Schedule for the computation of Commodity Credit

Staff Approach

Prepared by: Scott Sevall, Mike Young, Danny Kermode

January 24, 2019

Commodity Adjustment With Revenue Sharing

Commodity values higher than processing cost

#	Non-Affiliate Processor		Value	Affiliate Processor		Value
1	Total Commodity Value (Positive and Negative)		1,000,000	Total Commodity Value (Positive and Negative)		1,000,000
2	Processing Fees paid by hauler to third party		600,000	Processing Fees paid by customer to hauler		600,000
3	Value of commodities net of processing fees	Ln. 1- Ln. 2	400,000	Value of commodities net of processing fees	Ln. 1- Ln. 2	400,000
4	Positive/Negative test	Ln.3> 0?	Positive	Positive/Negative test	Ln.3> 0?	Positive
5	Break even cap	Ln. 3/ln. 1	40%	Break even cap	Ln. 3/ln. 1	40%
6	Calculation of amount to be retained-requested 50%	Ln.3 X 50%	200,000	Calculation of amount to be retained-requested 50%	Ln.3 X 50%	200,000
7	Translation to percentage to be retained	Ln. 6/ln. 1	20%	Translation to percentage to be retained	Ln. 6/ln. 1	20%
8	Amount **refunded** customers	Ln.3 - Ln.6	200,000	Amount **refunded** customers	Ln.3	800,000
9	Total economic benefit from commodity values	Ln.2 + Ln.8	800,000	Total economic benefit from commodity values	Ln.1 - Ln.6	800,000

Commodity values Lower than processing cost

#	Non-Affiliate Processor		Value	Affiliate Processor		Value
1	Total Commodity Value (Positive and Negative)		1,000,000	Total Commodity Value (Positive and Negative)		1,000,000
2	Processing Fees paid by hauler to third party		1,600,000	Processing Fees paid by customer to hauler		1,600,000
3	Value of commodities net of processing fees	Ln. 1- Ln. 2	(600,000)	Value of commodities net of processing fees	Ln. 1- Ln. 2	(600,000)
4	Positive/Negative test	Ln.3> 0?	Negative	Positive/Negative test	Ln.3> 0?	Negative
5	Break even cap	Ln. 3/ln. 1	(60%)	Break even cap	Ln. 3/ln. 1	(60%)
6	Calculation of amount to be retained-requested 50%	N/A	0	Calculation of amount to be retained-requested 50%	N/A	0
7	Translation to percentage to be retained	Ln. 6/ln. 1	0%	Translation to percentage to be retained	Ln. 6/ln. 1	0%
8	Amount **paid** by customers	Ln.3 - Ln.6	(600,000)	Amount **paid** by customers	Ln.3	(600,000)
9	Total economic benefit from commodity values	Ln.2 + Ln.8	1,000,000	Total economic benefit from commodity values	Ln.1 - Ln.6	1,000,000