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Product Integrity During Movement

- Different product batches are “pushed” through the system abutting each other. The product is kept in turbulent flow to minimize interfaces, the mixing zone between batches.

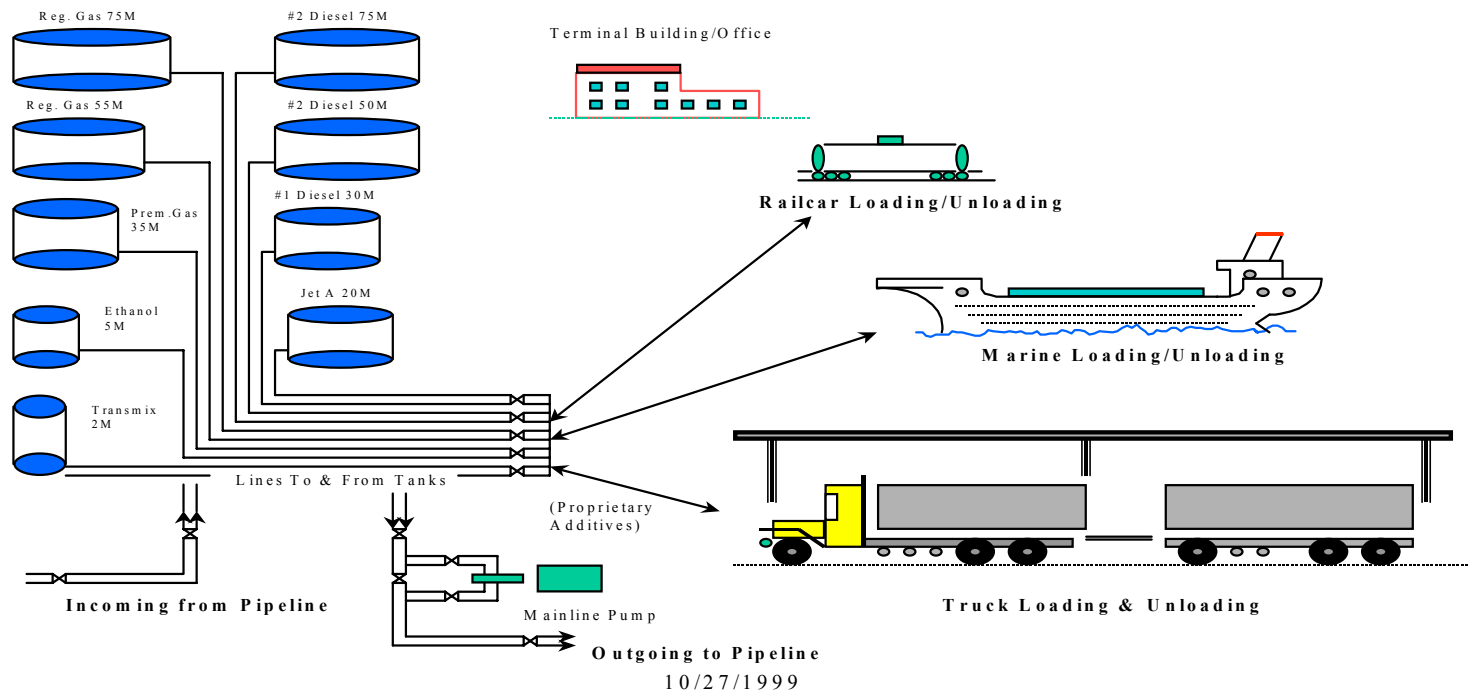


Reformulated regular gasoline	Low sulfur diesel fuel	Kerosene / Jet Fuel	High Sulfur Diesel	Conventional regular gasoline	All premium grades	Reformulated regular gasoline
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- Pipelines use optimum sequencing of product grades to reduce the potential for contamination and/or downgrading of the products transported.

