

PPL CONTACTS

(Telephone & Addresses)

Emergency Hot Line For Pipeline Emergencies 800-510-5678

**Alpharetta Control Center
1000 Windward Concourse
Suite 350
Alpharetta, GA 30005**

Main Number	770-751-4000
Facsimile Number	770-751-4050
Facsimile Number for Refinery Laboratory Reports & Product Transfer Documents	770-751-4056

Shawn Cox	Director - Products Movement	770-751-4099
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Butch Blow	Quality Control Manager.	770-751-4062
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Wayne Harvey	Control Center & Scheduling Manager	770-751-4006
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[W]Lucy Soto Sandra Castano Knepper	[W]Products Accounting Inventory Control Analyst	[W]713-369- 9678770-751- 4217
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[W] Alyssa Dyess Pat Van Oosterwyk	Quality Control Analyst	770-751-4091
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Mike Spakes	Asst. Control Center Manager	770-751-4125
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Carla Williams	Pipeline Engineer (Measurement)	770-751-4128
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Schedulers

Jeff Haynes	770-751-4020
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Jessica Adamson	770-751-4040
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Keith Johnson	770-751-4045
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Jose Factor	770-751-4068
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Control Center Supervision (nights, weekends & holidays) (Tickets)

Lead Controllers	[N] <u>Dave Edson</u> Steve Forrest [N] <u>Chris Kane</u> Gene Meyer [C] Scott Smith [C] Henry Williams	770-751-4200
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Business Development Department

Kinder Morgan Energy Partners, L.P.
1001 Louisiana Street, Suite 1000
Houston, TX 77002

Meredith West	VP - Business Development	713-420-5909
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GENERAL PPL INFORMATION

Products (SE) Corporation (“PPL”), headquartered in Alpharetta, Georgia, is a prominent transporter of refined petroleum products, including motor gasoline, diesel fuel and commercial and military jet fuels. The pipeline system totals approximately 3,150 miles of pipe

PPL’s mainline system originates in Collins, Mississippi, and terminates in Greensboro, North Carolina. Lateral pipelines provide service to Montgomery and Birmingham, Alabama; Columbus and Macon, Georgia; Chattanooga and Knoxville, Tennessee; and Roanoke, Virginia. An extension of the mainline system provides service to Richmond, Fredericksburg, Cockpit Point, and Newington, Virginia. Pipelines, dedicated to commercial jet fuel service, supply Atlanta-Hartsfield International Airport, Douglas International Airport (Charlotte), Dulles International Airport, and Washington National Airport. In-transit tank farms are located in Baton Rouge, Louisiana; Collins, Mississippi; Helena, Alabama; Bremen, Georgia; Austell, Georgia; Charlotte, North Carolina; and Greensboro, North Carolina. See the system map in the *General Reference* section for more detailed information.

PPL’s principal customers are Gulf Coast refining and marketing companies, fuel wholesalers, and the military. PPL also provides product filtration for commercial jet fuel into the Atlanta and Washington DC airports.

As an interstate common carrier, PPL operates under the rules and regulations of the Federal Energy Regulatory Commission (FERC), while conforming to the oil pipeline regulations of the Department of Transportation (DOT).

GEOGRAPHIC ORIENTATION

The general geographic area that PPL serves is shown on the system map located in the *General Reference* section. The PPL system begins at Baton Rouge, Louisiana and traverses the Southeastern and East Coast states terminating just outside of Washington, DC. Symbols on the system map indicate origin points, receiving and in-transit tank farm locations, pumping stations and delivery terminals. Each customer must arrange for supply of products into the system and for destination terminal receiving tankage and terminaling facilities.

Codes used in reference to various pipelines, stations, tank farms and terminals are listed in *Section 2 – System Codes*.

BATCH CODING SYSTEM

A batch number is assigned to every scheduled movement of product and is used to identify the volume from source point injection through the system to terminal delivery destination. The codes in the batch number identify the customer-owner, the product origin point, the type and grade of product, and the yearly cycle in which the batch will move. The *General Reference* section contains a listing of codes used to identify the customer of record, product origin, and product code.

All customers are assigned a two-letter symbol of identification. A single letter immediately following the customer’s symbol in the batch number identifies point of origin. The grade of product is identified by a two-digit alpha/numeric code. The last three digits in the batch code represent the cycle number in which the batch will move. Each calendar month is divided into six equal cycles for a total of 72 cycles per year.

An example of a complete batch code is as follows:

XXF-54-053 = 50,000

Where:

XX	- Valid two letter shipper code	Customer Of Record
F	- Port Allen, LA (Placid Refinery via Belair Pipeline Co.)	Product Origin Point
54	- Jet Fuel, Jet-A, Fungible	Product Code
053	- 53rd Cycle of the year	Cycle Number
50,000	- Volume	Origin Volume in Barrels

PRODUCT SCHEDULING

Product movement planning must be accomplished to provide efficient operation of the pipeline system and to provide superior transportation service for all customers. The PPL system has parallel pipelines along the main trunk line from source points at Baton Rouge, Louisiana and Pascagoula, Mississippi, traversing north and east to Greensboro, North Carolina. These two systems are operated independently, one as a gasoline/ULSD system and the other as a gasoline/jet system. Lateral pipelines operate from tank farms along the main trunk lines to adjacent market areas in Birmingham, Montgomery, Chattanooga, Knoxville, Columbus, Macon, Roanoke, Richmond, Washington, DC and airports in Atlanta, Charlotte and Washington. These lateral lines are single-tube systems and move all grades of products with the exception of the single-grade airport lines and the two-line system to Birmingham.

