



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: 2017-01-12

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 #5 - FUELW14B | Reason for Modification:  |
| Document Description: FUEL BY TANK WAGON  | Change Order #5 - to change to variable tax rate component of the motor fuel excise tax from \$0.127 per gallon to \$0.117 per gallon (Section 5.3 Taxes of Specifications), per attached documentation. This change is effective on January 1, 2017. |
| Procurement Type: Statewide MA (Open End) |   |
| Buyer Name: Brittany E Ingraham           |   |
| Telephone: (304) 558-2157                 |   |
| Email: brittany.e.ingraham@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 |

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

AGENCY COPY

B1  
1-18-17

|  |  |  |
|--|--|--|
| <b>PURCHASING DIVISION AUTHORIZATION</b><br>SIGNED BY: <i>[Signature]</i><br>DATE: 1/17/2017<br>ELECTRONIC SIGNATURE ON FILE | <b>ATTORNEY GENERAL APPROVAL AS TO FORM</b><br>SIGNED BY: <i>[Signature]</i><br>DATE: <i>[Signature]</i><br>ELECTRONIC SIGNATURE ON FILE | <b>ENCUMBRANCE CERTIFICATION</b><br>SIGNED BY:<br>DATE: <i>[Signature]</i><br>ELECTRONIC SIGNATURE ON FILE |
|--|--|--|

**Extended Description:**

Change Order

Change Order #5 - to change to variable tax rate component of the motor fuel excise tax from \$0.127 per gallon to \$0.117 per gallon (Section 5.3 Taxes of Specifications), per attached documentation. This change is effective on January 1, 2017.

| 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:**



STATE OF WEST VIRGINIA

Department of Revenue  
State Tax Department

Earl Ray Tomblin  
Governor

Mark W. Matkovich  
State Tax Commissioner

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ADMINISTRATIVE NOTICE 2016-27

Notice of Determination of Average Wholesale Price of Motor Fuel for the Period of January 1, 2017 to December 31, 2017 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 2017 calendar year. The West Virginia Motor Fuel Excise 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. For information regarding the determination of the gasoline gallon equivalent for alternative fuels, please see Administrative Notice 2015-25.

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, that the average wholesale prices of motor fuels for purposes of the Motor Fuel Excise Tax for the period beginning January 1, 2017 and ending December 31, 2017, inclusive, are as follows:

Table 1: Average Wholesale Prices for January 1, 2017 to December 31, 2017

| Motor Fuel                               | Average Wholesale Price          |
|--|----------------------------------|
| Conventional Motor Fuels*                | \$2.340 per gallon               |
| Compressed Natural Gas (CNG)             | \$4.911 per 1,000 cubic feet     |
| Liquefied Natural Gas (LNG)              | \$0.400 per gallon               |
| Liquefied Petroleum Gas (LPG or Propane) | \$0.985 per gallon               |
| Field Gas                                | Exempt per W.Va. Code §11-14C-9a |

\* Conventional Motor Fuels include Gasoline, Diesel, Kerosene, etc. unless otherwise noted.

The calculations of average wholesale prices as shown above include data from the Oil Price Information Services (OPIS) for conventional motor fuels and liquefied petroleum gas (LPG or Propane) and the U.S. Energy Information Administration (EIA) for natural gas. All references to cubic feet (CF) are based on measurement at standard pressure and temperature of 14.73 pounds of pressure per square inch at 60° Fahrenheit.

Motor Fuel Excise Tax Rates: January 1, 2017 – December 31, 2017

Conventional Motor Fuels

For conventional motor fuels, including gasoline, diesel, kerosene, and related products, the average wholesale price shall be \$2.340 per gallon for the referenced period,

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inclusive. The variable component computed thereon shall be \$0.117 per gallon (\$2,340 × 5%). The flat rate component of the Motor Fuel Excise Tax on conventional motor fuels is \$0.205 per gallon resulting in a combined tax rate of \$0.322 per gallon. This average wholesale price per gallon (\$2,340), the variable component tax computed thereon (\$0.117 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, 2017 and ending December 31, 2017, inclusive, regardless of whether the actual purchase price of such motor fuel is more or less than \$2,340 per gallon.

