

SFPP, L.P.

Settlement Pricing Policy

Settlement prices used for payment or collection on pipeline losses or gains by SFPP, L.P. are listed in the Oil Price Information Service (OPIS) publication. Prices for "PAD 4/5 Report" indicated through Thursday of the week preceding billing will be used for that week's settlement.

Prices for settlement on the North Line originating at Richmond/Concord, CA and the Oregon and Bakersfield Lines will be based on the San Francisco "average" listing. For the East, West and South Lines, the settlement prices will be obtained from the Los Angeles "average" listing.

As OPIS does not list all of the products handled by the SFPP, L.P. pipeline systems, the following indicates product prices that will be used. Because premium gasolines require "safe cuts" to protect octanes, with interfaces being delivered into unleaded regular gasoline, all gasoline will be settled at the published price for unleaded regular gasoline.

<u>Product</u>	<u>Product Price Used</u>
Turbine Fuel	No. 2 Diesel
Stove Oil	No. 2 Diesel
Diesel (all grades)	No. 2 Diesel
Leaded Regular Gasoline	Unleaded Regular Gasoline
Unleaded Regular Gasoline	Unleaded Regular Gasoline
Unleaded Premium Gasoline	Unleaded Regular Gasoline
Transmix	Combined One-half (1/2) Unleaded Regular Gasoline and One-half (1/2) No. 2 Diesel

Dated March 12, 1997