



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: 2017-11-16

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

<b>Order Number:</b> CMA 0212 0212 FUELW17B	<b>Procurement Folder:</b> 309606
<b>Document Name:</b> FUELW17B- Statewide Contract	<b>Reason for Modification:</b>
<b>Document Description:</b> Awarded Districts - 2, 7,	Change Order No.01 to update the variable tax rate for the motor fuel excise tax as attached.
<b>Procurement Type:</b> Statewide MA (Open End)	
<b>Buyer Name:</b> Brittany E Ingraham	
<b>Telephone:</b> (304) 558-2157	
<b>Email:</b> brittany.e.ingraham@wv.gov	
<b>Shipping Method:</b> Best Way	<b>Effective Start Date:</b> 2017-04-01
<b>Free on Board:</b> FOB Dest, Freight Prepaid	<b>Effective End Date:</b> 2018-03-31

VENDOR	DEPARTMENT CONTACT
<b>Vendor Customer Code:</b> 000000200636 WOODFORD OIL CO PO BOX 567  ELKINS WV 262410567  US <b>Vendor Contact Phone:</b> (999) 999-9999 <b>Extension:</b> <b>Discount Percentage:</b> 0.0000 <b>Discount Days:</b> 0	<b>Requestor Name:</b> Guy Nisbet <b>Requestor Phone:</b> (304) 558-2596 <b>Requestor Email:</b> guy.l.nisbet@wv.gov

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

**AGENCY COPY**

<b>Total Order Amount</b>	<b>Open End</b>
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*JSC 11/17/17*

<b>PURCHASING DIVISION AUTHORIZATION</b> <b>SIGNED BY:</b> <i>[Signature]</i> <b>DATE:</b> 11/17/2017 <b>ELECTRONIC SIGNATURE ON FILE</b>	<b>ATTORNEY GENERAL APPROVAL AS TO FORM</b> <b>SIGNED BY:</b> <i>[Signature]</i> <b>DATE:</b> <b>ELECTRONIC SIGNATURE ON FILE</b>	<b>ENCUMBRANCE CERTIFICATION</b> <b>SIGNED BY:</b> <i>Beverly Tolson</i> <b>DATE:</b> <b>ELECTRONIC SIGNATURE ON FILE</b> <i>NOV 21 2017</i>
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*11-21-17*

**Extended Description:**

Change Order

Change Order No.01 issued to update the variable tax rate component of the motor fuel excise tax from: \$0.1170 per gallon to: \$0.1520 per gallon per the attached documentation.

Effective Date of Change: 07/01/2017

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

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
1	15100000				\$0.000000
	<b>Service From</b>	<b>Service To</b>			
	2017-04-01	2018-03-31			

**Commodity Line Description:** Please see attached Exhibit A Pricing Page

**Extended Description:**

The Agency should attach Vendor's Exhibit A Pricing page to the ADO for payment purposes. The Agency should also attach the Vendor's delivery receipt for verification purposes.

# 2017 Motor Fuel Rates

Effective July 1, 2017 to December 31, 2017

Fuel Type	Flat Rate	Variable Rate	Combined Rate
GA - Gasoline	\$0.2050	\$0.1520	\$0.3570
DI - Diesel	\$0.2050	\$0.1520	\$0.3570
GH - Gasohol	\$0.2050	\$0.1520	\$0.3570
LP - Liquid Propane	\$0.1500	\$0.0490	\$0.1990
NG - Liquid Natural Gas	\$0.1320	\$0.0200	\$0.1520
CN - Compressed Natural Gas	\$0.2050	\$0.0310	\$0.2360
ET - Ethanol	\$0.2050	\$0.1520	\$0.3570
MT - Methanol	\$0.2050	\$0.1520	\$0.3570
E8 - E-85	\$0.2050	\$0.1520	\$0.3570
M8 - M-85	\$0.2050	\$0.1520	\$0.3570
A5 - A55	\$0.2050	\$0.1520	\$0.3570
BD - Biodiesel	\$0.2050	\$0.1520	\$0.3570
Field Gas	Exempt per WV Code §11-14C-9a	Exempt per WV Code §11-14C-9a	Exempt per WV Code §11-14C-9a

See 2017-18 Administrative Notice regarding the revised 2017 Motor Fuel Rate Changes at [www.tax.wv.gov](http://www.tax.wv.gov).

