



Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

State of West Virginia  
**Master Agreement**

Order Date: 2016-04-18

CORRECT ORDER NUMBER  
 MUST APPEAR ON ALL PACKAGES,  
 INVOICES, AND SHIPPING PAPERS.  
 QUESTIONS CONCERNING THIS  
 ORDER SHOULD BE DIRECTED TO  
 THE DEPARTMENT CONTACT.

|   |   |
|---|---|
| Order Number: CMA 0212 0212 FUELW14B      | Procurement Folder: 179   |
| Document Name: Change Order #4 - FUELW14B | Reason for Modification:  |
| Document Description: FUEL BY TANK WAGON  | Change Order 4: To update motor fuel tax rate effective 01/01/2016. |
| Procurement Type: Statewide MA (Open End) |   |
| Buyer Name: Beth Collins                  |   |
| Telephone: (304) 558-2157                 |   |
| Email: beth.a.collins@wv.gov              |   |
| Shipping Method: Best Way                 | Effective Start Date: 2014-04-01                                    |
| Free on Board: FOB Dest, Freight Prepaid  | Effective End Date: 2017-03-31                                      |

| VENDOR  | DEPARTMENT CONTACT  |
|---|---|
| Vendor Customer Code: 000000203180<br>R T ROGERS OIL COMPANY INC<br>PO BOX 160<br><br>HINTON WV 25951<br><br>US<br>Vendor Contact Phone: (999) 999-9999 Extension:<br>Discount Percentage: 0.0000<br>Discount Days: 0 | Requestor Name: Frank Whittaker<br>Requestor Phone: (304) 558-2316<br>Requestor Email: frank.m.whittaker@wv.gov |

| INVOICE TO  | SHIP TO   |
|---|---|
| ALL STATE AGENCIES<br><br>VARIOUS LOCATIONS AS INDICATED BY ORDER<br><br>No City WV 99999<br><br>US | STATE OF WEST VIRGINIA<br><br>VARIOUS LOCATIONS AS INDICATED BY ORDER<br><br>No City WV 99999<br><br>US |

**AGENCY COPY**

|                    |          |
|--------------------|----------|
| Total Order Amount | Open End |
|--------------------|----------|

*BC  
1/29/16*

|   |   |  |
|---|---|--|
| <b>PURCHASING DIVISION AUTHORIZATION</b><br>SIGNED BY: <i>[Signature]</i><br>DATE: <i>4/18/2016</i><br>ELECTRONIC SIGNATURE ON FILE | <b>ATTORNEY GENERAL APPROVAL AS TO FORM</b><br>SIGNED BY: <i>[Signature]</i><br>DATE: <i>5/4/16</i><br>ELECTRONIC SIGNATURE ON FILE | <b>ENCUMBRANCE CERTIFICATION</b><br>SIGNED BY: <i>[Signature]</i><br>DATE: <i>MAY 5 2016</i><br>ELECTRONIC SIGNATURE ON FILE |
|---|---|--|

**Extended Description:**

Change Order 4:  
Change order is to issue the update the variable tax rate of the motor fuel tax rate, the variable motor fuel tax rate dropped to \$0.127 per gallon, the flat rate component of the motor fuel tax rate is \$0.205 per gallon resulting in the combined tax rate of \$0.332 per gallon, per the attached documentation.  
Effective date of tax rate change is 01/01/2016.

All provisions of the original Contract and subsequent Change Orders not modified herein shall remain in full force and effect.

No other changes.

| Line | Commodity Code      | Manufacturer      | Model No | Unit | Unit Price |
|------|---------------------|-------------------|----------|------|------------|
| 1    | 15101505            |                   |          | LS   | \$0.000000 |
|      | <b>Service From</b> | <b>Service To</b> |          |      |            |
|      |                     |                   |          |      |            |

Commodity Line Description: FUEL TANK WAGON

**Extended Description:**

|           |                                |   |                       |
|-----------|--------------------------------|---|-----------------------|
| FUELTW14B | <b>Document Phase</b><br>Draft | <b>Document Description</b><br>FUEL BY TANK WAGON | <b>Page 3</b><br>of 3 |
|-----------|--------------------------------|---|-----------------------|

**ADDITIONAL TERMS AND CONDITIONS**

See attached document(s) for additional Terms and Conditions



STATE OF WEST VIRGINIA  
 Department of Revenue  
 State Tax Department

Earl Ray Tomblin  
 Governor

Mark W. Matkovich  
 State Tax Commissioner

FILED

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STATE OF WEST VIRGINIA  
 SECRETARY OF STATE

ADMINISTRATIVE NOTICE 2015-26

Notice of Determination of Average Wholesale Price of Motor Fuel for the Period of January 1, 2016 to December 31, 2016 for the Purposes of the West Virginia Motor Fuel Excise Tax.

