Supplement No. 3 to FERC No. 2 (Cancels Supplement No. 2)

WOOD RIVER PIPE LINES LLC

LOCAL TARIFF

Containing

RULES & REGULATIONS

Governing

TRANSPORTATION OF PETROLEUM PRODUCTS

By

PIPELINE

In Tariffs Making Reference Hereto

The provisions published herein, if effective, will not result in an effect on the quality of the human environment

Issued by:

STEPHEN C. MUTHER

President.

Wood River Pipe Lines LLC
Union Meeting Corporate Center
920 Harvest Drive - Suite 230
Blue Bell, PA 19422



Compiled by:

STEVEN R. TRAPANI
Wood River Pipe Lines LLC
Union Meeting Corporate Center
920 Harvest Drive - Suite 230
Blue Bell, PA 19422

- **(215) 619-3535**
- ▲ strapani@buckeye.com

ITEM NO. 130A (Cancels Item No. 130) – ULTRA-LOW SULFUR DIESEL SURCHARGE

A surcharge of \uparrow two and four-tenths cents (2.40¢) will be assessed on each barrel of ultra-low sulfur diesel fuel delivered by the Carrier. For the purposes of this surcharge, ultra-low sulfur diesel (ULSD) is defined as any grade of distillate with a product specification requiring a sulfur content of less than fifteen parts-per-million (15 ppm). The surcharge will not apply to local transfer movements in which barrels only move between tankage at a single facility using the Carrier's pipeline manifold at that location. This surcharge is necessary to recover the prudent capital and operating expenses incurred by the Carrier to protect the low sulfur content and product quality of ULSD during pipeline transportation, and to thereby minimize the economic cost to shippers of product downgrades incident to normal transportation and product handling functions.

The Carrier will use its established accounting mechanisms to track the actual capital expense costs for projects identified and authorized as being undertaken specifically for the transportation and testing of ULSD in its pipeline systems. The Carrier will also separately account for all operating expenses directly related to the maintenance and repair of the authorized ULSD capital equipment, and the direct operating expenses for ULSD product testing and tracking incurred by the Carrier to ensure compliance with the ULSD regulations promulgated by the United States Environmental Protection Agency. The accumulation of operating expenses will be limited to those costs incurred in the period beginning May 1, 2006 and ending June 30, 2011. The accumulation of capital expenses will be limited to those costs incurred in the period beginning January 1, 2005 and ending December 31, 2011.

The Carrier will prepare a report for each calendar year during the recovery period showing the monthly capital and operating ULSD expenses incurred, the volume of ULSD barrels transported, and the corresponding ULSD surcharge revenue credited against the accumulated ULSD expenses. The report will tabulate a running monthly balance of unrecovered expenses, and beginning July 1, 2006, a capital carrying charge of 1.0% will be applied each month to the unrecovered expense balance at the end of the prior calendar month.

This ULSD surcharge recovery period will begin June 1, 2006, and will terminate at the end of the calendar month in which all the accumulated ULSD costs are fully recovered by the total accumulated ULSD surcharge revenues. The Carrier will settle with all Shippers for any over-recovery made during the final month of the recovery period if the grand total of all accumulated surcharge revenues during the recovery period exceeds the grand total of all accumulated ULSD expenses by more than one percent (1.0%).

EXPLANATION OF REFERENCE MARKS

- ▲ Change in Wording Only
- ♠ Increase