Products moving through the system are arranged so that batches of similar grade and specification are moved together in cycles. The PPL system operates on a five-day cycle interval (six cycles each month). This results in all grades of products being pumped at origin points approximately every five days and all grades of products arriving at terminals approximately every five days.

Customers must submit to Carrier an electronic nomination via Carrier's prevailing electronic customer interface system. These nominations must be submitted by the 5th day of the month prior to the month in which the product is to be moved. Nominations not submitted using Carrier's electronic customer interface system must be submitted in writing in Carrier's requested format and be received by Carrier by the close of business on the 1st day of the month prior to the movement month. If the 1st or 5th falls on a weekend or holiday, Carrier may adjust the nomination due dates and will communicate such changes to Customers.

At the beginning of each month, scheduling reviews nominations and prepares to develop the monthly schedules. This process organizes the monthly nominations provided by the customers. Batches are arranged by grade, type and volume to maximize pipeline efficiency and minimize product downgrading. During this initial process, volumes are evaluated on each line segment and a determination is made if any line's capacity will be forced into allocation. If volumes dictate on a line segment, the allocation process is started for that segment.

The monthly schedule is compiled between the 5th and 10th day of the month preceding the nominated movements. Schedules are computed to establish the date and time each batch will pump from the various origins on PPL. This schedule is furnished to all customers, connecting carriers, and refineries for their use in ensuring that batches meet the scheduled lift times.

Customers use the monthly schedule to arrange the supply of product at source points and make distribution adjustments to meet fluctuating market demands. PPL schedulers maintain a monthly schedule for each of the 16 pipelines within the system using a schedule/forecast computer program. These schedules are continually updated and adjusted to reflect every change made by a customer. Recomputed schedules are routinely furnished to the customers each day.

Customers who elect not to utilize PPL's electronic customer interface for submitting electronic nominations and changes as outlined above will be charged a manual data handling fee of \$10 per batch nominated, plus an additional \$10 fee for each subsequent change after nominations are accepted, subject to a minimum fee of \$1,500 per month.

PRODUCT MEASUREMENT AND TICKETS

PPL receives product at source points from connecting carriers and refineries using turbine meters for measurement of custody transfer. Turbine meters also measure all batches pumped into the various pipelines or delivered into a tank farm. Additionally, internal measurement during movement through the system is used for pipeline and tank farm inventory control and accounting.

Custody transfer of product delivered into customers' tankage at destination terminals is again measured by turbine meters (positive displacement meters are used at a few locations).

All measurement is accounted for in 42-gallon barrels corrected for temperature and pressure as outlined under the tariff regulations. Should meter failure occur, volumes are measured using tank gauge tickets.

A "Custody Transfer Confirmation" document is forwarded by facsimile to the customer terminal immediately after the custody transfer is completed. This document contains measurement data and other pertinent custody transfer information.

On the next business day following a completed custody transfer, a Custody Transfer Ticket is produced and verified. The ticket is then transmitted to the customer by a computer-generated facsimile or EDI.

PRODUCT INVENTORY CONTROL AND ACCOUNTING

An inventory management system is maintained to account for 100% of product received. Using monthly receipts, monthly deliveries and end-of-month system inventory the overage or shortage of each customer's product in custody is determined. The overage or shortage is equal to the difference between a customer's book inventory and physical inventory. The value of the over/short is based on *Platt's Oilgram* average monthly low posting of "Estimated U. S. Gulf Coast Spot" for pipeline movements for the following product classifications:

Gasolines:

Conventional gasoline and Conventional Blendstock for Oxygenate Blending (CBOB) gasolines will be priced using the highest RVP posting. Conventional gasoline, CBOB, Low Sulfur (Atlanta/Georgia), and Reformulated Blendstock for Oxygenate Blending (RBOB) gasolines will be priced as most appropriate. Each type of premium gasoline will have a maximum differential to the appropriate sub-regular gasoline of \$8.40 per barrel.

Jet Fuel:

All jet fuel will be priced using Aviation Turbine Fuel (Commercial Jet A).

Diesel:

Diesel fuels will be priced based on delivery sulfur content.

Transmix:

Transmix will be priced using the average price for Aviation Turbine Fuel and sub-regular CBOB.

A separate accounting entry is applied to each customer's account for the product loss allocation (PLA). The product loss allocation charge is provided for in the rules and regulations tariff to cover loss and downgrading due to normal operations incident to the transportation of petroleum products by pipeline. The value of the product is determined using the same criteria used to value the over/short settlement described above. The product loss allowance is handled entirely through value accounting. No volume adjustments are made to actual liquid barrels received into or delivered from the system.

PRODUCT ACCOUNTING INVOICING

PPL's business cycle for Inventory and Accounting is the calendar month. Receiving and Transportation invoicing cycle is twice per calendar month. Invoicing cycle for all tariffs incurred business is on a calendar month basis.