This Administrative Notice sets forth the determination of the average wholesale price of conventional motor fuels and "alternative" motor fuels for the 2016 calendar year. The motor fuel tax is composed of a flat rate equal to \$0.205 per invoiced gallon or, for alternative fuel, per each gasoline gallon equivalent, plus a variable component of 5 percent of the average wholesale price of each fuel. Alternative fuel includes butane, compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG or propane), and other specified fuels.

Notice is hereby issued, in accordance with Section 11-14C-5 of the West Virginia Code and based upon available information for the preceding review period, the average wholesale prices of motor fuels for purposes of the West Virginia Motor Fuel Excise Tax for the period beginning January 1, 2016 and ending December 31, 2016, inclusive are as follows:

Average Wholesale Price

| Motor Fuel  | Average Wholesale Price                     |
|---|---|
| Conventional Motor Fuels (Gasoline, Diesel, Kerosene, etc. unless otherwise outlined below) | \$2.537 per gallon                          |
| Compressed Natural Gas (CNG)  | \$4.695 per 1,000 cubic feet of natural gas |
| Liquefied Natural Gas (LNG)   | \$0.383 per gallon of LNG                   |
| Liquefied Petroleum Gas (LPG – Propane)   | \$1.094 per gallon of LPG                   |
| Field Gas   | \$1.321 per 1,000 cubic feet of natural gas |

All references to cubic feet are based on measurement at standard pressure and temperature of 14.73 pounds of pressure per square inch at 60° Fahrenheit.

The calculation of the average wholesale prices shown above includes information from Oil Price Information Service (OPIS) for conventional motor fuels and liquefied petroleum gas (LPG – Propane), U. S. Energy Information Administration for natural gas, and Natural Gas Intelligence (NGI) for field gas.

WEST VIRGINIA STATE TAX DEPARTMENT  
 COMMISSIONER'S OFFICE  
 PO BOX 11771  
 CHARLESTON, WV 25339-0751  
 TELEPHONE (304) 558-0751  
 FAX (304) 558-8999

**Motor Fuel Excise Tax Rates – January 1, 2016 – December 31, 2016**

**Conventional Motor Fuels:**

For gasoline, diesel, kerosene, and related products, the **average wholesale price** per gallon is \$2.537 for the period beginning January 1, 2016 and ending December 31, 2016, inclusive. The **variable component** computed thereon shall be \$0.127 per gallon ( $\$2.537 \times 5\% = \$0.127$ ). The **flat rate component** of the Motor Fuel Tax on conventional motor fuels is \$0.205 per gallon resulting in a **combined tax rate of \$0.332 per gallon**. This average wholesale price per gallon (\$2.537), the variable component tax computed thereon (\$0.127 per gallon), and the flat rate component (\$0.205 per gallon) shall apply to all gallons of gasoline, diesel, kerosene, and related products sold, purchased, or used in this State during the period beginning January 1, 2016 and ending December 31, 2016, inclusive, regardless of whether the actual purchase price of such motor fuel is more or less than \$2.537 per gallon.

**Compressed Natural Gas (CNG):**

For compressed natural gas the **average wholesale price** on a per 1,000 cubic feet basis shall be \$4.695 per 1,000 cubic feet for the period beginning January 1, 2016 and ending December 31, 2016, inclusive. The **variable component** computed thereon shall be \$0.235 per 1,000 cubic feet ( $\$4.695 \times 5\% = \$0.235$ ). The **flat rate component** of the Motor Fuel Tax on compressed natural gas is \$1.618 per 1,000 cubic feet of compressed natural gas:

|  |   |                                    |   |                            |   |  |
|--|---|------------------------------------|---|----------------------------|---|--|
| $\frac{\$0.205 \text{ per Gal. of conventional fuel}}{126.67 \text{ cubic feet of CNG GGE}}$ | = | $\$0.001618378 \text{ GGE per CF}$ | x | $1,000 \text{ cubic feet}$ | = | $\$1.618 \text{ per 1,000 cubic feet CNG flat rate component}$ |
|--|---|------------------------------------|---|----------------------------|---|--|