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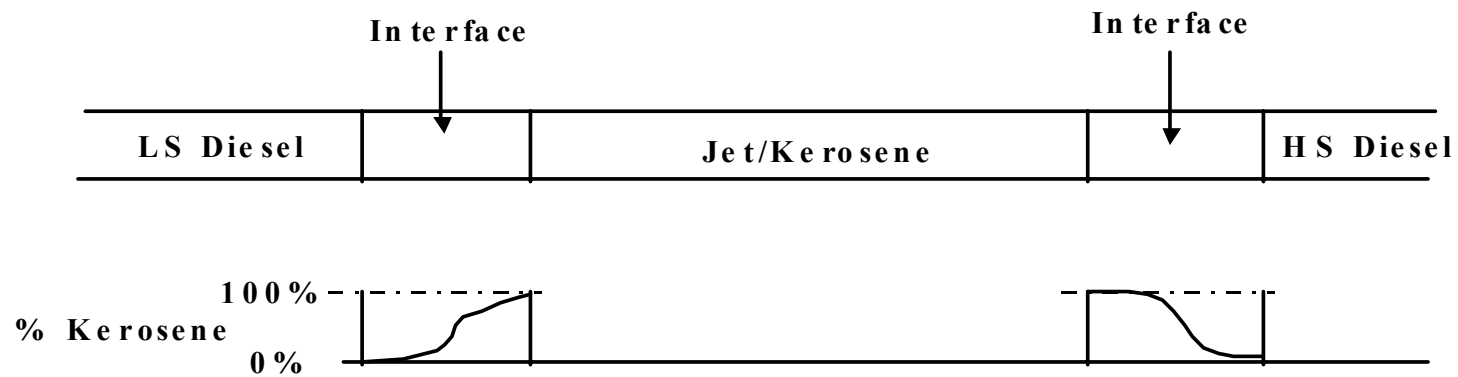
Typical Products Terminal



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Product Integrity During Movement - Handling Procedures

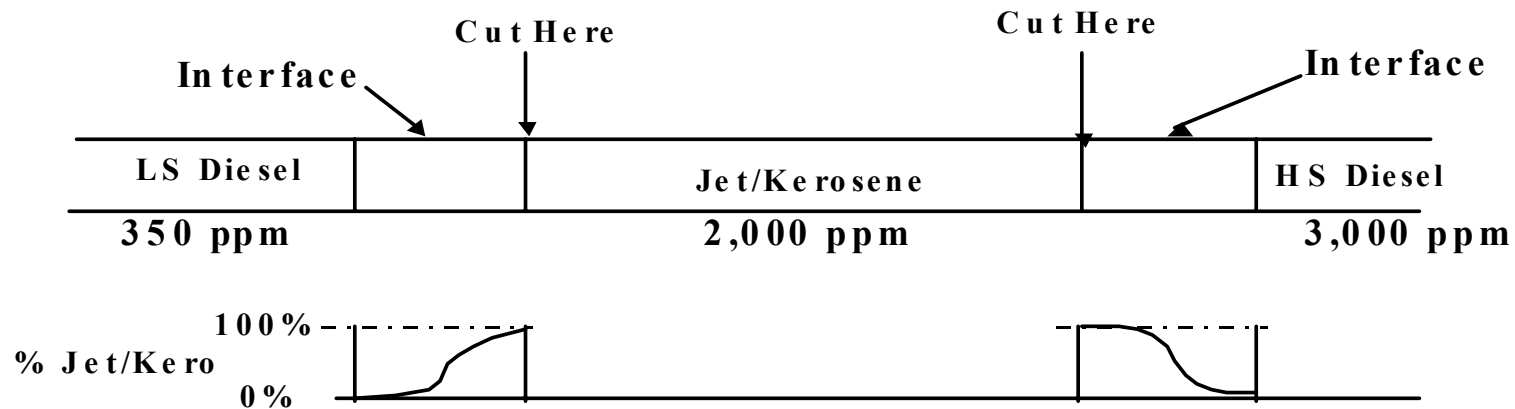
- Example: Low Sulfur Diesel, Jet/Kerosene, and High Sulfur Diesel:



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Product Integrity -Current Diesel Handling Procedures

