

**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>Actual Year 1</u>	<u>Actual Year 2</u>	<u>Actual Year 3</u>	<u>Forecast Year 4</u>
1	Overall Return on Rate Base	Statement C, Line 16	\$835.7	\$908.9	\$786.0	\$654.2
2	Income Tax Allowance	Statement D, Line 9	\$461.9	\$507.3	\$449.1	\$382.2
3	Operating Expenses Excl. Depreciation	Statement B, Line 21	\$0.0	\$0.0	\$0.0	\$95.5
4	Depreciation Expense	Statement B, Line 13	\$802.3	\$926.6	\$934.9	\$937.3
5	Amortization of AFUDC	Statement F2, Lines (3 + 8)	\$47.0	\$55.1	\$55.5	\$55.7
6	Amortization of Deferred Return	Statement E2, Line 13	\$19.2	\$26.7	\$27.3	\$27.9
7	Total Cost of Service	Sum Lines (1 through 6)	\$2,166.0	\$2,424.6	\$2,252.8	\$2,152.8
8	Actual Surcharge Collected	Workpapers	\$1,712.5	\$ 2,470.0	\$ 2,418.14	
9	Unrecovered Costs excl. Carrying Cost	Lines (7 - 8)	\$453.5	\$426.7	\$276.3	
10	Annual Carrying Cost (1/2 Year Convention)	Line 9 * FERC int * 0.5	\$18.7	\$15.0	\$5.6	
11	Unrecovered Costs	Lines (9 + 10)	\$472.2	\$441.7	\$281.9	
12	Total Cost of Service & Unrecovered Costs	Line 7 + Prior Year Line 11	\$2,166.0	\$2,896.8	\$2,694.5	\$2,434.7
13	Throughput	Support Schedule	40,195.7	43,089.4	37,842.5	40,375.9
14	Allowed Tariff Surcharge per Barrel	Lines (12 / 13)	\$0.0428	\$0.0639	\$0.0639	\$0.0603

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

Statement B

Line No.	FERC Acct	Description	Source	Actual Year 1	Actual Year 2	Actual Year 3	Forecast Year 4
<u>OPERATIONS AND MAINTENANCE</u>							
1	300	Salaries and Wages	Workpaper	\$0.0	\$0.0	\$0.0	\$52.9
2	310	Materials and Supplies	Workpaper	\$0.0	\$0.0	\$0.0	\$12.0
3	320	Outside Services	Workpaper	\$0.0	\$0.0	\$0.0	\$30.6
4	330	Operating Fuel and Power		\$0.0	\$0.0	\$0.0	\$0.0
5	340	Oil Losses and Shortages		\$0.0	\$0.0	\$0.0	\$0.0
6	350	Rentals		\$0.0	\$0.0	\$0.0	\$0.0
7	390	Other Expenses		\$0.0	\$0.0	\$0.0	\$0.0
8		Total Operations Expense	Lines (1 through 7)	\$0.0	\$0.0	\$0.0	\$95.5
<u>GENERAL</u>							
9	500	Salaries and Wages		\$0.0	\$0.0	\$0.0	\$0.0
10	510	Materials and Supplies		\$0.0	\$0.0	\$0.0	\$0.0
11	520	Outside Services		\$0.0	\$0.0	\$0.0	\$0.0
12	530	Rentals		\$0.0	\$0.0	\$0.0	\$0.0
13	540	Depreciation and Amortization	Support Schedule	\$802.3	\$926.6	\$934.9	\$937.3
14	550	Employee Benefits		\$0.0	\$0.0	\$0.0	\$0.0
15	560	Insurance		\$0.0	\$0.0	\$0.0	\$0.0
16	570	Casualty and Other Losses		\$0.0	\$0.0	\$0.0	\$0.0
17	580	Pipeline Taxes		\$0.0	\$0.0	\$0.0	\$0.0
18	590	Other Expenses		\$0.0	\$0.0	\$0.0	\$0.0
19		Total General Expense	Lines (9 through 18)	\$802.3	\$926.6	\$934.9	\$937.3
20		Total Operating Expenses	Lines (8 + 19)	\$802.3	\$926.6	\$934.9	\$1,032.8
21		Total Operating Exp. Excl. D&A	Lines (20 - 13)	\$0.0	\$0.0	\$0.0	\$95.5

