



Legislative & Regulatory Action Center

COMPLIANCE ALERT

September 15, 2006

ULSD REQUIREMENTS FOR SHIPPING PAPERS, BILLS OF LADING AND THE DELIVERY TICKET EXEMPTION

ISSUE: The EPA's new Ultra-low Sulfur Diesel (ULSD) regulations require new product descriptions on Product Transfer Documents, including bills of lading and shipping papers, for fuel oil, kerosene and diesel fuel that accurately disclose the sulfur content of the fuel. The EPA has developed specific language for each of these products that must be included on all bills of lading and shipping papers starting June 1, 2006. See the chart below.

DELIVERY TICKET EXEMPTION: Members have asked NEFI to clarify how this rule applies to delivery tickets. NEFI has learned that the sulfur content disclosure requirements do not apply to delivery tickets used in sales to the ultimate consumer.

MULTIPLE DELIVERIES: Permanent shipping papers may be used for multiple deliveries as long as a record of each delivery made under the permanent shipping paper is kept on file.

REQUIRED LANGUAGE: The new sulfur-content disclosure language required on shipping papers and bills of lading are as follows:

Product	Required Language
No. 2 Fuel Oil (Heating Oil)	"Heating Oil. Exceeds 500-ppm Sulfur"
15-ppm Undyed Diesel Fuel*	"15-ppm sulfur ULSD"
15-ppm Dyed Diesel Fuel*	"15-ppm sulfur dyed ULSD. Non-road or tax exempt use only"
500-ppm Undyed Diesel Fuel*	"500-ppm sulfur LSD. Not for use in 2007 and newer vehicles and engines."
500-ppm Dyed Diesel Fuel*	"500-ppm sulfur dyed LSD. Non-road or tax exempt use only. Not for use in 2007 and later vehicles"
15-ppm Undyed Kerosene	"15-ppm sulfur undyed kerosene"
15-ppm Dyed Kerosene	"15-ppm sulfur dyed kerosene"
500-ppm Undyed Kerosene	"500-ppm sulfur undyed kerosene"
500-ppm Dyed Kerosene	"500-ppm sulfur dyed kerosene"

* You must designate the fuel as either 1D or 2D.

BILL OF LADING / SHIPPING PAPER EXAMPLES ARE ATTACHED
(Required language for compliance is in *italics*)

If you have any additional questions, feel free to contact us at (617) 924-1000 or LRAC@nefi.com

BILL OF LADING / SHIPPING PAPER EXAMPLE

(Generated by Terminal Operator and used as Shipping Paper by Oil Heat Dealer)

ACME ENERGY, INC.

2101 Main Street, Anywhere, MA 22222

24 HOUR EMERGENCY RESPONSE NUMBER (888) 888-8888

SHIPPER: Acme Energy, Inc.
2101 Main Street, Anywhere, MA 22222

CONSIGNEE: Oil Heat Dealer, Inc.
100 Elm Street, Somewhere, MA 02134

DATE: 01/08/2006

PRODUCT NAME	HAZMAT NAME	GALLONS
# 2 Fuel Oil	#2 Fuel Oil, 3, NA 1993 P.G. III	7,500 gallons

Heating Oil. Exceeds 500-ppm sulfur.

Diesel Fuel Undyed - Taxable	Diesel Fuel, 3, NA 1993 P.G. III	1,400 gallons
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*(Designate whether the fuel is 1D or 2D)
15-ppm sulfur ULSD*

Diesel Fuel Dyed -Tax Exempt	Diesel Fuel, 3, NA 1993 P.G. III	2,000 gallons
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*(Designate whether the fuel is 1D or 2D)
15-ppm sulfur dyed ULSD. Non-road or tax exempt use only.
(This language is still required by the IRS:)
DYED DIESEL FUEL NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE*

Diesel Fuel Undyed - Taxable	Diesel Fuel, 3, NA 1993 P.G. III	2,110 gallons
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*(Designate whether the fuel is 1D or 2D)
500-ppm sulfur LSD. Not for use in 2007 and newer vehicles and engines.*

Diesel Fuel Dyed - Tax Exempt	Diesel Fuel, 3, NA 1993 P.G. III	3,000 gallons
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*(Designate whether the fuel is 1D or 2D)
500-ppm sulfur dyed LSD. Non-road or tax exempt use only. Not for use in 2007 and later vehicles.
(This language is still required by the IRS:)
DYED DIESEL FUEL NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE*

Kerosene Dyed - Tax Exempt	Kerosene, 3, UN 1223 P.G. III	1,500 gallons
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15-ppm sulfur dyed kerosene.

(This language is still required by the IRS:)

DYED KEROSENE NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE

Kerosene Undyed - Taxable	Kerosene, 3, UN 1223 P.G. III	1,100 gallons
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15-ppm sulfur undyed kerosene.

Kerosene Dyed - Tax Exempt	Kerosene, 3, UN 1223 P.G. III	1,700 gallons
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500-ppm sulfur dyed kerosene.

(This language is still required by the IRS:)

DYED KEROSENE NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE

Kerosene Undyed - Taxable	Kerosene, 3, UN 1223 P.G. III	1,400 gallons
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500-ppm sulfur undyed kerosene.

(Oilheat Dealer's Example Follows)

BILL OF LADING / SHIPPING PAPER EXAMPLE

(Generated by an Oil Heat Dealer)

OIL HEAT DEALER, INC.

100 Elm Street, Somewhere, MA 02134

24 HOUR EMERGENCY RESPONSE NUMBER (888) 888-8888

SHIPPER: Oil Heat Dealer, Inc.
100 Elm Street, Somewhere, MA 02134

DATE: 01/08/2006

PRODUCT NAME	HAZMAT NAME	GALLONS
# 2 Fuel Oil <i>Heating Oil. Exceeds 500-ppm sulfur.</i>	#2 Fuel Oil, 3, NA 1993 P.G. III	7,500 gallons
Diesel Fuel Undyed - Taxable <i>(Designate whether the fuel is 1D or 2D) 15-ppm sulfur ULSD</i>	Diesel Fuel, 3, NA 1993 P.G. III	1,400 gallons
Diesel Fuel Dyed -Tax Exempt <i>(Designate whether the fuel is 1D or 2D) 15-ppm sulfur dyed ULSD. Non-road or tax exempt use only.</i>	Diesel Fuel, 3, NA 1993 P.G. III	2,000 gallons
Diesel Fuel Undyed - Taxable <i>(Designate whether the fuel is 1D or 2D) 500-ppm sulfur LSD. Not for use in 2007 and newer vehicles and engines.</i>	Diesel Fuel, 3, NA 1993 P.G. III	2,110 gallons
Diesel Fuel Dyed - Tax Exempt <i>(Designate whether the fuel is 1D or 2D) 500-ppm sulfur dyed LSD. Non-road or tax exempt use only. Not for use in 2007 and later vehicles.</i>	Diesel Fuel, 3, NA 1993 P.G. III	3,000 gallons
Kerosene Dyed - Tax Exempt <i>15-ppm sulfur dyed kerosene.</i>	Kerosene, 3, UN 1223 P.G. III	1,500 gallons

Kerosene Undyed - Taxable	Kerosene, 3, UN 1223 P.G. III	1,100 gallons
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15-ppm sulfur undyed kerosene.

Kerosene Dyed - Tax Exempt	Kerosene, 3, UN 1223 P.G. III	1,700 gallons
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500-ppm sulfur dyed kerosene.

Kerosene Undyed - Taxable	Kerosene, 3, UN 1223 P.G. III	1,400 gallons
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500-ppm sulfur undyed kerosene.