- **Example: Jet/Kerosene, High Sulfur Diesel and Low Sulfur Diesel:**
 - Cuts are made to preserve Jet/Kerosene quality
 - Interface is delivered with preceding and following batches of LSD and HSD into tankage
 - Sulfur in interface can be put into LSD and still remain on spec



Interfaces are lost from Jet/Kerosene and gained by LSD and HSD batches

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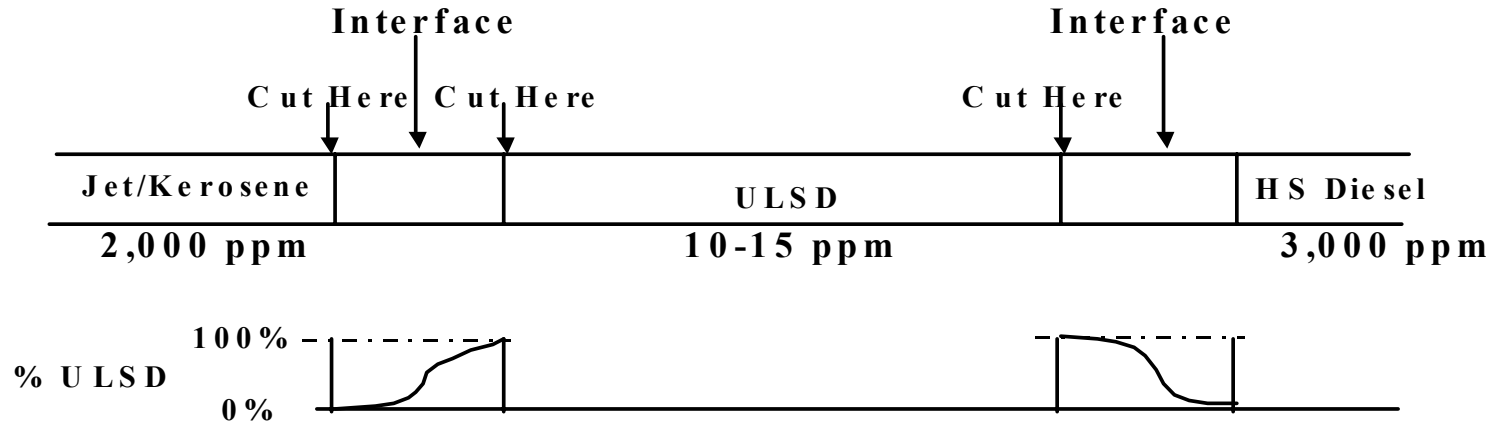
Product Integrity –Future ULSD Handling Procedures w/HSD

■ Example: Jet/Kerosene, ULSD and High Sulfur Diesel:

Cuts are made to preserve Jet/Kerosene and ULSD quality

Jet/ULSD Interface must be removed, ULSD/HSD Interface can be delivered with HSD batch into tankage

Sulfur in interface can not be put into ULSD and still remain on spec



Interfaces are lost from ULSD and Jet/Kero batches

Interface is gained in HSD batch,

Jet/ULSD interface must be removed and put into HSD tank

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Product Integrity – Future ULSD Handling Procedures w/o HSD or LSD

