

Energy Transfer Marketing & Terminals
Marcus Hook Tank Farm: Transmix Allocation Procedure
December 1, 2022

Allocation of Transmix Generated at Marcus Hook Tank Farm

During the course of normal operations an interface (i.e. “transmix”) between batches of dissimilar products is created. In order to protect product integrity upon receipt and delivery into Marcus Hook Tank Farm (the “Facility”), it is often necessary for the Facility to separate the interface from the adjacent batches. The transmix generated between batches varies in volume and content depending upon the two products involved and their routing into the Facility.

In most instances, the total Facility inventory of transmix shall be held in the Facility’s custody for disposal for the account of the Shippers.

A delivery transmix log will be kept to account for transmix generated from each delivery. Transmix generated after each delivery will get allocated to each of the shippers whose deliveries generated transmix.

Allocation to each Shipper shall be based on the amount of transmix generated from each delivery to the facility.

Settlement at Marcus Hook Tank Farm

After the transmix is allocated, it may be sold on a bid or contractual basis by the Facility for the account of Shippers, with each Shipper being credited with the sale proceeds corresponding to the transmix settlement price. The transmix settlement price will take into account, the transportation to the transmix processor, the processing cost, local market adjustments, and other incremental expenses that may from time to time develop. The settlement price will be determined monthly.

Transmix Settlement Price Calculation

The transmix settlement price will be of the form:

$$(A \times \text{CBOB gasoline price} + (1-A) \times \text{ULSD price}) - \text{the transmix adjustment};$$

where A is the fraction of gas in the transmix pricing and 1-A is the fraction of diesel.

The transmix adjustment will take into account the transportation to the transmix processor, the processing cost, local market adjustments, and other incremental expenses that may from time to time develop.

Point of Accumulation	A	1-A	Transmix Adjustment (\$/barrel)
Marcus Hook Tank Farm	0.35	0.65	12.26