

From: Taylor, Richele
To: Michael Fieldsmichael@scpma.com
CC: Schimsa, RebeccaRebeccaSchimsa@gov.sc.gov
Date: 9/19/2016 2:38:43 PM
Subject: Re: SC Butane Specs We discussed

Thanks Michael. Sorry it was more complicated than we initially thought. Please let me know if you do not get what you need.

Richele K Taylor
Chief Legal Counsel
Office of the Governor
South Carolina
Direct 803-734-8465

Sent from my iPhone

On Sep 19, 2016, at 2:32 PM, Michael Fields <michael@scpma.com> wrote:

I have spoken with John Stokes. I have sent him a formal request for industrywide waivers for butane and other fuel specifications.

Michael

Sent from my iPhone

On Sep 19, 2016, at 2:01 PM, Taylor, Richele <RicheleTaylor@gov.sc.gov> wrote:

Michael,

Apparently this is more complicated that we understood.... Can you call John Stokes at Department of Agriculture directly? They issued a waiver Friday directly to one company, but when we tried to translate it out we received a lot of questions We have had two other requests and I just gave them John Stokes' number. Would you call him as well? I want to ensure the industry gets what it needs and I don't have the particulars incorrect. His number is 803-556-6645. We have been working with people all morning there, and I think this may be the cleanest, quickest way. I have copied Rebecca as we I am out of pocket a bit.

Richele

From: Michael Fields [<mailto:michael@scpma.com>]
Sent: Monday, September 19, 2016 1:45 PM
To: Taylor, Richele
Subject: RE: SC Butane Specs We discussed

Richele,

I haven't seen anything from Ag. Did they issue the butane waiver?

Thanks,

Michael

From: Taylor, Richele [<mailto:RicheleTaylor@gov.sc.gov>]
Sent: Sunday, September 18, 2016 9:55 PM
To: Michael Fields
Subject: RE: SC Butane Specs We discussed

Michael,

The Department of Agriculture is waiving the butane requirements. The Department will issue a press release in the morning with this wavier as it is their regulation. I will forward to you for distribution to your membership.

Richele

From: Michael Fields [<mailto:michael@scpma.com>]
Sent: Sunday, September 18, 2016 7:11 PM
To: Taylor, Richele
Subject: Re: SC Butane Specs We discussed

That would be great. Thanks.

Sent from my iPhone

On Sep 18, 2016, at 7:09 PM, Taylor, Richele <RicheleTaylor@gov.sc.gov> wrote:

I am getting some more info – this may have been accomplished Friday by Department of Ag. If so I will get copy to you for your membership.

Richele

From: Michael Fields [<mailto:michael@scpma.com>]
Sent: Sunday, September 18, 2016 5:33 PM
To: Taylor, Richele
Subject: SC Butane Specs We discussed

Richele,

Below is some technical information to shed some light on this issue of butane levels I talked with you about.

To refresh, during the winter months (starting in September) because of differing butane levels than North Carolina, those jobbers from South Carolina loading in Charlotte, (and other terminals that border the Carolinas) have our loading lanes reduced to one. This results in frequent delays and bottlenecks that our drivers incur, which adds to the cost of the product as well as our ability to deliver the product efficiently and in a timely manner. Wait times yesterday on the one lane was up to 90 minutes. With the already tight supply issues, this problem is magnified for our jobbers pulling product out of NC.

I spoke with John Stokes at Ag about this earlier this year and they don't really know why the different standards. .

My ask is that the Governor issue an EO suspending this

now or we do an emergency regulation thru the Dept. of Ag to suspend and then we can fix it with the Ag Department later.

Here's the technical info from one of our major oil companies: North Carolina and South Carolina have different gasoline specifications which then impact butane blending.

- North Carolina does not have a T v/l spec;
- South Carolina adopted most recent Fuel Specification D4814 which does have T v/L = 20 specification. .
- South Carolina has a maximum gasoline RVP that is 1.5psi lower than North Carolina in December and January.

T v/l = 20 spec is a "Vapor Lock Protection" spec. Vapor lock in modern cars are now less prevalent. This spec requires a minimum temperature at which the vapor to liquid ratio for gasoline is 20:1.

This all leads to increased butane blending in North Carolina for the industry. Changing South Carolina gasoline specifications to match North Carolina gasoline specifications will make North Carolina terminals in different and will allow full access to all lanes.

Let me know if you need anything else.

Michael