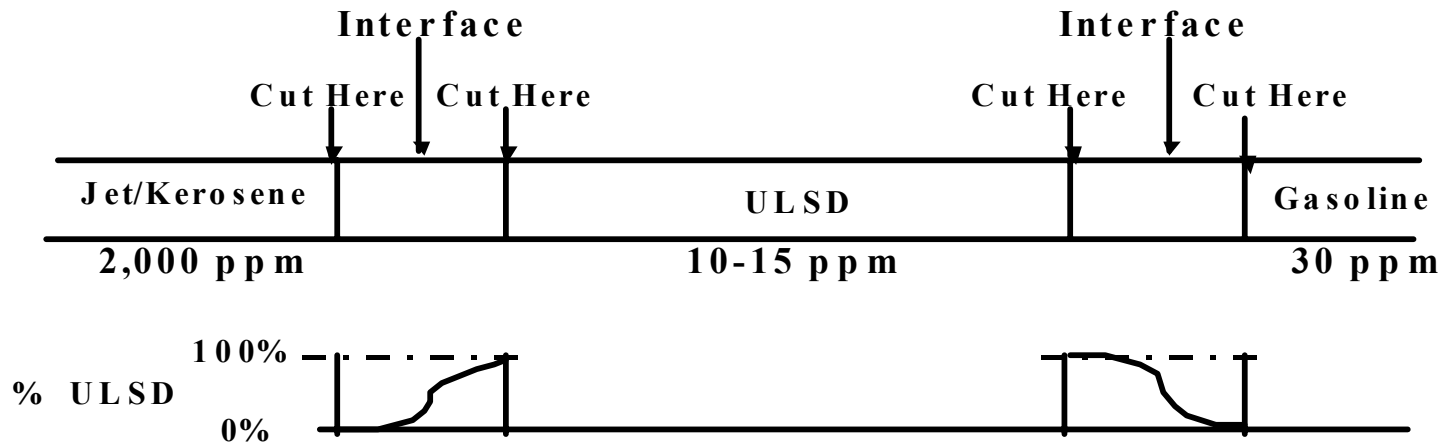
■ Example: Jet/Kerosene, ULSD and Gasoline:

Cuts are made to preserve Jet/Kerosene and ULSD quality

Jet/ULSD Interface must be removed,

ULSD/Gasoline interface must be removed

Both Interfaces must be reprocessed



Interfaces are lost from ULSD, Jet/Kero and gasoline batches

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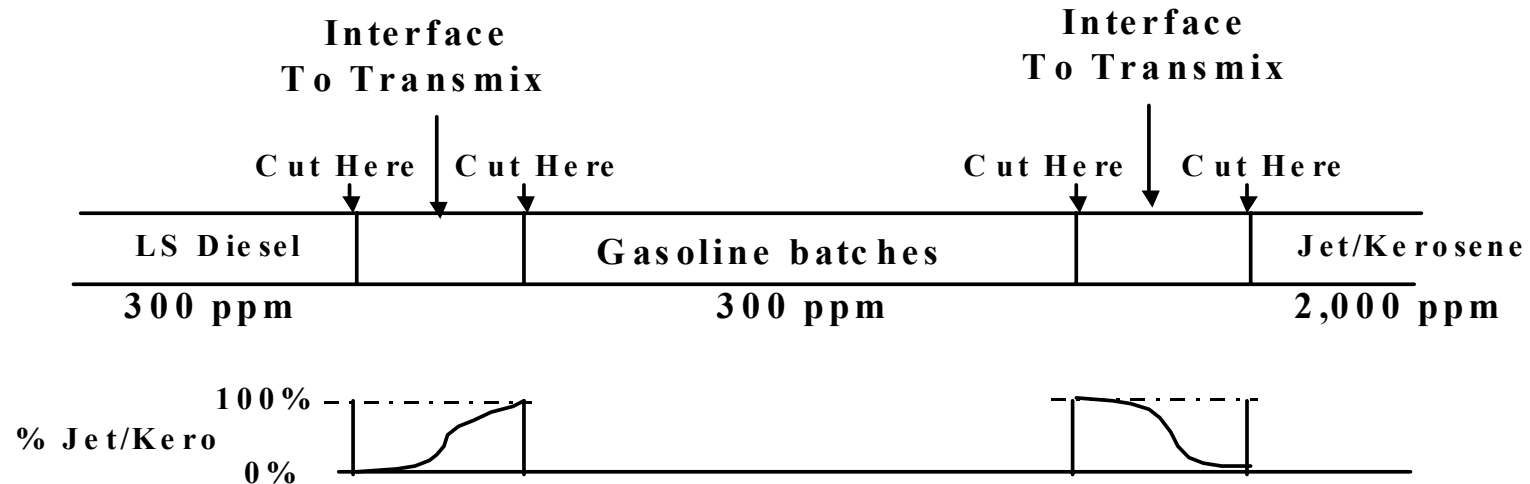
Product Integrity - Current Diesel/Gasoline Handling Procedures