## VARIABLE RATE ONLY

Fuel Type	Variable Rate
Dyed Diesel	\$0.1520
Aviation Gas	\$0.1520
Aviation Jet Fuel	\$0.1520
#1 Fuel Oil	\$0.1520
Heating Oil	\$0.1520
Dyed Biodiesel	\$0.1520
Dyed Kerosene	\$0.1520



STATE OF WEST VIRGINIA

Department of Revenue  
State Tax Department

Jim Justice  
Governor

Dale W. Steager  
State Tax Commissioner

ADMINISTRATIVE NOTICE 2017-18

NOTICE OF DETERMINATION OF AVERAGE WHOLESALE PRICE OF MOTOR FUEL FOR THE PERIOD OF JULY 1, 2017 TO DECEMBER 31, 2017 FOR THE PURPOSES OF THE WEST VIRGINIA MOTOR FUEL EXCISE TAX.

FILED  
JUN 23 2017  
STATE OF WEST VIRGINIA  
DEPARTMENT OF REVENUE

This Administrative Notice serves to modify Administrative Notice 2016-27, which sets forth the determination of the average wholesale price of conventional motor fuels and "alternative" motor fuels for the 2017 calendar year. Enrolled Senate Bill 1006, passed in the First Special Session of the 83<sup>rd</sup> Legislature, amended in part the determination of average wholesale price. Among other changes, the bill raised the lower limit of the average wholesale price effective July 1, 2017. Therefore, this Administrative Notice sets forth the determination of the average wholesale price of conventional motor fuels and "alternative" motor fuels for the period of July 1, 2017 to December 31, 2017. These changes take effect on July 1, 2017 and apply to sales of motor fuel on and after that date.

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. Effective July 1, 2017, the average wholesale price shall not be less than \$3.04 per invoiced gallon of motor fuel and the tax shall not be less than 15.2 cents per gallon of motor fuel beginning July 1, 2017.

Based upon the changes to Section 11-14C-5 of the West Virginia Code effective July 1, 2017 and upon available information for the preceding review period, notice is hereby issued that the average wholesale prices of motor fuels for purposes of the Motor Fuel Excise Tax for the period beginning July 1, 2017 and ending December 31, 2017, inclusive, are as follows:

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

Motor Fuel	Average Wholesale Price
Conventional Motor Fuels*	\$3.040 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.

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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 (GGE) for alternative fuels, please see Administrative Notice 2015-25.

### Motor Fuel Excise Tax Rates: July 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 \$3.040 per gallon for the referenced period, inclusive. The variable component computed thereon shall be \$0.152 per gallon ( $\$3.040 \times 5\%$ ). 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 \$0.357 per gallon. This average wholesale price per gallon (\$3.040), the variable component tax computed thereon (\$0.152 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 July 1, 2017 and ending December 31, 2017, inclusive, regardless of whether the actual purchase price of such motor fuel is more or less than \$3.040 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 ( $\$4.911 \times 5\%$ ). 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:

$$\frac{\$0.205 \text{ per gal. conv. fuel}}{126.67 \text{ CF of CNG GGE}} = \$0.0016184 \text{ GGE per CF} \times 1,000 \text{ CF} = \$1.618 \text{ per 1,000 CF CNG}$$

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 July 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 ( $\$4.911 \text{ per } 1,000 \text{ CF} \div 1,000 \text{ CF} \times 126.67 \text{ CF per } 1.554 \text{ gallons}$ ). The variable component computed thereon shall be \$0.020 per gallon of LNG ( $\$0.400 \times 5\%$ ). The flat rate component of the Motor Fuel Excise Tax on liquefied natural gas is

## Administrative Notice 2017-18

\$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 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 July 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 × 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 July 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.

### Definition of Common Terms

For the purposes of this notice:

"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.

### **Summary**

The summary of Motor Fuel Excise Tax Rates for the period July 1, 2017 to December 31, 2017 appears on the next page.

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

Motor Fuel	Flat Rate Tax	Variable Rate Tax	Combined Rate
Conventional Motor Fuels*	\$0.205 per gallon	\$0.152 per gallon	\$0.357 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: June 22, 2017

  
 Dale W. Steager  
 Tax Commissioner