The **combined tax rate is \$1.853 per 1,000 cubic feet**: (\$0.235 variable component + \$1.618 flat rate component = \$1.853 per 1,000 cubic feet). This average wholesale price per 1,000 cubic feet (\$4.695), the variable component tax computed thereon (\$0.235 per 1,000 cubic feet), and the flat rate component (\$1.618 per 1,000 cubic feet) shall apply to all units of compressed natural gas sold, purchased, or used in this State during the period beginning January 1, 2016 and ending December 31, 2016, inclusive, regardless of whether the actual purchase price of such motor fuel is more or less than \$4.695 per 1,000 cubic feet. The tax rates for compressed natural gas specified in terms of the gasoline gallon equivalent (126.67 cubic feet or 5.66 pounds) are shown in the table on the last page of this notice.

**Liquefied Natural Gas (LNG):**

For liquefied natural gas the **average wholesale price** on a per 1,000 cubic feet basis shall be \$4.695 per 1,000 cubic feet for the period beginning January 1, 2016 and ending December 31, 2016, inclusive. The average wholesale price of liquefied natural gas in terms of GGE LNG gallons is \$0.383 per gallon ( $\$4.695 \text{ per } 1,000 \text{ cubic feet} \div 1,000 \text{ cubic feet} \times 126.67 \text{ cubic feet per } 1.554 \text{ gallons}$ ). The **variable component** computed thereon shall be \$0.019 per gallon of LNG ( $\$0.383 \times 5\% = \$0.019$ ). The **flat rate component** of the Motor Fuel Tax on liquefied natural gas is \$0.132 per gallon of liquefied natural gas ( $\$0.205 / \text{gallon of conventional fuel} \div 1.554 \text{ gallons of LNG GGE} = \$0.132 \text{ per}$

gallon of LNG) resulting in a **combined tax rate of \$0.151 per gallon**. This average wholesale price per gallon (\$0.383), the variable component tax computed thereon (\$0.019 per gallon), and the flat rate component (\$0.132 per gallon) shall apply to all gallons of liquefied natural gas sold, purchased, or used in this State during the period beginning January 1, 2016 and ending December 31, 2016, inclusive, regardless of whether the actual purchase price of such motor fuel is more or less than \$0.383 per gallon.

**Liquefied Petroleum Gas (LPG – Propane):**

For liquefied petroleum gas (propane) the **average wholesale price per gallon** is \$1.094 for the period beginning January 1, 2016 and ending December 31, 2016, inclusive. The **variable component** computed thereon shall be \$0.055 per gallon equivalent (\$1.094 X 5% = \$0.055). The **flat rate component** of the Motor Fuel Tax on liquefied petroleum gas is \$0.150 per gallon of liquefied petroleum gas (\$0.205/gallon of convention fuel ÷ 1.367 gallons of LPG GGE = \$.150 per gallon LPG), resulting in a **combined tax rate of \$0.205 per gallon of LPG**. This average wholesale price per gallon (\$1.094), the variable component tax computed thereon (\$0.055 per gallon), and the flat rate component (\$0.150 per gallon), shall apply to all gallons of liquefied petroleum gas sold, purchased, or used in this State during the period beginning January 1, 2016 and ending December 31, 2016, inclusive, regardless of whether the actual purchase price of such motor fuel is more or less than \$1.094 per gallon of liquefied petroleum gas.

**Field Gas:**

For field gas the **average wholesale price** on a per 1,000 cubic feet basis shall be \$1.321 per 1,000 cubic feet for the period beginning January 1, 2016 and ending December 31, 2016, inclusive. The **variable component** computed thereon shall be \$0.066 per 1,000 cubic feet (\$1.321 X 5% = \$0.066). The **flat rate component** of the Motor Fuel Tax on field gas is \$1.618 per 1,000 cubic feet of field gas.

|  |   |                                    |   |                            |   |  |
|--|---|------------------------------------|---|----------------------------|---|--|
| $\frac{\$0.205 \text{ per Gal. of conventional fuel}}{126.67 \text{ cubic feet of natural gas GGE}}$ | = | $\$0.001618378 \text{ GGE per CF}$ | x | $1,000 \text{ cubic feet}$ | = | $\$1.618 \text{ per 1,000 cubic feet CNG flat rate component}$ |
|--|---|------------------------------------|---|----------------------------|---|--|

The **combined tax rate is \$1.684 per 1,000 cubic feet**: (\$0.066 variable component + \$1.618 flat rate component = \$1.684). This average wholesale price per 1,000 cubic feet (\$1.321), the variable component tax computed thereon (\$0.066 per 1,000 cubic feet), and the flat rate component (\$1.618 per 1,000 cubic feet), shall apply to all gallons of field gas sold, purchased, or used in this State during the period beginning January 1, 2016 and ending December 31, 2016, inclusive, regardless of whether the actual purchase price of such field gas used as a motor fuel is more or less than \$1.321 per 1,000 cubic feet.