- Example: Jet/Kerosene, Gasoline and Low Sulfur Diesel:

Cuts are made to preserve Gasoline and Diesel quality

Gasoline/Diesel Interface (Transmix) must be removed

Small amounts of Transmix can be reblended into Gasoline

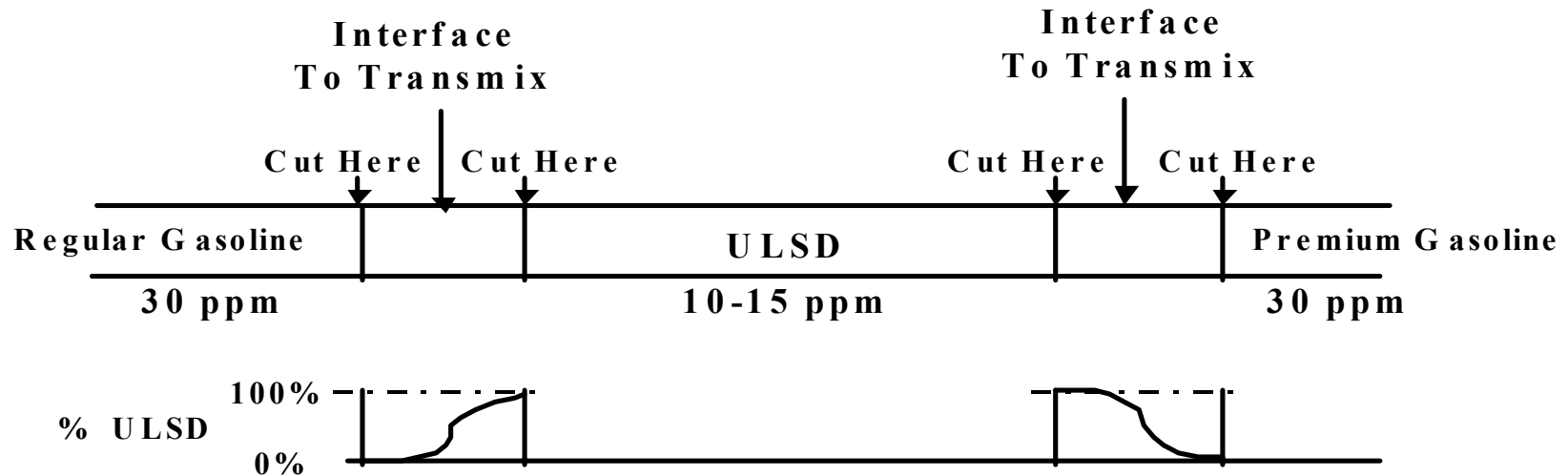


Interfaces are lost from both Gasoline and Diesel/Jet

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Product Integrity – Future ULSD/Gasoline Handling Procedures

- **Example: ULSD is wrapped by Gasoline batches to protect quality**
Cuts are made to preserve Gasoline and ULSD quality
Gasoline/ULSD Interface (Transmix) must be removed
Small amounts of Transmix can be reblended into Gasoline



If Interfaces remain at current sizes, the Transmix volume will double
Gasoline losses to transmix will at a minimum double

KEY POINTS

- **Front and back Interfaces combined can be 3-10% (or more) of the batch volume depending on system configuration and batch size**
- **Cuts are required at breakout points and at the destination terminal**
 - **Typical pipeline movements will require 1 – 4 cuts**
 - **Longer pipeline movements will require more cuts**
- **Transmix/interface tankage is necessary**
- **Today's transmix re-processors will be unable to recover ULSD**
 - **ULSD transmix must be downgraded to LSD or HSD or sent to a refinery for reprocessing**
- **Transmix volumes could double – or more**
 - **Complex protective cut will create additional transmix**
 - **If a system does not handle LSD or HSD**
 - **ULSD interface must go to transmix**
 - **Jet interfaces must go to transmix**
 - **Wrapping ULSD with gasoline will double transmix**
 - **Wrapping ULSD with jet will double transmix**
- **Each pipeline system is unique with different operations and different interface considerations**