

SUPPLEMENTAL QUESTIONS

Petro Star response is in red.

1. ***The need for the conditional use permit is to increase the number of tanks currently permitted in the existing tank farm.*** The site plan shows 16 tanks currently, 17 with the addition of the new tank. Only 12 are being used (from your narrative). Why the need for more tanks? This is over 25% increase in storage. Are the other tanks too old? What is safe life expectancy of tanks? What is your justification?

There are currently 4 tanks out of service due to seismic and mechanical deficiencies. These tanks will not be returned to service. 3 of the tanks were taken out of service by the previous owner and prior to Petro Star's assuming ownership. One tank has sustained mechanical damage and there are no plans to return it to service.

2. ***Average daily product throughput is between 10,000 – 20,000 barrels*** This is a range, not an average. Is it a 15,000 barrel average?

Average daily throughput includes all products (ULSD, jet fuel), and can vary between 10,000 and 20,000 barrels on any given day. A 15,000 barrel average is correct. The trucks currently in service can carry roughly 250 barrels per trip, and this average and range translates into 60 truck trips per 24-hour period, operating 24 hours a day.

3. ***Current gasoline through-put at the truck rack is limited to 19,900 gallons/day under the ADEC Pre-Approved Emission limit authorization and at this time, Petro Star does not intend to increase gasoline throughput beyond this limit.*** This is only 475 barrels of gasoline. If daily throughput ranges between 10K and 20K barrels, what is the rest of the product and how is it leaving?

The balance of the products is jet fuel and ULSD produced at the Petro Star Valdez Refinery and trucked to the VPT Facility. All of this product leaves the facility by ocean going barge. Petro Star intends to keep the gasoline throughput at the truck under 19,900 gallons per day. Gasoline will be brought into the VPT facility by barge, and anticipated truck traffic due to gasoline leaving the VPT facility is 1-5 trucks per day.

4. ***The proposed conditional use would have no detrimental effect because the site is already an existing tank farm; and, the additional tank will not significantly alter the surrounding property and uses.*** Current tank farm location adjacent to city center has current detrimental impacts: safety of storing dangerous product in close proximity of town, danger from transporting high volumes of dangerous products through city streets, vapor emissions/odor, noise, truck traffic through town,... Explain how increasing tank farm by over 25% will not increase these detrimental impacts? As a condition of permit, provide baseline figures for each impact and a monitoring procedure going forward to measure and insure that impacts do not increase, i.e., truck traffic counts, etc.

Petro Star intends to maintain the current mitigating factors in place at the VPT facility, as detailed in our original application and project description. The proposed tank design will meet all current code requirements, and features an internal floating roof that will minimize vapor emissions and fire hazard. Further, the tank will be equipped with a top-side fire foam chamber system and piping allowing the fire dept. to inject foam in the event of a fire. As noted above, the increase in truck will be de minimis, especially given that VPT is in gasoline service today.

5. *The proposed use will conform to the present and future development of the area in that the area is already currently being used as a tank farm...* What is Petro Star's future plans for this farm at current site? Do you intend to expand in the future?

Beyond the current proposed expansion, Petro Star has no further definitive plans for expansion; if this changes, Petro Star will come before the City to discuss. We hope that this expansion will lower gasoline costs in the City of Valdez for residents.

6. *This City needs an answer as to how many trucks per day currently serve the facility and what the increase will be with the new tank.*

See answer noted above; As well, given the marketing demand, the increase could be 2-3 trucks per day on average.