For purposes of this notice:

“Field equipment” means generators, compressors, engines, micro turbines, turbines, or any other internal combustion engine, motor or apparatus used to power drilling rigs, well head equipment, gas processing units, compressors or compressor stations, fractionating plants or any other equipment or apparatus used directly or indirectly in

the production, gathering, transportation or processing of natural gas or natural gas liquids or associated products.

"Field gas" means natural gas or any derivative thereof, extracted from a production well, gathering system, pipeline, main or transmission line that is used as motor fuel to power field equipment. The term "field gas" does not include compressed natural gas, liquefied natural gas, liquefied petroleum gas, gasoline, diesel, kerosene or other fuels.

"GGE" means gasoline gallon equivalent.

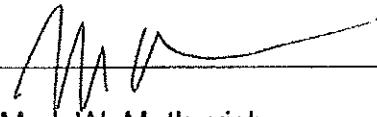
"Natural gas" means a mixture of hydrocarbons (e.g., methane, ethane, or propane), produced in geological formations beneath the Earth's surface that maintains a gaseous state at standard atmospheric temperature and pressure under ordinary conditions, composed of at least 70 percent methane by volume.

**Motor Fuel Tax Rates – January 1, 2016 to December 31, 2016**

| Motor Fuel  | Flat Rate Tax                | Variable Rate Tax            | Combined Rate                       |
|---|------------------------------|------------------------------|-------------------------------------|
| Conventional Motor Fuels (Gasoline, Diesel, Kerosene, etc. unless otherwise outlined below) | \$0.205 per gallon           | \$0.127 per gallon           | <b>\$0.332 per gallon</b>           |
| Compressed Natural Gas (CNG)  | \$1.618 per 1,000 cubic feet | \$0.235 per 1,000 cubic feet | <b>\$1.853 per 1,000 cubic feet</b> |
| Compressed Natural Gas (CNG) – GGE Measure  | \$0.205 per 126 cubic feet   | \$0.030 per 126 cubic feet   | <b>\$0.235 per 126 cubic feet</b>   |
| Liquefied Natural Gas (LNG)   | \$0.132 per gallon           | \$0.019 per gallon           | <b>\$0.151 per gallon</b>           |
| Liquefied Petroleum Gas (LPG – Propane)   | \$0.150 per gallon           | \$0.055 per gallon           | <b>\$0.205 per gallon</b>           |
| Field Gas   | \$1.618 per 1,000 cubic feet | \$0.066 per 1,000 cubic feet | <b>\$1.684 per 1,000 cubic feet</b> |

**Notice of this determination will be filed in the West Virginia Register.**

Issued: November 20, 2015

  
\_\_\_\_\_  
Mark W. Matkovich  
Tax Commissioner

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**From:** Crawford, Eric N  
**Sent:** Wednesday, March 30, 2016 11:24 AM  
**To:** Collins, Beth A  
**Cc:** Chapman, Keith E; Moorman, Angie J; Catalano, Maria A  
**Subject:** RE: Fuel Previous change order  
**Attachments:** AdministrativeNotice.2015-26.pdf

Beth,

Per State Tax Department Administrative Notice 2015-26, effective 01/01/2016, the variable rate component of the Motor Fuel Tax dropped to \$0.127 per gallon. The flat rate component of the Motor Fuel Tax is \$0.205 per gallon resulting in a combined tax rate of \$0.332 per gallon.

Eric

**From:** Collins, Beth A  
**Sent:** Tuesday, March 29, 2016 10:15 AM  
**To:** Crawford, Eric N  
**Subject:** Fuel Previous change order

Thank you both for your assistance in this this morning. I have attached the previous one along with the emails I had forwarded to Angie. I appreciate it. Just please verify it and insert a memorandum in regards from DOT that these are correct changes and the effective date.

Again thank you!

*Beth Collins*

*Senior Buyer*

**West Virginia State Purchasing Division**

2019 Washington Street East, Building 15

Charleston, WV 25305

(304) 558-2157 (Phone)

(304) 558-3970 (Fax)

[Beth.A.Collins@wv.gov](mailto:Beth.A.Collins@wv.gov)