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

Statement C

Line No.	Description	Source	Actual Year 1	Actual Year 2	Actual Year 3	Forecast Year 4
1	Net Trended Original Cost Rate Base	Statement E1, Line 16	\$8,066.8	\$8,129.6	\$6,870.3	\$5,713.4
2	Net Deferred Return	Statement E1, Avg. Line 14	\$86.2	\$193.0	\$202.3	\$179.1
3	Subtotal	Lines (1 - 2)	\$7,980.6	\$7,936.6	\$6,668.0	\$5,534.3
4	Debt Ratio	1.0 - Ln 5	29.13%	31.35%	31.84%	31.84%
5	Equity Ratio	Workpaper	70.87%	68.65%	68.16%	68.16%
6	Adjusted Debt Portion of Subtotal	Lines (3 * 4)	\$2,324.6	\$2,487.9	\$2,123.1	\$1,762.1
7	Equity Portion of Subtotal	Lines (3 * 5)	\$5,656.1	\$5,448.7	\$4,544.9	\$3,772.2
8	Net Deferred Return	Line 2	\$86.2	\$193.0	\$202.3	\$179.1
9	Adjusted Equity Portion of Subtotal	Lines (7 + 8)	\$5,742.3	\$5,641.7	\$4,747.2	\$3,951.3
10	Adjusted Debt Ratio	Lines (6 / 1)	28.82%	30.60%	30.90%	30.84%
11	Adjusted Equity Ratio	Lines (9 / 1)	71.18%	69.40%	69.10%	69.16%
12	Cost of Debt	Workpaper	6.32%	5.82%	5.59%	5.59%
13	Equity Rate of Return (Real)	Support Schedule	12.00%	13.55%	14.06%	14.06%
14	Weighted Cost of Capital	Lines ((10 * 12) + (11 * 13))	10.36%	11.18%	11.44%	11.45%
15	Net Trended Original Cost Rate Base	Line 1	\$8,066.8	\$8,129.6	\$6,870.3	\$5,713.4
16	Overall Return on Rate Base	Lines (14 * 15)	\$835.7	\$908.9	\$786.0	\$654.2
17	Weighted Cost of Debt	Lines (10 * 12)	1.82%	1.78%	1.73%	1.72%
18	Net Trended Original Cost Rate Base	Line 1	\$8,066.8	\$8,129.6	\$6,870.3	\$5,713.4
19	Interest Expense	Lines (17 * 18)	\$146.8	\$144.7	\$118.9	\$98.3

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

Statement D

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Actual Year 1</u>	<u>Actual Year 2</u>	<u>Actual Year 3</u>	<u>Forecast Year 4</u>
1	Overall Return on Rate Base	Statement C, Line 16	\$835.7	\$908.9	\$786.0	\$654.2
2	Interest Expense	Statement C, Line 19	\$146.8	\$144.7	\$118.9	\$98.3
3	Return on Equity	Lines (1 - 2)	\$688.9	\$764.2	\$667.1	\$555.9
4	Amortization of Deferred Return	Statement E2, Line 13	\$19.2	\$26.7	\$27.3	\$27.9
5	Amortization of Equity AFUDC	Statement F2, Line 3	\$40.4	\$47.3	\$47.7	\$47.8
6	Taxable Allowed Return	Lines (3 + 4 + 5)	\$748.5	\$838.2	\$742.1	\$631.6
7	Composite Income Tax Rate	Workpaper	38.17%	37.70%	37.70%	37.70%
8	Net-to-Tax Multiplier	Line 7 / (1 - Line 7)	61.72%	60.52%	60.52%	60.52%
9	Income Tax Allowance	Lines (6 * 8)	\$461.9	\$507.3	\$449.1	\$382.2