Compressed Natural Gas (CNG)

For compressed natural gas, the average wholesale price shall be \$4.911 per 1,000 cubic feet (CF) for the referenced period, inclusive. The variable component computed thereon shall be \$0.246 per 1,000 cubic feet (\$4.911 × 5%). The flat rate component of the Motor Fuel Excise Tax on compressed natural gas is \$1.618 per 1,000 cubic feet of compressed natural gas, determined as follows:

$$\frac{\$0.205 \text{ per gal. conv. fuel}}{126.67 \text{ CF of CNG GGE}} = \$0.001618378 \text{ GGE per CF} \times 1,000 \text{ CF} = \$1.618 \text{ per 1,000 CF CNG}$$

The combined tax rate shall be \$1.864 per 1,000 cubic feet. This average wholesale price per 1,000 cubic feet (\$4.911), the variable component tax computed thereon (\$0.246 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, 2017 and ending December 31, 2017, inclusive, regardless of whether the actual purchase price of such motor fuel is more or less than \$4.911 per 1,000 per cubic feet. The tax rates for compressed natural gas specified in terms of the gasoline gallon equivalent (GGE) (126.67 cubic feet or 5.66 pounds) are shown in Table 2.

Liquefied Natural Gas (LNG)

For liquefied natural gas, the average wholesale price shall be \$4.911 per 1,000 cubic feet for the referenced period, inclusive. The average wholesale price of liquefied natural gas in terms of GGE LNG gallons shall be \$0.400 per gallon (\$4.911 per 1,000 CF ÷ 1,000 CF × 126.67 CF per 1.554 gallons). The variable component computed thereon shall be \$0.020 per gallon of LNG (\$0.400 × 5%). The flat rate component of the Motor Fuel Excise Tax on liquefied natural gas is \$0.132 per gallon of liquefied natural gas, determined as follows:

$$\frac{\$0.205 \text{ per gallon conventional fuel}}{1.554 \text{ gallons of LNG GGE}} = \$0.132 \text{ per gallon of LNG}$$

The resulting combined tax rate shall be \$0.152 per gallon. This average wholesale price per gallon (\$0.400), the variable component tax computed thereon (\$0.020 per

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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, 2017 and ending December 31, 2017, inclusive, regardless of whether the actual purchase price of such motor fuel is more or less than \$0.400 per gallon.

**Liquefied Petroleum Gas (LPG or Propane)**

For liquefied petroleum gas (LPG or propane), the average wholesale price shall be \$0.985 per gallon for the referenced period, inclusive. The variable component computed thereon shall be \$0.049 per gallon equivalent ( $\$0.985 \times 5\%$ ). The flat rate component of the Motor Fuel Excise Tax on liquefied petroleum gas is \$0.150 per gallon of liquefied petroleum gas, determined as follows:

$$\frac{\$0.205 \text{ per gallon conventional fuel}}{1.367 \text{ gallons of LPG GGE}} = \$0.150 \text{ per gallon of LPG}$$

The resulting combined tax rate shall be \$0.199 per gallon. This average wholesale price per gallon (\$0.985), the variable component tax computed thereon (\$0.049 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, 2017 and ending December 31, 2017, inclusive, regardless of whether the actual purchase price of such motor fuel is more or less than \$0.985 per gallon.

**Field Gas**

Effective June 9, 2016, sales of field gas were exempted from the variable and flat rate components of the Motor Fuel Excise Tax per West Virginia Code §11-14C-9a, et seq.

**Definition of Common Terms**

For the purposes of this notice:

"Field equipment" means generators, compressors, engines, micro turbines, turbines, or any other 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, or conventional motor fuels, as listed in this notice.

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"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 temperatures and pressure under ordinary conditions, composed of at least 70 percent methane by volume.

Table 2: Motor Fuel Excise Tax Rates for January 1, 2017 to December 31, 2017

| Motor Fuel                                 | Flat Rate Tax                    | Variable Rate Tax             | Combined Rate                 |
|--|----------------------------------|-------------------------------|-------------------------------|
| Conventional Motor Fuels*                  | \$0.205 per gallon               | \$0.117 per gallon            | \$0.322 per gallon            |
| Compressed Natural Gas (CNG)               | \$1.618 per 1,000 cubic feet     | \$0.246 per 1,000 cubic feet  | \$1.864 per 1,000 cubic feet  |
| Compressed Natural Gas (CNG) – GGE Measure | \$0.205 per 126.67 cubic feet    | \$0.031 per 126.67 cubic feet | \$0.236 per 126.67 cubic feet |
| Liquefied Natural Gas (LNG)                | \$0.132 per gallon               | \$0.020 per gallon            | \$0.152 per gallon            |
| Liquefied Petroleum Gas (LPG or Propane)   | \$0.150 per gallon               | \$0.049 per gallon            | \$0.199 per gallon            |
| Field Gas                                  | Exempt per W.Va. Code §11-14C-9a |                               |                               |

\* Conventional Motor Fuels include Gasoline, Diesel, Kerosene, etc. unless otherwise noted.

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

Issued: November 22, 2016

  
Mark W. Matkovich  
Tax Commissioner