



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: 2015-02-09

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

VR2

|   |  |
|---|--|
| Order Number: CMA 0212 0212 FUEL TW14D      | Procurement Folder: 181  |
| Document Name: Change Order #1 - FUEL TW14D | Reason for Modification:   |
| Document Description: FUEL BY TANK WAGON    | Change Order #1 - to change the variable tax rate component of the motor fuel excise tax from \$0.152 per gallon to \$0.141 per gallon. (Section 5.3 Taxes of Specifications), per attached documentation. This change is effective January 1, 2015. |
| Procurement Type: Statewide MA (Open End)   |  |
| Buyer Name: Frank Whittaker                 |  |
| Telephone: (304) 558-2316                   |  |
| Email: frank.m.whittaker@wv.gov             |  |
| Shipping Method: Best Way                   | Effective Start Date: 2014-04-01   |
| Free on Board: FOB Dest, Freight Prepaid    | Effective End Date: 2015-03-31   |

| VENDOR  | DEPARTMENT CONTACT  |
|---|---|
| BELMONT PETROLEUM CORP<br>2650 MAIN ST<br><br>WHEELING WV 260032820<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>VARIOUS LOCATIONS AS INDICATED BY ORDER<br><br>No City WV 99999<br>US | STATE OF WEST VIRGINIA<br>VARIOUS LOCATIONS AS INDICATED BY ORDER<br><br>No City WV 99999<br>US |

**AGENCY COPY**

2-22-15  
MD 2/9/15

|  |  |  |
|--|--|--|
| PURCHASING DIVISION AUTHORIZATION<br>SIGNED BY: <i>[Signature]</i><br>DATE: 02/13/15<br>ELECTRONIC SIGNATURE ON FILE | ATTORNEY GENERAL APPROVAL AS TO FORM<br>SIGNED BY: <i>[Signature]</i><br>DATE: 2/25/15<br>ELECTRONIC SIGNATURE ON FILE | ENCUMBRANCE CERTIFICATION<br>SIGNED BY: <i>[Signature]</i><br>DATE: 3-2-15<br>ELECTRONIC SIGNATURE ON FILE |
|--|--|--|

**Extended Description:**

Change Order #1 - to change the variable tax rate component of the motor fuel excise tax from \$0.152 per gallon to \$0.141 per gallon. (Section 5.3 Taxes of Specifications), per attached documentation. This change is effective January 1, 2015.  
FUEL BY TANK WAGON

| Line | Commodity Code | Manufacturer | Model No | Unit | Unit Price |
|------|----------------|--------------|----------|------|------------|
| 1    | 15101505       |              |          | LS   | \$0.000000 |

Description: Diesel fuel

Extended Description:

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



# STATE OF WEST VIRGINIA

Department of Revenue  
State Tax Department

Earl Ray Tomblin  
Governor

Mark W. Matkovich  
State Tax Commissioner

FILED

## ADMINISTRATIVE NOTICE 2014-26

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### Office of the Secretary of State Notice of Determination of Average Wholesale Price of Motor Fuel for the Period of January 1, 2015 to December 31, 2015 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 2015 calendar year. The motor fuel tax is composed of a flat rate equal to \$.205 per invoiced gallon or, for alternative fuel, per each gasoline gallon equivalent, plus a variable component of 5% 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, 2015 and ending December 31, 2015, inclusive are as follows:

#### Average Wholesale Price

| Motor Fuel  | Average Wholesale Price                    |
|---|--|
| Conventional Motor Fuels (Gasoline, Diesel, Kerosene, etc. unless otherwise outlined below) | \$2.819 per gallon                         |
| Compressed Natural Gas (CNG)  | \$5.518 per 1000 cubic feet of natural gas |
| Liquefied Natural Gas (LNG)   | \$0.450 per gallon of LNG                  |
| Liquefied Petroleum Gas (LPG - Propane)   | \$1.216 per gallon of LPG                  |
| Field gas   | \$2.269 per 1000 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, 2015 – December 31, 2015

### Conventional Motor Fuels:

For gasoline, diesel, kerosene and related products, the **average wholesale price** per gallon is \$2.819 for the period beginning January 1, 2015 and ending December 31, 2015, inclusive. The **variable component** computed thereon shall be \$0.141 per gallon ( $\$2.819 \times 5\% = \$0.141$ ). 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 \$0.346 per gallon**. This average wholesale price per gallon (\$2.819), the variable component tax computed thereon (\$0.141 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, 2015 and ending December 31, 2015, inclusive, regardless of whether the actual purchase price of such motor fuel is more or less than \$2.819 per gallon.

### Compressed Natural Gas (CNG):

For compressed natural gas the **average wholesale price** on a per 1000 cubic feet basis shall be \$5.518 per 1000 cubic feet for the period beginning January 1, 2015 and ending December 31, 2015, inclusive. The **variable component** computed thereon shall be \$0.276 per 1000 cubic feet ( $\$5.518 \times 5\% = \$0.276$ ). The **flat rate component** of the Motor Fuel Tax on compressed natural gas is \$1.618 per 1000 cubic feet of compressed natural gas:

|  |   |                               |   |                    |   |  |
|--|---|-------------------------------|---|--------------------|---|--|
| $\frac{\$0.205 \text{ per Gal. of conventional fuel}}{126.67 \text{ cubic feet of CNG GGE}}$ | = | $\$0.001618378$<br>GGE per CF | x | 1000<br>cubic feet | = | $\$1.618 \text{ per 1000 cubic feet}$<br>CNG flat rate component |
|--|---|-------------------------------|---|--------------------|---|--|

The **combined tax rate is \$1.894 per 1000 cubic feet**: (\$0.276 variable component + \$1.618 flat rate component = \$1.894 per 1000 cubic feet). This average wholesale price per 1000 cubic feet (\$5.518), the variable component tax computed thereon (\$0.276 per 1000 cubic feet) and the flat rate component (\$1.618 per 1000 cubic feet) shall apply to all gallons of compressed natural gas sold, purchased or used in this State during the period beginning January 1, 2015 and ending December 31, 2015, inclusive, regardless of whether the actual purchase price of such motor fuel is more or less than \$5.518 per 1000 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 below.