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

Statement E1

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Actual Beginning Balance</u>	<u>Actual Year 1</u>	<u>Actual Year 2</u>	<u>Actual Year 3</u>	<u>Forecast Year 4</u>
<u>Total Carrier Property in Service</u>							
1	Carrier Property in Service	Support Schedule	\$6,952.8	\$9,092.8	\$9,190.6	\$9,225.0	\$9,225.0
2	Accumulated AFUDC	Statement F1, Line 14	\$400.9	\$539.6	\$545.4	\$547.4	\$547.4
3	Total Carrier Property in Service	Lines (1 + 2)	\$7,353.7	\$9,632.4	\$9,736.0	\$9,772.4	\$9,772.4
<u>Total Accumulated Depreciation</u>							
4	Accumulated Depreciation of Carrier Property	Support Schedule	\$0.0	\$802.3	\$1,728.9	\$2,663.8	\$3,601.1
5	Accumulated Amortization of AFUDC	Statement F2, Line 11	\$0.0	\$47.0	\$102.1	\$157.6	\$213.3
6	Total Accumulated Depreciation	Lines (4 + 5)	\$0.0	\$849.3	\$1,831.0	\$2,821.4	\$3,814.4
7	Net Carrier Property In Service	Lines (3 - 6)	\$7,353.7	\$8,783.1	\$7,905.1	\$6,951.1	\$5,958.1
<u>Working Capital</u>							
8	Oil Inventory		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
9	Materials and Supplies		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
10	Prepayments		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
11	Total Working Capital	Lines (8 + 9 + 10)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
12	Accumulated Deferred Income Taxes	Workpaper 2, Line 8	\$0.0	\$175.5	\$639.3	\$880.8	\$959.8
13	Original Cost Rate Base	Lines (7 + 11 - 12)	\$7,353.7	\$8,607.6	\$7,265.8	\$6,070.3	\$4,998.3
14	Net Deferred Return	Statement E2, Line 16	\$0.0	\$172.4	\$213.6	\$191.1	\$167.2
15	Net Trended Original Cost Rate Base	Lines (13 + 14)	\$7,353.7	\$8,779.9	\$7,479.3	\$6,261.4	\$5,165.5
16	Average Net Trended Original Cost Rate Base	Average Line 15		\$8,066.8	\$8,129.6	\$6,870.3	\$5,713.4

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

Statement E2

Line No.	Description	Source	Actual Beginning Balance	Actual Year 1	Actual Year 2	Actual Year 3	Forecast Year 4
1	Carrier Property in Service	Statement E1, Line 1	\$6,952.8	\$9,092.8	\$9,190.6	\$9,225.0	\$9,225.0
2	Net Carrier Property Additions	Lines (1 - Prior 1)	\$6,952.8	\$2,139.9	\$97.9	\$34.4	\$0.0
3	Equity Ratio	Workpaper	70.47%	70.87%	68.65%	68.16%	68.16%
4	Equity Portion of Carrier Property Additions	Lines (2 * 3)	\$4,899.7	\$1,516.6	\$67.2	\$23.4	\$0.0
5	Carrier Property in Trending Base	Lines (4 + Prior 5) [1]	\$4,899.7	\$6,416.3	\$6,483.5	\$6,506.9	\$6,506.9
6	Ratio of Carrier Property in Trending Base	Lines (5 / 1)	70.47%	70.56%	70.54%	70.54%	70.54%
7	Original Cost Rate Base	Statement E1, Line 13	\$7,353.7	\$8,607.6	\$7,265.8	\$6,070.3	\$4,998.3
8	Original Cost RB Included in Trending Base	Lines (6 * 7)	\$5,182.2	\$6,073.5	\$5,125.3	\$4,282.0	\$3,525.8
9	Accumulated Net Deferred Return	Line 16		\$172.4	\$213.6	\$191.1	\$167.2
10	Trending Base	Lines (8 + 9)	\$5,182.2	\$6,245.9	\$5,338.9	\$4,473.1	\$3,693.0
11	Inflation Factor	CPI-U		3.70%	1.09%	0.09%	0.09%
12	Deferred Return	Lines (Prior 10 * 11)		\$191.5	\$67.9	\$4.8	\$4.0
13	Amortization of Deferred Return	Statement E3, Line 7		\$19.2	\$26.7	\$27.3	\$27.9
14	Accumulated Deferred Return	Cumulative Line 12		\$191.5	\$259.4	\$264.2	\$268.2
15	Accumulated Amortization of Deferred Return	Cumulative Line 13		\$19.2	\$45.8	\$73.1	\$101.0
16	Net Deferred Return	Lines (14 - 15)		\$172.4	\$213.6	\$191.1	\$167.2

