiency)	Lines (3 - 5)	\$0.0

Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Calculation of Tax Depreciation for ADIT Purposes
(\$000's)

Workpaper 1

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Source</u>	<u>Year 1</u>
1	Federal Depreciation Factors	7-Year MACRS	14.29%
2	Carrier Property Additions (Excluding Land)	Assumptions Schedule	\$6,952.8
3	Debt AFUDC Additions	Assumption	<u>\$59.2</u>
4	Tax Depreciation Base	Lines (2 + 3) /2	\$7,012.0
5	Tax Depreciation of Year 1 Property Additions	Year 1 Line 4 * Line 1	\$1,002.0
6	Tax Depreciation of Year 2 Property Additions	Year 2 Line 4 * Line 1	
7	Tax Depreciation of Year 3 Property Additions	Year 3 Line 4 * Line 1	
8	Tax Depreciation of Year 4 Property Additions	Year 4 Line 4 * Line 1	
9	Tax Depreciation of Year 5 Property Additions	Year 5 Line 4 * Line 1	
10	Tax Depreciation of Year 6 Property Additions	Year 6 Line 4 * Line 1	
11	Tax Depreciation of Year 7 Property Additions	Year 7 Line 4 * Line 1	
12	Tax Depreciation of Year 8 Property Additions	Year 8 Line 4 * Line 1	
13	Tax Depreciation of Year 9 Property Additions	Year 9 Line 4 * Line 1	
14	Tax Depreciation of Year 10 Property Additions	Year 10 Line 4 * Line 1	
6	Tax Depreciation	Sum Lines (5 thru 5)	<u>\$1,002.0</u>

Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Calculation of Tax Depreciation for ADIT Purposes
(\$000's)

Workpaper 2

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Source</u>	<u>Year 1</u>
1	Carrier Depreciation Expense	Assumptions Schedule	\$695.3
2	Amortization of Debt AFUDC	Statement F2, Line 8	\$5.9
3	Carrier Depreciation Expense incl. Amort. of AFUDC	Lines (1 + 2)	\$701.2
4	Federal Tax Depreciation	Workpaper 1, Line 6	\$1,002.0
5	Federal Tax Timing Differences	Lines (4 - 3)	\$300.8
6	Federal Income Tax Rate	Workpaper	38.52%
7	Deferred Income Tax Effect	Line 5 * Line 6	\$115.9
8	ADIT	Line 7 + Prior Line 10	\$115.9

Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Assumptions Schedule
(000's)

<u>Line</u> <u>No.</u>	<u>Description</u>	
	<i>Capital Investments</i>	
1	Tank Farm and Delivery Terminal modifications	\$3,089.2
2	Sulfur Analyzers	\$361.5
3	Contract and company labor	\$3,188.4
4	Contingency	\$313.8
2	Total Capital Investments	<u>\$6,952.8</u>
3	Term of Capital Recovery	10 Years
4	Total Incremental Operating Expenses (first 5 years)	\$264.7
5	Total Diesel Volumes, Year 1 2/	44,731.2

1/ Projected to be placed in service 1 day prior to start of Year 1.

2/ Based on 2005 actual diesel volumes.