### Liquefied Natural Gas (LNG):

For liquefied natural gas the **average wholesale price** on a per 1000 cubic feet basis shall be \$5.518 per 1000 cubic feet for the period beginning January 1, 2015 and ending December 31, 2015, inclusive. The average wholesale price of liquefied natural gas in terms of GGE LNG gallons is \$0.450 per gallon ( $\$5.518 \text{ per 1000 cubic feet} \div 1000 \text{ cubic feet} \times 126.67 \text{ cubic feet per 1.554 gallons}$ ). The **variable component** computed thereon shall be \$0.023 per gallon of LNG ( $\$0.450 \times 5\% = \$0.023$ ). 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 \$0.155 per gallon**. This average

wholesale price per gallon (\$0.450), the variable component tax computed thereon (\$0.023 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, 2015 and ending December 31, 2015, inclusive, regardless of whether the actual purchase price of such motor fuel is more or less than \$0.450 per gallon.

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

For liquefied petroleum gas (propane) the **average wholesale price** per gallon is \$1.216 for the period beginning January 1, 2015 and ending December 31, 2015, inclusive. The **variable component** computed thereon shall be \$0.061 per gallon equivalent ( $\$1.216 \times 5\% = \$0.061$ ). The **flat rate component** of the Motor Fuel Tax on liquefied petroleum gas is \$0.150 per gallon of liquefied petroleum gas ( $\$0.205 / \text{gallon of conventional fuel} + 1.367 \text{ gallons of LPG GGE} = \$0.150 \text{ per gallon LPG}$ ) resulting in a **combined tax rate of \$0.211 per gallon of LPG**. This average wholesale price per gallon (\$1.216), the variable component tax computed thereon (\$0.061 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, 2015 and ending December 31, 2015, inclusive, regardless of whether the actual purchase price of such motor fuel is more or less than \$1.216 per gallon of liquefied petroleum gas.

**Field gas:**

For field gas the **average wholesale price** on a per 1000 cubic feet basis shall be \$2.269 per 1000 cubic feet (or \$2.214 per million Btu) for the period beginning January 1, 2015 and ending December 31, 2015, inclusive. The **variable component** computed thereon shall be \$0.113 per 1000 cubic feet ( $\$2.214 \times 5\% = \$0.113$ ). The **flat rate component** of the Motor Fuel Tax on field gas is \$1.618 per 1000 cubic feet of field gas.

|  |   |   |   |                                  |   |  |
|--|---|---|---|----------------------------------|---|--|
| $\frac{\$0.205 \text{ per Gal. of conventional fuel}}{126.67 \text{ cubic feet of natural gas GGE}}$ | = | $\frac{\$0.001618378}{\text{GGE per CF}}$ | x | $\frac{1000}{\text{cubic feet}}$ | = | $\frac{\$1.618 \text{ per 1000 cubic feet}}{\text{CNG flat rate component}}$ |
|--|---|---|---|----------------------------------|---|--|

The **combined tax rate is \$1.731 per 1000 cubic feet**: (\$0.113 variable component + \$1.618 flat rate component = \$1.731). This average wholesale price per 1000 cubic feet (\$2.269), the variable component tax computed thereon (\$0.113 per 1000 cubic feet) and the flat rate component (\$1.618 per 1000 cubic feet) shall apply to all gallons of field gas sold, purchased or used in this State during the period beginning January 1, 2015 and ending December 31, 2015, inclusive, regardless of whether the actual purchase price of such field gas used as a motor fuel is more or less than \$2.269 per 1000 cubic feet.

For 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.

"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, 2015 to December 31, 2015**

| 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                                 | \$0.141 per gallon                                 | \$0.346 per gallon                                 |
| Compressed Natural Gas (CNG))   | \$1.618 per 1000 cubic feet                        | \$0.276 per 1000 cubic feet                        | \$1.894 per 1000 cubic feet                        |
| Compressed Natural Gas (CNG)) – GGE Measure   | \$0.205 per 126.67 cubic feet (or per 5.66 pounds) | \$0.035 per 126.67 cubic feet (or per 5.66 pounds) | \$0.240 per 126.67 cubic feet (or per 5.66 pounds) |
| Liquefied Natural Gas (LNG)   | \$0.132 per gallon of LNG                          | \$0.023 per gallon of LNG                          | \$0.155 per gallon of LNG                          |
| Liquefied Petroleum Gas (LPG – Propane)   | \$0.150 per gallon of LPG                          | \$0.061 per gallon of LPG                          | \$0.211 per gallon of LPG                          |
| Field gas   | \$1.618 per 1000 cubic feet                        | \$0.113 per 1000 cubic feet                        | \$1.731 per 1000 cubic feet                        |

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

Issued: November 25, 2014

  
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Mark W. Matkovich  
Tax Commissioner