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

Statement E3

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Actual Year 1</u>	<u>Actual Year 2</u>	<u>Actual Year 3</u>	<u>Forecast Year 4</u>
1	Deferred Return	Statement E2, Line 12	\$191.5	\$67.9	\$4.8	\$4.0
2	Amortization Rate	Support Schedule	10.00%	11.11%	12.50%	14.29%
3	Amortization of Yr 1 Deferred Return	Yr 1 Lines (1 * 2)	\$19.2	\$19.2	\$19.2	\$19.2
4	Amortization of Yr 2 Deferred Return	Yr 2 Lines (1 * 2)		\$7.5	\$7.5	\$7.5
5	Amortization of Yr 3 Deferred Return	Yr 3 Lines (1 * 2)			\$0.6	\$0.6
6	Amortization of Yr 4 Deferred Return	Yr 4 Lines (1 * 2)				\$0.6
7	Total Amortization of Deferred Return	Sum Lines (3 thru 6)	\$19.2	\$26.7	\$27.3	\$27.9

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	Actual				Forecast Year 4
			Beginning Balance	Actual Year 1	Actual Year 2	Actual Year 3	
1	Equity Ratio	Workpaper	70.47%	70.87%	68.65%	68.16%	68.16%
2	Debt Ratio	1.0 - Line 1	29.53%	29.13%	31.35%	31.84%	31.84%
3	Nominal Equity Rate of Return	Assumption	14.07%	15.70%	14.63%	14.15%	14.15%
4	Cost of Debt	Workpaper	5.48%	6.32%	5.82%	5.59%	5.59%
5	CPIS Additions	Support Schedule	\$6,952.8	\$2,139.9	\$97.9	\$34.4	\$0.0
6	AFUDC - Base %	Assumption	50.0%	50.0%	50.0%	50.0%	50.0%
7	AFUDC Base CPIS Additions	Lines (5 * 6)	\$3,476.4	\$1,070.0	\$48.9	\$17.2	\$0.0
8	Equity Portion of AFUDC	Lines (1 * 3 * 7)	\$344.6	\$119.0	\$4.9	\$1.7	\$0.0
9	Accumulated Equity AFUDC	Cumulative Line 8	\$344.6	\$463.6	\$468.5	\$470.2	\$470.2
10	Debt Portion of AFUDC	Lines (2 * 4 * 7)	\$56.3	\$19.7	\$0.9	\$0.3	\$0.0
11	Interest During Construction Booked		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
12	Net Debt Portion of AFUDC	Line (10 - 11)	\$56.3	\$19.7	\$0.9	\$0.3	\$0.0
13	Accumulated Debt AFUDC	Cumulative Line 12	\$56.3	\$76.0	\$76.9	\$77.2	\$77.2
14	Total Accumulated AFUDC	Lines (9 + 13)	\$400.9	\$539.6	\$545.4	\$547.4	\$547.4

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

Statement F2

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Actual Beginning Balance</u>	<u>Actual Year 1</u>	<u>Actual Year 2</u>	<u>Actual Year 3</u>	<u>Forecast Year 4</u>
1	Accumulated Equity AFUDC	Statement F1, Line 9	\$344.6	\$463.6	\$468.5	\$470.2	\$470.2
2	Amortization Rate	Support Schedule		10.00%	11.11%	12.50%	14.29%
3	Amortization of Equity AFUDC	(Avg. Line 1 - prior Line 4) * Line 2		\$40.4	\$47.3	\$47.7	\$47.8
4	Accumulated Amortization of Equity AFUDC	Cumulative Line 3		\$40.4	\$87.7	\$135.4	\$183.2
5	Net Equity AFUDC	Lines (1 - 4)	\$344.6	\$767.8	\$1,189.0	\$1,611.5	\$2,033.9
6	Accumulated Debt AFUDC	Statement F1, Line 13	\$56.3	\$76.0	\$76.9	\$77.2	\$77.2
7	Amortization Rate	Line 2		10.00%	11.11%	12.50%	14.29%
8	Amortization of Debt AFUDC	(Avg. Line 6 - prior Line 9) * Line 7		\$6.6	\$7.8	\$7.8	\$7.9
9	Accumulated Amortization of Debt AFUDC	Cumulative Line 8		\$6.6	\$14.4	\$22.2	\$30.1
10	Net Debt AFUDC	Lines (6 - 9)		\$125.7	\$194.8	\$264.2	\$333.5
11	Total Accumulated AFUDC Amortization	Lines (4 + 9)		\$47.0	\$102.1	\$157.6	\$213.3

Plantation Pipe Line Company
Ultra Low Sulfur Diesel Recovery Fee
Revenues (Year 4 Projection)
(000's)

Statement G

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>
1	Estimated Annual Throughput	Support Schedule	40,375.9
2	Proposed Tariff Surcharge (\$/bbl)	Management Decision	\$0.0603
3	Revenues Under Proposed Surcharge	Lines (1 * 2)	\$2,434.7
4	Allowed Tariff Surcharge (\$/bbl)	Statement A, Line 14	\$0.0603
5	Revenues under Allowed Tariff Surcharge	Lines (1 * 4)	\$2,434.7
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 No.</u>	<u>Description</u>	<u>Source</u>	<u>Actual Year 1</u>	<u>Actual Year 2</u>	<u>Actual Year 3</u>	<u>Forecast Year 4</u>
1	Federal Depreciation Factors	7-Year MACRS	14.29%	24.49%	17.49%	12.49%
2	Carrier Property Additions (Excluding Land)	Support Schedule	\$9,092.8	\$97.9	\$34.4	\$0.0
3	Debt AFUDC Additions	Statement F1, Line 12	\$76.0	\$0.9	\$0.3	\$0.0
4	Tax Depreciation Base	Lines (2 + 3)	\$9,168.8	\$98.8	\$34.7	\$0.0
5	Tax Depreciation of Year 1 Property Additions	Year 1 Line 4 * Line 1	\$1,310.2	\$2,245.4	\$1,603.6	\$1,145.2
6	Tax Depreciation of Year 2 Property Additions	Year 2 Line 4 * Line 1		\$14.1	\$24.2	\$17.3
7	Tax Depreciation of Year 3 Property Additions	Year 3 Line 4 * Line 1			\$5.0	\$8.5
8	Tax Depreciation of Year 4 Property Additions	Year 4 Line 4 * Line 1				\$0.0
9	Tax Depreciation	Sum Lines (5 thru 8)	\$1,310.2	\$2,259.5	\$1,632.7	\$1,171.0

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

Workpaper 2

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Actual Year 1</u>	<u>Actual Year 2</u>	<u>Actual Year 3</u>	<u>Forecast Year 4</u>
1	Carrier Depreciation Expense	Support Schedule	\$802.3	\$926.6	\$934.9	\$937.3
2	Amortization of Debt AFUDC	Statement F2, Line 8	\$6.6	\$7.8	\$7.8	\$7.9
3	Carrier Depreciation Expense incl. Amort. of AFUDC	Lines (1 + 2)	\$808.9	\$934.4	\$942.7	\$945.2
4	Federal Tax Depreciation	Workpaper 1, Line 9	\$1,310.2	\$2,259.5	\$1,632.7	\$1,171.0
5	Federal Tax Timing Differences	Lines (4 - 3)	\$501.3	\$1,325.1	\$690.1	\$225.7
6	Federal Income Tax Rate	Workpaper	35.00%	35.00%	35.00%	35.00%
7	Deferred Income Tax Effect	Line 5 * Line 6	\$175.5	\$463.8	\$241.5	\$79.0
8	ADIT	Line 7 + Prior Line 10	\$175.5	\$639.3	\$880.8	\$959.8

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

<u>Line</u> <u>No.</u>	<u>Description</u>	
	<i>Capital Investments</i>	
1	Actual Initial Investment (Beginning Balance)	\$6,952.8
2	Year 1 Actual Additional Investment	\$2,139.9
3	Year 2 Actual Additional Investment	\$97.9
4	Year 3 Actual Additional Investment	\$34.4
5	Year 4 Forecast Additional Investment	\$0.0
6	Total Capital Investments	<u>\$9,225.0</u>
7	Term of Capital Recovery	10 Years
8	Total Incremental Operating Expenses (first 5 years)	\$192.6
9	Actual Diesel Volumes, Sept. 16, 2006 - Sept. 15, 2007 (Year 1)	40,195.7
10	Actual Diesel Volumes, Sept. 16, 2007 - Sept. 15, 2008 (Year 2)	43,089.4
11	Actual Diesel Volumes, Sept. 16, 2008 - Sept. 30, 2009 (Year 3)	37,842.5
12	Projected Annual Volume Growth Rate	0.00%